## Title-by-Title Summary

### "Work First and Personal Responsibility Act of 1996"

### Title I — Work-Based Assistance

Title I repeals the Aid to Families with Dependent Children (AFDC) program and replaces it with a time-limited, work-based Temporary Employment Assistance (TEA) program. TEA continues open-ended Federal matching payments for State expenditures on welfare assistance. It also repeals the Job Opportunities and Basic Skills (JOBS) program and replaces it with a new Work First program. (Funding for JOBS, AFDC Administration, and Emergency Assistance is merged into Work First. Most activities under these programs remain allowable under Work First.) Title I requires welfare recipients to sign personal responsibility contracts and mandates that they work or engage in job training within two years of first receiving benefits.

Title I also requires States to meet welfare recipient work targets. It includes a five-year time limit on the receipt of cash benefits, but allows States to exempt a portion of the caseload from the time limits. Vouchers must be provided to children in families that lose assistance due to the time limit. In addition, Title I provides performance bonuses to States based on their job placement effectiveness. It also gives States the option to deny additional welfare benefits to families that have another child while receiving welfare benefits.

Title I mandates that States operate child abuse prevention and protection, child support enforcement, foster care, and adoption assistance programs as a condition of receiving the Federal match. States also must operate a child care program under the Child Care and Development Block Grant (CCDBG) Act of 1990. ,Title I amends the CCDBG Act and consolidates the three individual child care programs under current title IV-A of the Social Security Act into one program. Funding for child care is significantly increased. This title also continues the one-year entitlement to transitional Medicaid benefits for families losing welfare benefits due to employment or excess income. In addition, it allows States to enter into demonstration programs to make periodic advances of the earned income tax credit (EITC) to welfare recipients in jobs programs (as opposed to having workers file for the EITC themselves).

### Title II — Child Support Enforcement

Title II proposes stringent child support enforcement measures including a State case registry of child support enforcement orders. It improves paternity establishment and requires employers to report new hires to a central State data base. Title II allows States to revoke drivers and professional licenses for parents who refuse to pay child support. It also

removes administrative barriers that impede the enforcement of child support orders.

**Title III — Food Assistance**

Title III amends the Food Stamp and Child Nutrition programs. It adjusts the maximum Food Stamp allotment to 100 percent of the Thrifty Food Plan and reduces the standard deduction and indexes it to the Consumer Price Index thereafter. Title III also counts all energy assistance as income and includes a work requirement that makes adults age 18 to 50 with no dependents ineligible for food stamps after six months of each year unless they work 20 hours a week or participate in workfare or training (although eligibility continues if a State fails to supply a training or workfare slot). It also includes State flexibility measures and new program integrity proposals to reduce Food Stamp trafficking and program waste. Finally, Title III better targets food subsidies for family day care homes and makes other minor changes in Child Nutrition programs.

**Title IV — Treatment of Aliens**

Title IV makes only "qualified aliens" eligible for the TEA (formerly AFDC), Supplemental Security Income (SSI), and Medicaid programs. In addition, it gives States the option of applying the same eligibility criteria to State funded needs-based assistance. Title IV also lengthens until citizenship the deeming period during which a sponsor's income is presumed available to support a legal permanent resident should he or she apply for SSI, TEA, or Food Stamps. It makes all future affidavits of support legally binding and provides States the option to extend sponsor income deeming to State funded needs-based cash assistance if the immigrant is denied TEA, SSI, or Food Stamps.

**Title V — Supplemental Security Income Reforms**

Title V tightens eligibility standards for disabled children who receive SSI benefits. Children currently on the rolls who are found no longer eligible would not receive benefits as of January 1, 1998. It creates new guidelines for the Social Security Administration to conduct continuing disability reviews (CDRs).

Title V also creates a dedicated savings account for SSI-eligible disabled children for education, job training, and equipment or housing modifications related to their disability, and allows this account to be excluded from income and resource determinations. It establishes an installment schedule for paying past-due SSI benefit amounts, and authorizes the Commissioner of Social Security to reduce Social Security (OASDI) benefits by the amount of overpayment of SSI benefits without an OASDI beneficiary's consent.

Title V also denies SSI eligibility if drug addiction or alcoholism is the basis for the disability determination. Current SSI recipients who are eligible on the basis of drug addiction or alcoholism will no longer receive benefits as of January 1, 1997. A portion of the savings from this proposal ($50 million annually during FYs 1997-1998) will be used to fund additional drug (including alcohol) treatment programs and services through the Substance Abuse Prevention and Treatment Block Grant program.

Title V also makes individuals convicted in Federal or State court of having fraudulently misrepresented their residence in order to receive welfare benefits from two or more States ineligible to receive SSI for ten years from the date of conviction. It makes fugitive felons ineligible for SSI. In addition, it provides that the appropriation of additional administrative funds to SSA for FYs 1996-2002 for conducting Social Security Disability Insurance and SSI CDRs should trigger an increase, within specified limits, to the discretionary spending caps. The title would also provide authority to increase the discretionary spending caps, within specified limits, upon appropriation of funds for FYs 1996-1997 to the Social Security Administration to implement any changes to the SSI program pursuant to adoption of welfare reform.

Title V provides that when private insurance covers the costs of SSI eligible children in medical care facilities, these children will no longer be eligible for their full SSI benefits. Instead, they will only be eligible to receive the same $30 per month standard amount that Medicaid-covered SSI eligible children receive.

**Title VI — Social Services Block Grants (SSBG)**

This title reduces the amount required to be allotted among States for SSBG under Title XX of the Social Security Act from $2.8 billion to $2.73 billion in FY 1996, and to $2.52 billion for each of FYs 1997-2002.

**Deficit Reduction**

The Office of Management and Budget estimates that the Administration's welfare reform proposal saves $41 billion during FYs 1996 through 2002. This total includes $3 billion in savings resulting from the enactment of P.L. 104-121, which extended the debt limit and modified the Social Security Act, and reflects interactions with Medicaid proposals in the President's FY 1997 Budget.

# A BILL

To reform the Nation's welfare system by requiring work and demanding personal responsibility.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Work First and Personal
5 Responsibility Act of 1996".

6 **Sec. 2. TABLE OF CONTENTS; AMENDMENT OF THE SOCIAL SECURITY ACT.**

7 (a) Table of Contents.—This Act is organized as follows:


Section 1. Short title.
Sec. 2. Table of contents; amendment of the Social Security Act.

TITLE I—WORK-BASED ASSISTANCE

Sec. 101. Purpose.

Subtitle A—Temporary Employment Assistance

Sec. 102. State plan.
Sec. 103. Conforming amendments relating to collection of overpayments.
Sec. 104. Territories.
Sec. 105. Effective dates.

Subtitle B—Make Work Pay

Sec. 111. Transitional medicaid benefits.
Sec. 112. Notice of availability required to be provided to applicants and former recipients of temporary employment assistance, food stamps, and medicaid.
Sec. 113. Advance payment of earned income tax credit through State demonstration programs.
Sec. 114. Consolidated child care development block grant.
Sec. 115. Effective dates.

Subtitle C—Work First

Sec. 121. Work First program.
Sec. 122. Regulations.
Sec. 123. Applicability to States.
Sec. 124. One time increases in Work First program funds.

Subtitle D—Pregnancy and Family Stability

Sec. 131. Supervised living arrangements for minors.
Sec. 132. National Clearinghouse on Adolescent Pregnancy.
Sec. 133. Required completion of high school or other training for teenage parents.
Sec. 134. Second chance homes.

TITLE II—CHILD SUPPORT ENFORCEMENT

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 201. State obligation to provide child support enforcement services.
Sec. 202. Distribution of payments.
Sec. 203. Privacy safeguards.
Sec. 204. Rights to notification.

Subtitle B—Locate and Case Tracking

Sec. 211. State case registry.
Sec. 212. Collection and disbursement of support payments.
Sec. 213. State directory of new hires.
Sec. 214. Amendments concerning income withholding.
Sec. 215. Locator information from interstate networks.
Sec. 216. Expansion of the Federal parent locator service.
Sec. 217. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 221. Adoption of uniform State laws.
Sec. 222. Improvements to full faith and credit for child support orders.
Sec. 223. Administrative enforcement in interstate cases.
Sec. 224. Use of forms in interstate enforcement.
Sec. 225. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 231. State laws concerning paternity establishment.
Sec. 232. Outreach for voluntary paternity establishment.
Sec. 233. Cooperation requirement and good cause exception.

Subtitle E—Program Administration and Funding

Sec. 241. Performance-based incentives and penalties.
Sec. 242. Federal and State reviews and audits.
Sec. 243. Required reporting procedures.
Sec. 244. Automated data processing requirements.
Sec. 245. Technical assistance.
Sec. 246. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 251. Simplified process for review and adjustment of

child support orders.
Sec. 252. Furnishing consumer reports for certain purposes relating to child support.
Sec. 253. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 261. Internal Revenue Service collection of arrearages.
Sec. 262. Authority to collect support from Federal employees.
Sec. 263. Enforcement of child support obligations of members of the Armed Forces.
Sec. 264. Voiding of fraudulent transfers.
Sec. 265. Work requirement for persons owing past-due child support.
Sec. 266. Definition of support order.
Sec. 267. Reporting arrearages to credit bureaus.
Sec. 268. Liens.
Sec. 269. State law authorizing suspension of licenses.
Sec. 270. Denial of passports for nonpayment of child support.
Sec. 271. International child support enforcement.
Sec. 272. Financial institution data matches.
Sec. 273. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
Sec. 274. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

Sec. 276. Correction to ERISA definition of medical child support order.
Sec. 277. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

Sec. 281. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 291. Effective dates.

TITLE III—FOOD ASSISTANCE

Subtitle A—Food Stamps

Sec. 301. Short Title

PART 1—BUDGETARY PROPOSALS

Sec. 311. Include children under 22 years old in their parents' households.
Sec. 312. Use the cost of the thrifty food plan for allotment adjustments.
Sec. 313. Lower age for excluding students' earnings.
Sec. 314. Count governmental energy assistance as income.
Sec. 315. Reduce the standard deduction.

Sec. 316. Provide a State option to mandate use of standard utility allowances.
Sec. 317. Revise indexation of vehicle asset limitation.
Sec. 318. Count vendor payments for transitional housing as income.
Sec. 319. Strengthen penalties for noncompliance with work requirements.
Sec. 320. Provide a State option to require cooperation with child support enforcement agencies.
Sec. 321. Provide for disqualification for receipt of multiple food stamp benefits.
Sec. 322. Establish additional work requirement.
Sec. 323. Establish comparable treatment for disqualification.
Sec. 324. Repeal minimum benefit adjustments.
Sec. 325. Prorate benefits on recertification.
Sec. 326. Prohibit allotment increases for penalties under other welfare and public assistance programs.
Sec. 327. Permit States to determine most useful and reliable means of verification.
Sec. 328. Expand claims collection methods.
Sec. 329. Authorize States to operate simplified food stamp programs.
Sec. 330. Reauthorize appropriations for the food stamp program.

PART 2—NONBUDGETARY PROPOSALS

Sec. 341. Expand definition of coupon.
Sec. 342. Clarify definition of homeless individual.
Sec. 343. Provide State option for eligibility standards.
Sec. 344. Double penalties for violating food stamp program requirements.
Sec. 345. Provide State option to lower age of caretaker exemption.
Sec. 346. Revise employment and training.
Sec. 347. Disqualify fleeing felons.
Sec. 348. Encourage electronic benefit transfer systems.
Sec. 349. Authorize exchange of law enforcement information.
Sec. 350. Simplify administration of expedited service.

PART 3—ADMINISTRATIVE FLEXIBILITY PROPOSALS

Sec. 361. Expand State authority to define certification period.
Sec. 362. Provide State option to combine allotments for expedited service households.
Sec. 363. Revise treatment of allotments for households residing in centers.
Sec. 364. Improve operation of food stamp offices.
Sec. 365. Delete Federal requirement for State employee training.
Sec. 366. Authorize oral withdrawal of fair hearing requests.
Sec. 367. Delete redundant Federal standards for administration.

PART 4—PROPOSALS FOR STRENGTHENING RETAILER MANAGEMENT

Sec. 371. Provide authority to establish authorization periods.
Sec. 372. Provide authority to requirement information for verifying eligibility for authorization.
Sec. 373. Establish waiting period for stores that initially fail to meet authorization criteria.

Sec. 374. Disqualify retailers who intentionally submit falsified applications.
Sec. 375. Disqualify retailers who are disqualified under the WIC program.
Sec. 376. Authorize suspension of stores violating program requirements pending administrative and judicial review.
Sec. 377. Expand civil and criminal forfeiture for violations of the Food Stamp Act.
Sec. 378. Expand authority for sharing information provided by retail food stores and wholesale food concerns.

PART 5—CONFORMING AMENDMENTS AND EFFECTIVE DATES

Sec. 381. Conforming amendments.
Sec. 382. Effective dates.

Subtitle B—Child Nutrition

Sec. 391. Family or group day care homes.
Sec. 392. Reimbursement rate adjustments.
Sec. 393. Elimination of start-up and expansion grants.
Sec. 394. Authorization of appropriations.
Sec. 395. Direct Federal expenditures.

TITLE IV—TREATMENT OF ALIENS

Sec. 401. Uniform alien eligibility criteria for public assistance programs.
Sec. 402. Deeming of sponsor's income and resources to alien under TEA, SSI, and food stamp programs.
Sec. 403. Continued liability of alien and sponsor for overpayments.
Sec. 404. Requirements for sponsor's affidavit of support.

TITLE V—SUPPLEMENTAL SECURITY INCOME REFORMS

Sec. 501. Definition and eligibility rules.
Sec. 502. Eligibility redeterminations and continuing disability reviews.
Sec. 503. Dedicated savings accounts.
Sec. 504. Denial of SSI benefits by reason of disability to drug addicts and alcoholics.
Sec. 505. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 506. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 507. Allowance under the discretionary spending limits for increased expenditures for continuing disability reviews and disability eligibility redeterminations.
Sec. 508. Installment payment of large past-due Supplemental Security Income benefits.
Sec. 509. Recovery of Supplemntal Security Income overpayments from Social Security benefits.

Sec. 510. Allowance under the discretionary spending limits for administrative expenses to implement changes to Supplemental Security Income program.
Sec. 511. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by medical insurance.

TITLE VI—SOCIAL SERVICES BLOCK GRANTS

Sec. 601. Reduction in title XX block grants to States for social services.

1 (b) References.—Except as otherwise expressly provided,
2 wherever in this Act an amendment or repeal is expressed in terms
3 of an amendment to, or repeal of, a section or other provision,
4 the reference is considered to be made to a section or other
5 provision of the Social Security Act.

# 6 TITLE I—WORK-BASED ASSISTANCE

7 **SEC. 101. PURPOSE.**

8 The primary purpose of this title is to provide true welfare
9 reform by repealing the program of Aid to Families with Dependent
10 Children and replacing it with a new time-limited, conditional
11 benefit based on work. Subtitle A of this title creates the
12 Temporary Employment Assistance program which requires welfare
13 recipients to work, supports and protects their children, and
14 gives States broad new flexibility to run their welfare programs.
15 The Work First program, established by subtitle C, provides the
16 means to transform the system toward work, and the new
17 consolidated child care block grant, established by subtitle B,
18 contains sufficient resources to ensure that recipients who work
19 have safe and adequate care for their children. This title

1 offers the reform American taxpayers and welfare recipients alike
2 want and deserve.

## 3 Subtitle A—Temporary Employment Assistance

4 **SEC. 102. STATE PLAN.**

5 Title IV (42 U.S.C. 601 et seq.) is amended by striking part
6 A, except for section 415 which, consistent with section 402 of
7 this Act, is redesignated as section 407, and inserting the
8 following:

9 "PART A—TEMPORARY EMPLOYMENT ASSISTANCE

10 "SEC. 400. AUTHORIZATION OF APPROPRIATIONS.

11 "For the purpose of providing assistance to families with
12 needy children and assisting parents of children in such families
13 to obtain and retain private sector work to the extent possible,
14 and public sector or volunteer work if necessary, through the
15 Work First program established under parts F, G, and H, there is
16 authorized to be appropriated for each fiscal year a sum
17 sufficient to carry out the purposes of this part.

18 "Subpart 1—State Plans for Temporary Employment Assistance

19 "SEC. 401. ELEMENTS OF STATE PLANS.

20 "A State plan for temporary employment assistance shall
21 provide a description of the State program which carries out the
22 purposes described in section 400 and shall meet the requirements
23 of the following sections of this subpart.

24 "SEC. 402. FAMILY ELIGIBILITY FOR TEMPORARY EMPLOYMENT
25 ASSISTANCE.

1 "(a) In General.—The State plan shall provide that any
2 family—
3 "(1) with 1 or more children (or any expectant family,
4 at the option of the State), defined as needy by the State;
5 and
6 "(2) whose members have assigned their rights to
7 support to the State in accordance with section
8 403(b)(1)(E)(i) and fulfill the conditions set forth in
9 subsection (b),
10 shall be eligible for assistance under the plan, except as
11 otherwise provided under this part.
12 "(b) Work Requirement.—
13 "(1) Personal Responsibility Agreement.—The State plan
14 shall provide that not later than 30 days after the approval
15 of an application for temporary employment assistance, a
16 parent qualifying for assistance shall execute a personal
17 responsibility agreement as described in section 403. If a
18 child otherwise eligible for assistance under this part is
19 residing with a needy relative other than a parent, the
20 State plan may require the relative to execute such a plan
21 as a condition of the family receiving such assistance.
22 "(2) Work Within Two Years.—The State plan shall
23 provide that a parent or caretaker receiving assistance
24 under the program will engage in work (as defined by the
25 State) when the State determines the parent or caretaker is
26 ready to engage in work, or after 24 months (whether or not

1 consecutive) of receiving assistance under the program,
2 whichever is earlier.
3 "(c) Limitations on Eligibility.—
4 "(1) Requirements to work and look for work.—Except as
5 otherwise provided in paragraph (2), the State plan shall
6 limit eligibility of individuals and families as follows:
7 "(A) Refusal to look for work.—If an unemployed
8 individual who has attained 18 years of age (or at
9 State option, 19) refuses without good cause to look
10 for work—
11 "(i) in the case of the first such refusal,
12 assistance shall not be payable with respect to
13 such individual until the date the individual
14 begins to look for work; and
15 "(ii) in the case of a second or subsequent
16 refusal, assistance shall not be payable with
17 respect to the family of such individual until the
18 later of—
19 "(I) 6 months after the date of such refusal;
20 or
21 "(II) the date the individual begins to look
22 for work.
23 "(B) Refusal to accept a bona fide offer of
24 employment.—If an unemployed individual who has
25 attained 18 years of age (or at State option, 19)

1 refuses without good cause to accept a bona fide offer
2 of employment—
3 "(i) in the case of the first such refusal,
4 assistance shall not be payable with respect to
5 such individual until the date the individual
6 begins to work; and
7 "(ii) in the case of a second or subsequent
8 refusal, assistance shall not be payable with
9 respect to the family of such individual until the
10 later of—
11 "(I) 6 months after the date of such refusal;
12 or
13 "(II) the date the individual begins to work.
14 "(C) Failure to comply with personal responsibility
15 agreement or mutual responsibility plans.—The State
16 plan shall describe sanctions determined by the State
17 for those circumstances when the individual fails
18 without good cause to comply with a personal
19 responsibility agreement (or, if the State has
20 established a program under subpart 1 of part F and the
21 individual is required to participate in the program, a
22 mutual responsibility plan) signed by the individual.
23 "(i) In the case of the first such failure, the
24 State shall impose on the individual a sanction
25 determined by the State which is no more severe

1 than the sanction provided for under subparagraph
2 (A)(i).
3 "(ii) In the case of a second or subsequent
4 failure, the State shall impose on the family of
5 the individual a sanction determined by the State
6 which is no more severe than the sanction provided
7 for under subparagraph (A)(ii).
8 "(2) Time Limit on Assistance.—
9 "(A) In general.—Except as provided in
10 subparagraphs (B) and (C), the State plan shall provide
11 that the family of an individual who, after attaining
12 age 18 years (or age 19 years, at State option), has
13 received assistance under the plan for 60 months, shall
14 no longer be eligible for assistance under the plan.
15 "(B) Hardship exception after expiration of 60-
16 month period.—The State plan shall provide for
17 hardship exceptions from the application of
18 subparagraph (A) in accordance with clause (i) (or
19 alternatively, at State option, in accordance with
20 clause (ii)).
21 "(i) General exception formulation.—Except as
22 provided in clause (ii), the State plan shall
23 provide that eligibility shall not be denied to any
24 family under subparagraph (A) if—

1 "(I) at the option of the State, the family
2 includes an individual working 20 hours per week
3 (or more, at the option of the State);
4 "(II) the family resides in an area with an
5 unemployment rate exceeding 8 percent; or
6 "(III) the family is experiencing other
7 special hardship circumstances which make it
8 appropriate for the State to provide an exemption
9 for such month, except that the total number of
10 exemptions under this clause for any month shall
11 not exceed 15 percent of the number of families to
12 which the State is providing assistance under the
13 plan.
14 "(ii) Alternative hardship exception formulation.
15 A State may elect, as an alternative to clause (i),
16 to define hardship circumstances, in which case the
17 total number of exemptions under this clause for
18 any month shall not exceed 20 percent of the number
19 of families to which the State is providing
20 assistance under the plan.
21 "(C) Exclusion from 60-Month Period.—With respect
22 to any family, the State plan shall not include in the
23 determination of the 60-month period under subparagraph
24 (A) any month in which any of the following applies to
25 the family:
26 "(i) Teen parents.—The parent—

1 "(I) is under age 18 (or age 19, at the
2 option of the State); and
3 "(II) is making satisfactory progress while
4 attending high school or an alternative technical
5 preparation school.
6 "(ii) Individuals exempt from work
7 requirements.—One parent in a single-parent family
8 or each parent in a two-parent family—
9 "(I) is seriously ill, incapacitated, or of
10 advanced age;
11 "(II)(aa) except for a child described in
12 subclause (bb), is responsible for a child under
13 age 1 year (or age 6 months, at the option of the
14 State), or
15 "(bb) in the case of a second or
16 subsequent child born during such period, is
17 responsible for a child under age 3 months;
18 "(III) is pregnant in the 3rd trimester;
19 "(IV) is caring for a family member who is
20 ill or incapacitated; or
21 "(V) (in the case of a single custodial
22 parent), has a demonstrated inability to obtain
23 needed child care, as determined by the State, for
24 one or more of the following reasons:

1 "(aa) unavailability of appropriate
2 child care within a reasonable distance of
3 the individual's home or work site;
4 "(bb) unavailability or unsuitability of
5 informal child care by a relative or under
6 other arrangements; or
7 "(cc) Unavailability of appropriate and
8 affordable formal child care arrangements.
9 "(D) Child-only cases.—With respect to any child
10 who has not attained age 18 (or age 19, at the option
11 of the State) and who is eligible for assistance under
12 this part, but not as a member of a family otherwise
13 eligible for assistance under this part (determined
14 without regard to this paragraph), the State plan shall
15 not include in the determination of the 60-month period
16 under subparagraph (A) any month in which such child
17 has not attained such age.
18 "(3) Treatment of Family Ineligible for Cash
19 Assistance.—The State plan shall provide that if a family
20 is no longer eligible for cash assistance under the plan due
21 to the application of paragraph (1) or (2)—
22 "(A) for purposes of determining eligibility for
23 any other Federal or federally assisted program based
24 on need, the family shall continue to be considered
25 eligible for such assistance;

1 "(B) in the case of a family ineligible for such
2 assistance due solely to the application of paragraph
3 (2), the State shall, after having assessed the needs
4 of the child or children of the family, provide for
5 such needs with vouchers for such family—
6 "(i) determined on the same basis as the State
7 would provide assistance under the State plan to
8 such a family with one less individual or two less
9 individuals, as applicable, in the case of a two-
10 parent family,
11 "(ii) designed appropriately to pay third parties
12 for shelter, goods, and services received by the
13 child or children, and
14 "(iii) payable directly to the third parties.
15 "(4) Individuals on old-age assistance or SSI
16 ineligible for temporary employment assistance.—The State
17 plan shall provide that no assistance shall be furnished any
18 individual under the plan with respect to any period with
19 respect to which the individual is receiving old-age
20 assistance under the State plan under title I or
21 supplemental security income under title XVI, and the
22 individual's income and resources attributable to such
23 sources shall be disregarded in determining the eligibility
24 of the family of the individual for temporary employment
25 assistance.

1 "(5) Children for whom federal, state, or local foster
2 care maintenance or adoption assistance payments are
3 made.—A child with respect to whom foster care maintenance
4 payments or adoption assistance payments are made under part
5 E or under State or local law shall not, for the period for
6 which such payments are made, be regarded as a needy child
7 under this part, and such child's income and resources shall
8 be disregarded in determining the eligibility of the family
9 of such child for temporary employment assistance.
10 "(6) Denial of assistance for 10 years to a person
11 found to have fraudulently misrepresented residence in order
12 to obtain assistance in 2 or more States.—The State plan
13 shall provide that no assistance will be furnished any
14 individual under the plan during the 10-year period that
15 begins on the date the individual is convicted in Federal or
16 State court of having made a fraudulent statement or
17 representation with respect to the place of residence of the
18 individual in order to receive benefits or services
19 simultaneously from 2 or more States under programs that are
20 funded under this part or title XIX, or benefits in 2 or
21 more States under the supplemental security income program
22 under title XVI.
23 "(7) Denial of assistance for fugitive felons and
24 probation and parole violators.—
25 "(A) In general.—The State plan shall provide that
26 no assistance will be furnished any individual under

1 the plan for any period if during such period the State
2 agency has knowledge that such individual is—
3 "(i) fleeing to avoid prosecution, or custody or
4 confinement after conviction, under the laws of the
5 place from which the individual flees, for a crime,
6 or an attempt to commit a crime, which is a felony
7 under the laws of the place from which the
8 individual flees, or which, in the case of the
9 State of New Jersey, is a high misdemeanor under
10 the laws of such State; or
11 "(ii) violating a condition of probation or parole
12 imposed under Federal or State law.
13 "(B) Exchange of information with law enforcement
14 agencies.—Notwithstanding any other provision of law,
15 the State plan shall provide that the State shall
16 furnish any Federal, State, or local law enforcement
17 officer, upon the request of the officer, with the
18 current address of any recipient of assistance under
19 the plan, if the officer furnishes the agency with the
20 name of the recipient and notifies the agency that—
21 "(i) the recipient is described in clause (i) or
22 (ii) of subparagraph (A); and
23 "(ii) the location or apprehension of the
24 recipient is within such officer's official duties.
25 "(d) Determination of Eligibility and Benefits.—

1 "(1) Determination of need.—The State plan shall
2 provide that the State agency will take into consideration
3 any income and resources—
4 "(A) which are legally or actually available to
5 meet the needs of the child or relative claiming
6 temporary employment assistance; and
7 "(B) which the State determines should be
8 considered in determining the need of such child or
9 relative.
10 "(2) Optional denial of assistance to families having
11 additional children while receiving assistance.—At the
12 option of the State, the State plan may provide that—
13 "(A)(i) the amount of temporary employment
14 assistance paid to a family under the plan will not be
15 increased by reason of the birth of a child (other than
16 as a result of rape or incest) to an individual
17 included in such family if—
18 "(I) when the individual is a custodial parent of
19 a needy child, the child was conceived in a month
20 for which the individual received aid under the
21 plan, or
22 "(II) when the individual is a needy child, the
23 individual is the parent of another child who is a
24 member of the same family and whose needs are
25 included for purposes of making such determination;

1 "(ii) if the value of assistance to a family
2 under the State plan approved under this part is
3 reduced by reason of subclause (I), each member of
4 the family shall be considered to be receiving
5 such assistance for purposes of federal law
6 including but not limited to eligibility for
7 medical assistance under the State plan approved
8 under title XIX for so long as assistance to the
9 family under the State plan approved under this
10 part would otherwise not be so reduced; and
11 "(B) if the State exercises the option, the State
12 may provide the family with vouchers, in amounts not
13 exceeding the amount of any such reduction in
14 assistance, that may be used only to pay for particular
15 goods and services specified by the State as suitable
16 for the care of the child of the parent (such as
17 diapers, clothing, or school supplies). In addition,
18 the State may allow an additional earned income
19 disregard, or disregard of child support received on
20 behalf of a child described by this subsection, in
21 amounts that do not exceed in total the reduction in
22 assistance that occurs as a result of a State
23 exercising the option.
24 "(C) A family may be subjected to this subparagraph
25 as long as application of this subparagraph, whether
26 alone or together with other provisions of the State

1 plan, does not reduce to zero the maximum assistance
2 level for such a family.
3 "(3) Resource and income determination.—With respect
4 to the determination of the total resources and income of
5 the family of any needy child, the State plan shall provide
6 the following:
7 "(A) Resources.—The plan shall specify the
8 resource limit, and describe the policy determined by
9 the State regarding any exclusion allowed for vehicles
10 owned by family members, resources set aside for future
11 needs of a child, individual development accounts, or
12 other policies established by the State to encourage
13 savings.
14 "(B) Family income.—The plan shall specify the
15 extent to which earned or unearned income is
16 disregarded in determining eligibility for, and amount
17 of, assistance.
18 "(C) Child support.—The plan shall specify whether
19 (and if so, the extent to which) current child support
20 received in excess of $50 per month on behalf of a
21 member of the family is disregarded in determining
22 eligibility for, and the amount of, assistance.
23 "(D) Child's earnings.—The plan shall describe the
24 treatment of earnings of a child living in the home.
25 "(E) Earned income tax credit.—The plan shall
26 provide for disregard of any refund of Federal income

1 taxes made to a family receiving temporary employment
2 assistance by reason of section 32 of the Internal
3 Revenue Code of 1986 (relating to earned income tax
4 credit) and any payment made to such a family by an
5 employer under section 3507 of such Code (relating to
6 advance payment of earned income credit).
7 "(4) Verification System.—The State plan shall provide
8 that information is requested and exchanged for purposes of
9 income and eligibility verification in accordance with a
10 State system which meets the requirements of section 1137.
11 "(e) Services to Native Americans.—The State plan shall
12 specify the steps that will be taken to ensure that an
13 appropriate share of assistance and services under the plan (and
14 under part F and part G or H) are furnished to eligible Native
15 Americans (including, as applicable, Indians, Alaskan Natives,
16 and Native Hawaiians) living in the State.
17 "(f) Services to Refugees.—The State plan shall provide
18 assurances that assistance and services furnished to refugees
19 under the plan (and under part F and part G or H) shall be
20 furnished in a manner that promotes their economic self-
21 sufficiency and adjustment.
22 "SEC. 403. PERSONAL RESPONSIBILITY AGREEMENT.
23 "(a) Assessment.—The State agency responsible for
24 administering the State plan shall make an initial assessment of
25 the skills, prior work experience, and employability of each

1 caretaker who applies for, or receives assistance under the State
2 plan who—
3 "(1) has attained 18 years of age (or at State option,
4 19); or
5 "(2) has not attained the age specified in paragraph
6 (1), has not completed high school or obtained a certificate
7 of high school equivalency, and is not attending secondary
8 school.
9 "(b) Personal Responsibility Agreements.—
10 "(1) In general.—On the basis of the assessment made
11 under subsection (a) with respect to an individual, the
12 State agency, in consultation with the individual, shall
13 develop an appropriate personal responsibility agreement for
14 the individual, which—
15 "(A) provides that participation by the individual
16 in job search activities is a condition of eligibility
17 for assistance under the State plan approved under part
18 A, except during any period for which the individual is
19 employed full-time in an unsubsidized job;
20 "(B) sets forth an employment goal for the
21 individual and a plan for moving the individual
22 immediately into private sector employment;
23 "(C) sets forth the obligations of the individual,
24 which may include a requirement that the individual
25 attend school, maintain certain grades and attendance,
26 keep school age children of the individual in school,

1 immunize children, attend parenting and money
2 management classes, or do other things that will help
3 the individual become and remain employed in the
4 private sector;
5 "(D) may require that the individual enter the
6 State program established under part F, if the
7 caseworker determines that the individual will need
8 education, training, job placement assistance, wage
9 enhancement, or other services to become employed in
10 the private sector;
11 "(E) provides that the individual must—
12 "(i) assign to the State any rights to support
13 (including, but not limited to, amounts which have
14 accrued at the time such assignment is executed)
15 from any other person the individual may have in
16 such individual's own behalf or in behalf of any
17 other family member for whom the individual is
18 applying for or receiving assistance or any other
19 family member who is deemed to be receiving
20 assistance for the purposes of title XIX; provided
21 that the assignment of arrearages that accrued in a
22 month in which the family did not receive
23 assistance under this part shall cease to be
24 effective for any family no longer receiving
25 assistance under this part to which the State
26 applies the amendments made by the Work First and

1 Personal Responsibility Act of 1996 to section
2 457(c); and
3 "(ii) cooperate with the State—
4 "(I) in establishing the paternity of a child
5 born out of wedlock with respect to whom
6 assistance is claimed, and
7 "(II) in obtaining support payments for the
8 individual and for a child with respect to whom
9 such assistance is claimed, or in obtaining any
10 other payments or property due the individual or
11 the child, unless (in either case) the individual
12 is found to have good cause for refusing to
13 cooperate as determined by the State agency
14 administering the program under part D in
15 accordance with standards prescribed by the
16 Secretary, which standards shall take into
17 consideration the best interests of the child on
18 whose behalf assistance is claimed.
19 "(F) to the greatest extent possible is designed to
20 move the individual into whatever private sector
21 employment the individual is capable of handling as
22 quickly as possible, and to increase the responsibility
23 and amount of work the individual is to handle over
24 time;
25 "(G) describes the services the State will provide
26 the individual so that the individual can obtain and

1 keep employment in the private sector, and describes
2 the job counseling and other services that will be
3 provided by the State; and
4 "(H) at the option of the State, may require the
5 individual to undergo appropriate substance abuse
6 treatment.
7 "(2) Timing.—The State agency shall comply with
8 paragraph (1) with respect to an individual—
9 "(A) within 180 days after the effective date of
10 this part, in the case of an individual who, as of such
11 effective date, is a recipient of assistance under the
12 State plan approved under this part; or
13 "(B) within 90 days after the individual is
14 determined to be eligible for such assistance, in the
15 case of any other individual.
16 "(c) Provision of Program and Employment
17 Information.—The State shall inform all applicants for and
18 recipients of assistance under the State plan approved under
19 this part of all available services under the State plan for
20 which they are eligible.
21 "(d) Requirement That Recipients Enter the Work First
22 Program.—
23 "(1) In general.—On and after October 1, 2003, the
24 State shall place recipients of assistance under the
25 State plan under this part, who have not become
26 employed within 1 year after signing an personal

1 responsibility agreement, in the first available slot
2 in the State program under part F, except as provided
3 in paragraph (2).
4 "(2) Exceptions.—A state shall not require a
5 recipient of such assistance to participate in the
6 program if the recipient—
7 "(A) is ill, incapacitated, or of advanced age;
8 "(B) except for a child described in subparagraph
9 (C), is responsible for a child under age 1 year
10 (or age 6 months, at the option of the State);
11 "(C) in the case of a second or subsequent child
12 born since the recipient signed the agreement, is
13 responsible for a child under age 3 months;
14 "(D) is pregnant in the third trimester;
15 "(E) is caring for a family member who is ill or
16 incapacitated; or
17 "(F) is a single custodial parent and has a
18 demonstrated inability to obtain needed child care,
19 as determined by the State, for one or more of the
20 following reasons:
21 "(i) unavailability of appropriate child care
22 within a reasonable distance of the individual's
23 home or work site;
24 "(ii) unavailability or unsuitability of
25 informal child care by a relative or under other
26 arrangements; or

1 "(iii) unavailability of appropriate and
2 affordable formal child care arrangements.
3 "SEC. 404. PAYMENT OF ASSISTANCE.
4 "(a) Standards of Assistance.—The State plan shall specify
5 standards of assistance, including—
6 "(1) the composition of the family unit for which
7 assistance will be provided;
8 "(2) a standard or standards, expressed in a dollar
9 amount or amounts, to be used in determining the need of
10 applicants and recipients;
11 "(3) a standard or standards, expressed in a dollar
12 amount or amounts, to be used in determining the amount of
13 the assistance payment; and
14 "(4) the methodology to be used in determining the
15 payment amount received by an assistance unit.
16 "(b) Level of Assistance.—Except as otherwise provided in
17 this title, the State plan shall provide that—
18 "(1) the determination of need and the amount of
19 assistance for all applicants and recipients shall be made
20 on an objective and equitable basis; and
21 "(2) families of similar composition with similar needs
22 and circumstances shall be treated similarly.
23 "(c) Fair Hearing and Correction of Payments.—The State
24 plan shall provide that the State agency shall—
25 "(1) grant an opportunity for a fair hearing before the
26 State agency to any individual whose request for assistance

1 under such plan is denied or is not acted upon with
2 reasonable promptness; and
3 "(2) promptly take all necessary steps to correct any
4 overpayment or underpayment of assistance under such plan,
5 including the request for withholding from Federal tax
6 refunds as provided under section 416.
7 "(d) Optional Voluntary Diversion Program.—
8 "(1) In General.—Subject to paragraphs (2) and (3),
9 the State plan may provide, with respect to the geographic
10 area or areas of the State that the State may select, that
11 upon the recommendation of the caseworker responsible, the
12 State may offer to an eligible family one-time assistance
13 for a period of not more than three months (which
14 assistance, if accepted by the family, shall be in lieu of
15 any other assistance under the State plan for such period)
16 in an amount not to exceed—
17 "(A) the value of the monthly benefits that would
18 otherwise be provided to the family under the State
19 plan; multiplied by
20 "(B) the number of months in the time period.
21 "(2) One-Time Limitation.—Assistance pursuant to
22 paragraph (1) shall not be made more than once to any
23 family; and
24 "(3) Adjustment of Alternative Benefits.—If, during
25 the period with respect to which the State has provided one-
26 time assistance to a family pursuant to paragraph (1), the

1 family applies for and (but for the one-time assistance)
2 would be eligible under the State plan for a monthly benefit
3 greater than the value of the amount used in the calculation
4 under paragraph (1), then, notwithstanding paragraph (1),
5 the State shall, for that part of the time period that
6 remains after the family becomes eligible for the greater
7 monthly benefit, provide monthly benefits to the family in
8 an amount not to exceed—
9 "(A) the amount by which the value of the greater
10 monthly benefit exceeds the value of the former monthly
11 benefit, multiplied by the number of months in the time
12 period; divided by
13 "(B) the whole number of months remaining in the
14 time period.
15 "SEC. 405. REQUIREMENTS CONCERNING OTHER PROGRAMS.
16 "(a) Work First Program; Workfare or Job Placement Voucher
17 Program.—The State plan shall provide that the State has in
18 effect—
19 "(1) a Work First program that meets the requirements
20 of part F; and
21 "(2) a workfare program that meets the requirements of
22 part G, or a job placement voucher program that meets the
23 requirements of part H, but not both.
24 "(b) Provision of Case Management Services.—The State plan
25 shall provide that the State shall furnish to participants in
26 those programs case management services that are necessary to

1 ensure the integrated provision of benefits and services under
2 those programs and under this part.
3 "(c) State Child Support Agency.—The State plan shall—
4 "(1) provide that the State has in effect a plan
5 approved under part D and operates a child support program
6 in substantial compliance with such plan;
7 "(2) provide that the State agency administering the
8 plan approved under this part is responsible for ensuring
9 that—
10 "(A) the benefits and services provided under plans
11 under this part and part D are furnished in an
12 integrated manner, including coordination of intake
13 procedures with the agency administering the plan under
14 part D;
15 "(B) all applicants for, and recipients of,
16 temporary employment assistance are encouraged,
17 assisted, and required (as provided under section
18 403(b)(1)(E)(ii)) to cooperate in the establishment and
19 enforcement of paternity and child support obligations
20 and are notified about the services available under the
21 State plan approved under part D; and
22 "(C) procedures require referral of paternity and
23 child support enforcement cases to the agency
24 administering the plan approved under part D not later
25 than 10 days after the application for temporary
26 employment assistance; and

1 "(3) provide for prompt notice (including the
2 transmittal of all relevant information) to the State child
3 support collection agency established pursuant to part D of
4 the furnishing of temporary employment assistance with
5 respect to a child who has been deserted or abandoned by a
6 parent (including a child born out of wedlock, without
7 regard to whether the paternity of the child has been
8 established).
9 "(d) Child Welfare Services and Foster Care and Adoption
10 Assistance.—The State plan shall provide that the State has in
11 effect—
12 "(1) a State plan for child welfare services approved
13 under part B; and
14 "(2) a State plan for foster care and adoption
15 assistance approved under part E,
16 and operates such plans in substantial compliance with the
17 requirements of such parts.
18 "(e) Report of Child Abuse, etc.—The State plan shall
19 provide that the State agency will—
20 "(1) report to an appropriate agency or official known
21 or suspected instances of physical or mental injury, sexual
22 abuse or exploitation, or negligent treatment or
23 maltreatment of a child receiving assistance under the State
24 plan under circumstances which indicate that the child's
25 health or welfare is threatened thereby; and

1 "(2) provide such information with respect to a
2 situation described in paragraph (1) as the State agency may
3 have.
4 "(f) Availability of Assistance in Rural Areas of
5 State.—The State plan shall provide that the State agency shall
6 consider and address any special needs of rural areas in the
7 State to ensure that families in such areas receive assistance to
8 become self-sufficient.
9 "(g) Family Preservation.—
10 "(1) In general.—The State plan shall describe the
11 efforts by the State to promote family preservation and
12 stability, including efforts—
13 "(A) to encourage fathers to stay home and be a
14 part of the family;
15 "(B) to keep families together to the extent
16 possible; and
17 "(C) except to the extent provided in paragraph
18 (2), to treat 2-parent families and 1-parent families
19 equally with respect to eligibility for assistance.
20 "(2) Maintenance of treatment.—The State may impose
21 eligibility limitations relating specifically to 2-parent
22 families to the extent such limitations are no more
23 restrictive than such limitations in effect in the State
24 plan in fiscal year 1995.

1 "(h) Child Care.—The State plan shall provide that the
2 State has in effect a plan under its program under the Child
3 Care Development Block Grant Act of 1990.
4 "SEC. 406. ADMINISTRATIVE REQUIREMENTS FOR STATE PLAN.
5 "(a) Statewide Plan.—The State plan shall be in effect in
6 all political subdivisions of the State, and, if administered by
7 the subdivisions, be mandatory upon such subdivisions. If such
8 plan is not administered uniformly throughout the State, the plan
9 shall describe the administrative variations.
10 "(b) Single Administering Agency.—The State plan shall
11 provide for the establishment or designation of a single State
12 agency to administer the plan or supervise the administration of
13 the plan.
14 "(c) Financial Participation.—The State plan shall provide
15 for financial participation by the State consistent with section
16 413.
17 "(d) Reasonable Promptness.—The State plan shall provide
18 that all individuals wishing to apply for temporary employment
19 assistance shall have opportunity to do so, and that such
20 assistance shall be furnished with reasonable promptness to all
21 eligible individuals.
22 "(e) Automated Data Processing System.—The State plan may
23 provide for the establishment and operation of an automated
24 statewide management information system designed effectively and
25 efficiently to assist management in the administration of the
26 State plan approved under this part, so as—

1 "(1) to control and account for—
2 "(A) all the factors in the total eligibility
3 determination process under such plan for assistance,
4 and
5 "(B) the costs, quality, and delivery of payments
6 and services furnished to applicants for and recipients
7 of assistance; and
8 "(2) to notify the appropriate officials for child
9 support, food stamp, and social service programs, and the
10 medical assistance program approved under title XIX,
11 whenever a recipient becomes ineligible for such assistance
12 or the amount of assistance provided to a recipient under
13 the State plan is changed.
14 "(f) Disclosure of Information.—The State plan shall
15 provide for safeguards which restrict the use or disclosure of
16 information concerning applicants or recipients.
17 "(g) Detection of Fraud.—The State plan shall provide, in
18 accordance with regulations issued by the Secretary, for
19 appropriate measures to detect fraudulent applications for
20 temporary employment assistance before the establishment of
21 eligibility for such assistance.
22 "(h) Audits.—
23 "(1) In General.—Each State shall audit, not less than
24 annually, the State expenditures for the program under this
25 part and parts F, G, and H to determine the extent to which

1 the expenditures were made in accordance with the provisions
2 of this part and parts F, G, and H.
3 "(2) Audit Reports.—Not later than 30 days following
4 the completion of an audit under this subsection, a State
5 shall submit a copy of the audit to the State legislature
6 and to the Secretary of Health and Human Services.
7 "(3) Single Audits.—To the extent they are not
8 inconsistent with this section, the provisions of chapter 75
9 of title 31, United States Code, apply to audit requirements
10 of this section.
11 "Subpart 2—Administrative Provisions
12 "SEC. 411. APPROVAL OF PLAN.
13 "(a) In General.—The Secretary shall approve a State plan
14 which fulfills the requirements under subpart 1 within 120 days
15 of the submission of the plan by the State to the Secretary.
16 "(b) Deemed Approval.—If a State plan has not been rejected
17 by the Secretary during the period specified in subsection (a),
18 the plan is considered to have been approved.
19 "SEC. 412. COMPLIANCE.
20 In the case of any State plan for temporary employment
21 assistance which has been approved under section 411, if the
22 Secretary, after reasonable notice and opportunity for hearing to
23 the State agency administering or supervising the administration
24 of such plan, finds that in the administration of the plan there
25 is a failure to comply substantially with any provision required
26 by subpart 1 to be included in the plan, the Secretary shall

1 notify such State agency that further payments will not be made
2 to the State (or in the Secretary's discretion, that payments
3 will be limited to categories under or parts of the State plan
4 not affected by such failure) until the Secretary is satisfied
5 that there is no longer any such failure to comply. Until the
6 Secretary is so satisfied the Secretary shall make no further
7 payments to such State (or shall limit payments to categories
8 under or parts of the State plan not affected by such failure).
9 "SEC. 413. PAYMENTS TO STATES.
10 "(a) Computation of Amount.—
11 "(1) In general.—Subject to section 412, the Secretary
12 of the Treasury shall pay to each State which has an
13 approved plan for temporary employment assistance, for each
14 quarter, beginning with the quarter commencing October 1,
15 1996, an amount equal to the Federal medical assistance
16 percentage (as defined in section 1905(b) or, as applicable,
17 in section 1118) of the program expenditures by the State
18 under that plan (other than expenditures for administrative
19 costs of that plan and for purposes specified in paragraph
20 (2)(B)).
21 "(2) Work First and Other Programs.—
22 "(A) Entitlement; Federal Matching Share.—Each
23 State that is operating a program in accordance with a
24 plan approved under part F and a program in accordance
25 with part G or H shall be entitled to payment, for each
26 fiscal year, equal to the lesser of:

1 (i) the sum of the amounts allotted to the State
2 pursuant to subparagraphs (D) and (E), or
3 (ii) the greater of 60 percent or the Federal
4 medical assistance percentage (as defined in
5 section 1905(b) or, as applicable, in section 1118)
6 of State expenditures for the purposes specified in
7 subparagraph (B) (excluding any expenditures from
8 performance bonuses provided under paragraph (4)).
9 "(B) Use of Funds.—
10 "(i) Amounts available to a State pursuant to this
11 paragraph may be used by the State—
12 "(I) for all costs of carrying out programs
13 under part F and part G or part H;
14 "(II) for administrative costs of carrying
15 out the program under part A;
16 "(III) for all costs of providing emergency
17 assistance to needy families with children in
18 accordance with paragraph (3); and
19 "(IV) to supplement amounts otherwise
20 available for child care under section 6580b of
21 the Child Care and Development Block Grant Act of
22 1990, subject to the terms and conditions,
23 including matching requirements, under section
24 6580b of that Act.
25 "(ii) States shall not allocate to programs in
26 which Federal financial participation is available,

1 other than programs specified in clause (i),
2 administrative costs for activities in fiscal year
3 1997 and succeeding fiscal years that in fiscal
4 year 1995 were allocated to programs under parts A
5 and F.
6 "(C) Amounts for Allotment.—For purposes of
7 allotment to States under subparagraphs (D) and (E),
8 the amount specified in this subparagraph is as
9 follows:
10 (i) For fiscal years 1997 through 2002, the amount
11 specified is:
12 "(I) $2,900,000,000 for fiscal year 1997;
13 "(II) $2,950,000,000 for fiscal year 1998;
14 "(III) $3,100,000,000 for fiscal year 1999;
15 "(IV) $3,350,000,000 for fiscal year 2000;
16 "(V) $3,800,000,000 for fiscal year 2001;
17 "(VI) $3,900,000,000 for fiscal year 2002;
18 "(ii) For fiscal year 2003 and each succeeding
19 fiscal year, the amount specified is the product of
20 the following:
21 "(I) The amount specified in this
22 subparagraph for the immediately preceding fiscal
23 year.
24 "(II) 1.00 plus the percentage (if any) by
25 which the average of the Consumer Price Index (as
26 defined in section 1(f)(5) of the Internal Revenue

1 Code of 1986) for the most recent 12-month period
2 for which such information is available exceeds
3 that for the previous 12-month period.
4 "(III) 1.00 plus the percentage change (if
5 any) in the participation rate required in section
6 488.
7 "(IV) 1.00 plus the percentage change in the
8 non-exempt adult recipient caseload for the most
9 recent quarter for which information is available,
10 compared to that caseload for the same calendar
11 quarter in the previous year.
12 "(D) Base Allotment to States.—From the amount
13 specified in subparagraph (C) for a fiscal year, the
14 Secretary shall first allot to each eligible State an
15 amount equal to the amount paid to the State pursuant
16 to section 403(a)(3) for administration of the State
17 program under part A in fiscal year 1995.
18 "(E) Allotment of Remainder to States.—(i) From
19 the amount specified in subparagraph (C) for a fiscal
20 year remaining after application of subparagraph (D),
21 the Secretary shall allot to each State an amount
22 bearing the same ratio to such remainder as the average
23 monthly number of non-exempt adult recipients (as
24 defined in clause (ii)) in the State in the preceding
25 fiscal year bears to the average monthly number of such

1 recipients in all eligible States for such preceding
2 year.
3 "(ii) For purposes of this subparagraph, the term
4 'non-exempt adult recipient' in the case of any
5 State means an individual other than a dependent
6 child (unless such child is the custodial parent of
7 another dependent child)—
8 "(I) whose needs are met (in whole or in
9 part) with assistance provided under the State
10 plan approved under this part, and
11 "(II) who is required to participate in a
12 program under part F, G, or H.
13 "(iii) For purposes of clause (ii), the term
14 'dependent child' means a needy child—
15 "(I) who has been deprived of parental
16 support or care by reason of the death, continued
17 absence from the home (other than absence
18 occasioned solely by reason of the performance of
19 active duty in the uniformed services of the
20 United States), or physical or mental incapacity
21 of a parent, and who is living with his father,
22 mother, grandfather, grandmother, brother, sister,
23 stepfather, stepmother, stepbrother, stepsister,
24 uncle, aunt, first cousin, nephew, or niece, in a
25 place of residence maintained by one or more of
26 such relatives as the relative's own home, and

1 "(II) who is—

2 "(aa) under the age of eighteen, or

3 "(bb) at the option of the State, under

4 the age of nineteen and a full-time student

5 in a secondary school (or in the equivalent

6 level of vocational or technical training),

7 if, before age nineteen, the child reasonably

8 may be expected to complete the secondary

9 school program (or training).

10 "(iv) For purposes of clause (iii), the term

11 'relative with whom any dependent child is living'

12 means the individual who is one of the relatives

13 specified in clause (iii) and with whom the child

14 is living (within the meaning of such subsection)

15 in a place of residence maintained by the

16 individual (alone or together with any one or more

17 of the other relatives so specified) as the

18 relative's own home.

19 "(F) Amounts for Ineligible Participants.—Not more

20 than 10 percent of the amount payable to a State under

21 this paragraph for a calendar quarter may be for

22 expenditures made during the quarter with respect to

23 program participants who are not eligible for

24 assistance under the State plan approved under this

25 part.

26 "(3) Emergency Assistance.—

1 "(A) For purposes of paragraph (2)(B)(i)(III), the
2 term 'emergency assistance to needy families with
3 children' means any of the items specified in
4 subparagraph (B), furnished for a period not in excess
5 of 30 days in any 12-month period, in the case of a
6 needy child under the age of 21 who is (or, within such
7 period as may be specified by the Secretary, has been)
8 living with any of the relatives specified in paragraph
9 (2)(E)(iii) in a place of residence maintained by one
10 or more of such relatives as the relative's own home,
11 but only where—
12 "(i) such child is without available resources,
13 "(ii) the payments, care, or services involved are
14 necessary to avoid destitution of such child or to
15 provide living arrangements in a home for such
16 child, and
17 "(iii) the destitution or need for living
18 arrangements did not arise because the child or
19 relative refused without good cause to accept
20 employment or training for employment.
21 "(B) For the purposes of subparagraph (A), the
22 items specified include—
23 "(i) money payments, payments in kind, or such
24 other payments as the State agency may specify with
25 respect to, or medical care or any other type of
26 remedial care recognized under State law (for which

1 the individual is not entitled to medical
2 assistance under the State plan under title XIX) on
3 behalf of, such child or any other member of the
4 household in which he is living, and
5 "(ii) services the Secretary may specify,
6 but the term does not include benefits or services
7 provided to children in the juvenile justice system.
8 "(4) Performance Bonus.—
9 "(A) In General.—The Secretary, in consultation
10 with State and local government officials and other
11 interested persons, shall develop a system of
12 performance measures and performance bonuses that
13 rewards States that operate programs established under
14 parts F, G, and H that are effective in moving
15 recipients of assistance under the State plan approved
16 under this part into employment.
17 "(B) Allocation Formula.—
18 "(i) In General.—Not later than January 1, 1997,
19 the Secretary, in consultation with State and local
20 government officials and other interested persons,
21 shall develop and publish in the Federal Register a
22 formula for allocating the limitation amount
23 specified in subparagraph (E) for the performance
24 bonus fund for a fiscal year, based on the
25 effectiveness of State programs established under
26 parts F, G, and H in moving recipients of

1 assistance under the State plan under this part
2 into employment in the preceding fiscal year,
3 including those who remain employed for greater
4 periods of time. In each fiscal year specified in
5 subparagraph (E), a State shall be entitled to
6 receive payments equal to the limitation allocated
7 to such State under the formula developed by the
8 Secretary under this clause.
9 "(ii) FACTORS TO BE CONSIDERED.—In developing the
10 allocation formula under clause (i), the Secretary
11 shall take into consideration factors that affect a
12 State's ability to achieve a given level of
13 employment of recipients, such as—
14 "(I) the proportion of families who are at
15 greatest risk of long-term welfare dependency, or
16 who have remained unemployed for long periods of
17 time; and
18 "(II) the unemployment conditions of each
19 State.
20 "(C) Annual Compliance Reports.—Each State shall
21 submit to the Secretary annual reports on the
22 effectiveness of its program under part F based on the
23 performance measures established under subparagraph
24 (A).

1 "(D) Use of Payments.—Bonus payments under this
2 paragraph shall be used for the purposes allowable
3 under subsection (a)(2)(B)(i).
4 "(E) Limitation Amount Specified.—For purposes of
5 the allocation formula under subparagraph (B), the
6 limitation amount specified in this subparagraph is—
7 "(i) $100,000,000 for fiscal year 1997 rates,
8 payable in FY 1998;
9 "(ii) $100,000,000 for fiscal year 1998 rates,
10 payable in FY 1999;
11 "(iii) $200,000,000 for fiscal year 1999 rates,
12 payable in FY 2000;
13 "(iv) $200,000,000 for fiscal year 2000 rates,
14 payable in FY 2001; and
15 "(v) $200,000,000 for fiscal year 2001 rates,
16 payable in FY 2002.
17 "(b) Method of Computation and Payment.—The method of
18 computing and paying amounts pursuant to this section is as
19 follows:
20 "(1) The Secretary, prior to the beginning of each
21 quarter, shall estimate the amount to be paid to the State
22 for the quarter under subsection (a), the estimate to be
23 based on—
24 "(A) a report filed by the State containing its
25 estimate of the amount to be expended in the quarter in
26 accordance with each provision of subsection (a) and

1 stating the amounts appropriated or made available by
2 the State and its political subdivisions for such
3 expenditures in the quarter, and if the sum of those
4 amounts is less than the State's proportionate share of
5 the total sum of such estimated expenditures, the
6 source or sources from which the difference is expected
7 to be derived;
8 "(B) records showing the number of needy children
9 in the State; and
10 "(C) such other information as the Secretary may
11 find necessary.
12 "(2) The Secretary of Health and Human Services shall
13 then certify to the Secretary of the Treasury the amount so
14 estimated—
15 "(A) reduced or increased, as the case may be, by
16 any sum by which the Secretary of Health and Human
17 Services finds that the estimate for any prior quarter
18 was greater or less than the amount which should have
19 been paid to the State for such quarter;
20 "(B) reduced by a sum equivalent to the pro rata
21 share to which the Federal Government is equitably
22 entitled, as determined by the Secretary of Health and
23 Human Services, of the net amount recovered during any
24 prior quarter by the State or any political subdivision
25 thereof with respect to temporary employment assistance
26 furnished under the State plan; and

1 "(C) reduced by such amount as is necessary to
2 provide the appropriate reimbursement to the Federal
3 Government that the State is required to make under
4 section 457 out of that portion of child support
5 collections retained by the State pursuant to such
6 section, except that such increases or reductions shall
7 not be made to the extent that such sums have been
8 applied to make the amount certified for any prior
9 quarter greater or less than the amount estimated by
10 the Secretary of Health and Human Services for such
11 prior quarter.
12 "(c) Method of Payment.—The Secretary of the Treasury,
13 through the Fiscal Service of the Department of the Treasury and
14 prior to audit or settlement by the General Accounting Office,
15 shall pay to the State, at the time or times fixed by the
16 Secretary of Health and Human Services, the amount so certified.
17 "SEC. 414. QUALITY ASSURANCE, DATA COLLECTION, AND REPORTING
18 SYSTEM.
19 "(a) Quality Assurance.—
20 "(1) In general.—In order—
21 "(A) to improve the accuracy of payments of
22 temporary employment assistance and wages under work
23 programs under parts F, G, and H, to assess the
24 accuracy of data reported by each State relating to its
25 work programs and to its implementation of the time
26 limits established by section 402(c)(2),

1 "(B) to determine whether participation standards
2 under section 488(a) have been met,
3 "(C) to assess the effectiveness of the State's
4 program by applying the performance standards developed
5 under section 413(a)(4), and
6 "(D) to serve such other purposes as the Secretary
7 finds appropriate for a performance measurement system,
8 the Secretary shall establish and operate a quality assurance
9 system to secure the accurate data needed to measure performance,
10 identify areas in which corrective action is necessary, and
11 determine the amount (if any) of the disallowance required to be
12 repaid to the Secretary because of erroneous aid payments made by
13 the State. A quality assurance system shall be developed based
14 upon a collaborative effort involving the Secretary, the States
15 and other interested parties, and shall include quantifiable
16 program outcomes related to self sufficiency in the categories of
17 welfare-to-work, payment accuracy, and child support.
18 "(2) Modifications to system.—As considered necessary,
19 but not more often than every 2 years, the Secretary, in
20 consultation with the States and other interested parties,
21 shall make appropriate changes in the design and
22 administration of the quality assurance system, including
23 changes in benchmarks, measures, and data collection or
24 sampling procedures.
25 "(b) Data Collection and Reporting.—

1 "(1) In general.—The State plan shall provide for a
2 quarterly report to the Secretary regarding the data
3 described in paragraphs (2) and (3) and such additional data
4 as the Secretary determines is needed for the quality
5 assurance system. The data collection and reporting system
6 under this subsection shall promote accountability,
7 continuous improvement, and integrity in the State programs
8 for temporary employment assistance and Work First.
9 "(2) Disaggregated data.—The State shall collect the
10 following data items on a monthly basis from disaggregated
11 case records of applicants for and recipients of temporary
12 employment assistance from the previous month:
13 "(A) The age of adults and children (including
14 pregnant women).
15 "(B) Marital or familial status of cases: married
16 (2-parent family), widowed, divorced, separated, or
17 never married; or child living with other adult
18 relative.
19 "(C) The gender, race, educational attainment, work
20 experience, disability status (whether the individual
21 is seriously ill, incapacitated, or caring for a
22 disabled or incapacitated child) of adults.
23 "(D) The amount of cash assistance and the amount
24 and reason for any reduction in such assistance. Any
25 other data necessary to determine the timeliness and
26 accuracy of benefits and welfare diversions.

"(E) Whether any member of the family receives benefits under any of the following:

"(i) Any housing program.

"(ii) The program under the Food Stamp Act of 1977.

"(iii) The program under the Head Start Act.

"(iv) Any job training program.

"(F) The number of months since the most recent application for assistance under the plan.

"(G) The total number of months for which assistance has been provided to the families under the plan.

"(H) The employment status, hours worked, and earnings of individuals while receiving assistance, whether the case was closed due to employment, and other data needed to determine the work performance rate.

"(I) Status in Work First and workfare, including the number of hours an individual participated and the component in which the individual participated.

"(J) The number of individuals in the assistance unit and their relationship to the youngest child. Nonrecipients in the household and the relationship of each to the youngest child.

"(K) Citizenship status.

"(L) Shelter arrangement.

1 "(M) Unearned income (not including temporary
2 employment assistance), such as child support, and
3 assets.
4 "(N) The number of children who have a parent who
5 is deceased, incapacitated, or unemployed.
6 "(O) Geographic location.
7 "(3) Aggregated data.—The State shall collect the
8 following data items on a monthly basis from aggregated case
9 records of applicants for and recipients of temporary
10 employment assistance from the previous month:
11 "(A) The number of adults receiving assistance.
12 "(B) The number of children receiving assistance.
13 "(C) The number of families receiving assistance.
14 "(D) The number of assistance units who had grants
15 reduced or terminated and the reason for the reduction
16 or termination, including sanction, employment, and
17 exceeding the time limit for assistance.
18 "(E) The number of applications for assistance; the
19 number approved and the number denied and the reason
20 for denial.
21 "(4) Longitudinal studies.—The State shall submit
22 selected data items for a cohort of individuals who are
23 tracked over time. This longitudinal sample shall be used
24 for selected data items described in paragraphs (2) and (3),
25 as determined appropriate by the Secretary.

1 "(c) Additional Data.—The report required by subsection (b)
2 for a fiscal year quarter also shall include the following:
3 "(1) Report on use of Federal funds to cover
4 administrative costs and overhead.—A statement of—
5 "(A) the percentage of the Federal funds paid to
6 the State under Section 413 for the fiscal year quarter
7 and used to carry out parts F and G or H that are used
8 to cover administrative costs or overhead; and
9 "(B) the total amount of State funds that are used
10 to cover such costs or overhead.
11 "(2) Report on state expenditures on programs for needy
12 families.—A statement of the total amount expended by the
13 State during the fiscal year quarter on programs for needy
14 families, with the amount spent on the program under this
15 part, and the purposes for which such amount was spent,
16 separately stated.
17 "(3) Report on noncustodial parents participating in
18 work activities.—The number of noncustodial parents in the
19 State who participated in work activities during the fiscal
20 year quarter.
21 "(4) Report on child support collected.—The total
22 amount of child support collected by the State agency
23 administering the State plan under part D on behalf of a
24 family receiving assistance under this part.
25 "(5) Report on transitional services.—The total amount
26 expended by the State for providing transitional services to

1 families that have ceased to receive assistance under this
2 part because of increased hours of, or increased income
3 from, employment, together with a description of such
4 services.
5 "(d) Collection Procedures.—The Secretary shall provide
6 case sampling plans and data collection procedures as considered
7 necessary to make statistically valid estimates of plan
8 performance.
9 "(e) Verification.—The Secretary shall develop and
10 implement procedures for verifying the quality of the data
11 submitted by the State, and shall provide technical assistance,
12 funded by the compliance penalties imposed under section 412, if
13 such data quality falls below acceptable standards.
14 "SEC. 415. COMPILATION AND REPORTING OF DATA.
15 "(a) Current Programs.—The Secretary, on the basis of the
16 Secretary's review of the reports received from the States under
17 section 414, shall compile such data as the Secretary believes
18 necessary, and from time to time, publish the findings as to the
19 effectiveness of the programs developed and administered by the
20 States under this part. The Secretary annually shall report to
21 the Congress on the programs developed and administered by each
22 State under this part.
23 "(b) Research, Demonstration and Evaluation.—For each
24 fiscal year beginning with fiscal year 1996, from the
25 appropriation account providing funds for grants to States for
26 activities funded under section 413(a)(1), the Secretary may

1 reserve for obligation, or transfer to other accounts funding
2 research activities, an amount not to exceed 0.19 percent of the
3 total amount paid to States in the previous fiscal year for
4 activities under section 413(a)(1), and may use the reserved
5 amounts to pay costs of the following types of research,
6 demonstrations, and evaluations:
7 "(1) State-initiated research.—States may apply for
8 grants to cover up to 90 percent of the costs of
9 self-evaluations of programs under State plans approved
10 under this part.
11 "(2) Demonstrations.—
12 "(A) In general.—The Secretary may implement and
13 evaluate demonstrations of innovative and promising
14 strategies to—
15 "(i) improve child well-being through reductions
16 in illegitimacy, teen pregnancy, welfare
17 dependency, homelessness, and poverty;
18 "(ii) test promising strategies by nonprofit and
19 for-profit institutions to increase employment,
20 earnings, child support payments, and
21 self-sufficiency with respect to temporary
22 employment assistance clients under State plans;
23 and
24 "(iii) foster the development of child care.
25 "(B) Additional parameters.—Demonstrations
26 implemented under this paragraph—

1 "(i) may provide one-time capital funds to
2 establish, expand, or replicate programs;
3 "(ii) may test performance-based grant-to-loan
4 financing in which programs meeting performance
5 targets receive grants while programs not meeting
6 such targets repay funding on a pro-rated basis;
7 and
8 "(iii) should test strategies in multiple States
9 and types of communities.
10 "(3) Federal evaluations.—
11 "(A) In general.—The Secretary shall conduct
12 research on the effects, benefits, and costs of
13 different approaches to operating welfare programs,
14 including an implementation study based on a
15 representative sample of States and localities,
16 documenting the policies adopted, how such policies
17 were implemented, the types and mix of services
18 provided, and such other factors as the Secretary
19 considers appropriate.
20 "(B) Research on related issues.—The Secretary
21 also shall conduct research on issues related to the
22 purposes of this part, such as strategies for moving
23 welfare recipients into the workforce quickly, reducing
24 teen pregnancies and out-of-wedlock births, and
25 providing adequate child care.

1 "(C) State reimbursement.—The Secretary may
2 reimburse a State for any research-related costs
3 incurred pursuant to research conducted under this
4 paragraph.
5 "(D) Use of random assignment.—Evaluations
6 authorized under this paragraph should use random
7 assignment to the maximum extent feasible and
8 appropriate.
9 "(c) Study by the Census Bureau.
10 "(1) In General.—The Bureau of the Census shall expand
11 the Survey of Income and Program Participation as necessary
12 to obtain such information as will enable interested persons
13 to evaluate the impact of the amendments made by the Work
14 First and Personal Responsibility Act of 1996 on a random
15 national sample of recipients of assistance under State
16 programs funded under this part and (as appropriate) other
17 low-income families, and in doing so, shall pay particular
18 attention to the issues of out-of-wedlock birth, welfare
19 dependency, the beginning and end of welfare spells, and the
20 causes of repeat welfare spells.
21 "(2) Appropriation.—For each of fiscal years 1996,
22 1997, 1998, 1999, 2000, 2001, and 2002, from the
23 appropriation account providing funds for grants to States
24 for activities funded under section 413(a)(1), the Secretary
25 shall transfer to the Bureau of the Census $10,000,000 to
26 carry out paragraph (1). Such funds transferred to the

1 Bureau of the Census shall remain available for obligation
2 by the Bureau of the Census until expended.
3 "SEC. 416. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.
4 "(a) In General.—Upon receiving notice from a State agency
5 administering a plan approved under this part that a named
6 individual has been overpaid under the State plan approved under
7 this part, the Secretary of the Treasury shall determine whether
8 any amounts as refunds of Federal taxes paid are payable to such
9 individual, regardless of whether such individual filed a tax
10 return as a married or unmarried individual. If the Secretary of
11 the Treasury finds that any such amount is payable, the Secretary
12 shall withhold from such refunds an amount equal to the
13 overpayment sought to be collected by the State and pay such
14 amount to the State agency.
15 "(b) Regulations.—The Secretary of the Treasury shall issue
16 regulations, approved by the Secretary of Health and Human
17 Services, that provide—
18 "(1) that a State may only submit under subsection (a)
19 requests for collection of overpayments with respect to
20 individuals—
21 "(A) who are no longer receiving temporary
22 employment assistance under the State plan approved
23 under this part,
24 "(B) with respect to whom the State has already
25 taken appropriate action under State law against the

1 income or resources of the individuals or families
2 involved; and
3 "(C) to whom the State agency has given notice of
4 its intent to request withholding by the Secretary of
5 the Treasury from the income tax refunds of such
6 individuals;
7 "(2) that the Secretary of the Treasury will give a
8 timely and appropriate notice to any other person filing a
9 joint return with the individual whose refund is subject to
10 withholding under subsection (a); and
11 "(3) the procedures that the State and the Secretary of
12 the Treasury will follow in carrying out this section which,
13 to the maximum extent feasible and consistent with the
14 specific provisions of this section, will be the same as
15 those issued pursuant to section 464(b) applicable to
16 collection of past-due child support.
17 "SEC. 417. ASSISTANT SECRETARY FOR FAMILY SUPPORT.
18 "The programs under this title shall be administered by an
19 Assistant Secretary for Family Support within the Department of
20 Health and Human Services, who shall be appointed by the
21 President, by and with the advice and consent of the Senate, and
22 who shall be in addition to any other Assistant Secretary of
23 Health and Human Services provided for by law. If an individual
24 is the Assistant Secretary for Children and Families on the day
25 before the enactment of this Act, that individual shall become
26 the Assistant Secretary for Family Support.".

1 **SEC. 103. CONFORMING AMENDMENTS RELATING TO COLLECTION OF**
2 **OVERPAYMENTS.**
3 (a) Section 6402 of the Internal Revenue Code of 1986
4 (relating to authority to make credits or refunds) is amended—
5 (1) in subsection (a), by striking "(c) and (d)" and
6 inserting "(c), (d), and (e)";
7 (2) by redesignating subsections (e) through (i) as
8 subsections (f) through (j), respectively; and
9 (3) by inserting after subsection (d) the following:
10 "(e) Collection of Overpayments Under Title
11 IV-A of the Social Security Act.—The amount of
12 any overpayment to be refunded to the person
13 making the overpayment shall be reduced (after
14 reductions pursuant to subsections (c) and (d),
15 but before a credit against future liability for
16 an internal revenue tax) in accordance with
17 section 416 of the Social Security Act (concerning
18 recovery of overpayments to individuals under
19 State plans approved under part A of title IV of
20 such Act).".
21 (b) Paragraph (10) of section 6103(l) of the Internal
22 Revenue Code of 1986 is amended—
23 (1) by striking "(c) or (d)" each place it appears and
24 inserting "(c), (d), or (e)"; and
25 (2) by adding at the end of subparagraph (B) the
26 following new sentence; "Any return information disclosed

1 with respect to section 6402(e) shall only be disclosed to
2 officers and employees of the State agency requesting such
3 information.".
4 (c) The matter preceding subparagraph (A) of section
5 6103(p)(4) of such Code is amended—
6 (1) by striking "(10)," before "(11)" and
7 (2) by inserting "(10)," after "(9),".
8 (d) Section 552a(a)(8)(B)(iv)(III) of title 5, United States
9 Code, is amended by striking "section 464 or 1137 of the Social
10 Security Act" and inserting "section 416, 464, or 1137 of the
11 Social Security Act".
12 **SEC. 104. TERRITORIES.**
13 (a) Limitations on Federal Payments.—Section 1108(a)(2) and
14 (3) of the Act is amended to read as follows:
15 "(2) for payment to the Virgin Islands shall not
16 exceed—
17 "(A) $2,800,000 with respect to fiscal years 1994,
18 1995, and 1996, and
19 "(B) $3,500,000 or, if greater, such amount
20 adjusted by the CPI (as prescribed in subsection (f))
21 for fiscal year 1997 and each fiscal year thereafter;
22 and
23 "(3) for payment to Guam shall not exceed—
24 "(A) $3,800,000 with respect to fiscal year 1994,
25 1995, and 1996, and

1 "(B) $4,750,000 or, if greater, such amount
2 adjusted by the CPI (as prescribed in subsection (f)),
3 for fiscal year 1997 and each fiscal year thereafter.".
4 (b) CPI Adjustment.—Section 1108 of the Act is amended by
5 adding at the end the following new subsection:
6 "(f) For purposes of subsection (a), an amount is
7 'adjusted by the CPI' for months in a calendar year by
8 multiplying that amount by the ratio of the Consumer Price
9 Index as prepared by the Department of Labor for—
10 "(1) the third quarter of the preceding calendar
11 year, to
12 "(2) the third quarter of calendar year 1996, and
13 rounding the product, if not a multiple of $10,000, to
14 the nearer multiple of $10,000.".
15 **SEC. 105. EFFECTIVE DATES.**
16 (a)(1) In general.—Except as provided in paragraph (2), the
17 amendments made by sections 102 and 104 of this Act are effective
18 with respect to calendar quarters beginning on or after October
19 1, 1996.
20 (2)(A) Funds that would be available for obligation in
21 fiscal year 1996 under section 415 of the Social Security
22 Act (as amended by this Act) are available upon enactment.
23 (B) Amendments made by section 103 of this Act are
24 effective upon enactment.
25 (b) Special rule.—In the case of a State that the Secretary
26 of Health and Human Services determines requires State

1 legislation (other than legislation appropriating funds) in order
2 to meet the requirements imposed by the amendments made by this
3 subtitle, the State shall not be regarded as failing to comply
4 with those requirements before the first day of the first
5 calendar quarter beginning after the close of the first regular
6 session of the State legislature that begins after the date of
7 enactment of this Act. For purposes of this paragraph, in the
8 case of a State that has a 2-year legislative session, each year
9 of the session shall be treated as a separate regular session of
10 the State legislature. Such a State, however, shall be subject
11 to the funding provisions in section 413 of the Social Security
12 Act (as amended by this Act) on and after October 1, 1996.

13 **Subtitle B—Make Work Pay**

14 **SEC. 111. TRANSITIONAL MEDICAID BENEFITS.**

15 (a) Permanent Extension of Authority.—Subsection (f) of
16 section 1925 of the Social Security Act (42 U.S.C. 1396r-6(f)) is
17 repealed.

18 (b) Effective Date.—The repeal made by subsection (a)
19 applies to calendar quarters beginning on or after October 1,
20 1997, without regard to whether final regulations to carry out
21 the repeal have been promulgated by that date.

22 **SEC. 112. NOTICE OF AVAILABILITY REQUIRED TO BE PROVIDED TO**
23 **APPLICANTS AND FORMER RECIPIENTS OF TEMPORARY EMPLOYMENT**
24 **ASSISTANCE, FOOD STAMPS, AND MEDICAID.**

1 (a) Temporary Employment Assistance.—Section 406, as added
2 by section 102 of this Act, is amended by adding at the end the
3 following:
4 "(i) Notice of Availability of EITC.—The State plan
5 shall provide that the State agency shall provide written
6 notice of the existence and availability of the earned
7 income credit under section 32 of the Internal Revenue Code
8 of 1986 to—
9 "(1) any individual who applies for assistance
10 under the State plan, upon receipt of the application;
11 and
12 "(2) any recipient of assistance under the State
13 plan under this part (including any recipient of
14 assistance under the plan in effect before the
15 effective date of the Work First and Personal
16 Responsibility Act of 1996) whose assistance is
17 terminated, in the notice of termination of benefits.".
18 (b) Food Stamps.—Section 11(e) of the Food Stamp Act of
19 1977 (7 U.S.C. 2020(e)), as amended by sections 323(b), 330(c),
20 and 364(1)(C) and (D) of this Act, is amended—
21 (1) in paragraph (24) by striking "and" at the end;
22 (2) in paragraph (25) by striking the period at the end
23 and inserting "; and"; and
24 (3) by inserting after paragraph (25) the following:
25 "(26) that whenever a household applies for food
26 stamp benefits, and at other times the Secretary

1 considers appropriate, the State agency shall provide
2 to each member of such household notice of—
3 "(A) the existence of the earned income tax credit
4 under section 32 of the Internal Revenue Code of
5 1986; and
6 "(B) the fact that such credit may be applicable
7 to such member.".
8 (c) The second sentence of section 5(a) of the Food Stamp
9 Act of 1977 (7 U.S.C. 2014(a) is amended by—
10 (1) striking "plan approved" and inserting "program
11 funded"; and
12 (2) inserting before ", supplemental security income"
13 the following—
14 "that limits receipt of benefits to households
15 whose gross income, as defined by the State, does not
16 exceed the poverty line, as described in subsection
17 (c), by more than 30 per cent".
18 (d) Medicaid.—Section 1902(a) (42 U.S.C. 1396a(a)) is
19 amended—
20 (1) by striking "and" at the end of paragraph (61);
21 (2) by striking the period at the end of paragraph (62)
22 and inserting "; and"; and
23 (3) by inserting after paragraph (62) the following new
24 paragraph:
25 "(63) provide that the State shall provide notice
26 of the existence and availability of the earned income

1 tax credit under section 32 of the Internal Revenue
2 Code of 1986 to each individual applying for medical
3 assistance under the State plan and to each individual
4 whose eligibility for medical assistance under the
5 State plan is terminated.".

6 **SEC. 113. ADVANCE PAYMENT OF EARNED INCOME TAX CREDIT THROUGH**
7 **STATE DEMONSTRATION PROGRAMS.**

8 (a) In General.—Section 3507 of the Internal Revenue Code
9 of 1986 (relating to the advance payment of the earned income tax
10 credit) is amended by adding at the end the following:

11 "(g) State Demonstrations.—

12 "(1) In general.—In lieu of receiving earned
13 income advance amounts from an employer under
14 subsection (a), a participating resident shall receive
15 advance earned income payments from a responsible State
16 agency pursuant to a State Advance Payment Program that
17 is designated pursuant to paragraph (2).

18 "(2) Designations.—

19 "(A) In general.—From among the States submitting
20 proposals satisfying the requirements of paragraph
21 (3), the Secretary (in consultation with the
22 Secretary of Health and Human Services and the
23 Secretary of Agriculture) may designate not more
24 than 4 State Advance Payment Demonstrations. These
25 States may operate demonstrations in areas that
26 include, in the aggregate, no more than 10 percent

1 of the total number of households participating in
2 the program under the Food Stamp program in the
3 immediately preceding fiscal year. Administrative
4 costs of a State in conducting a demonstration
5 under this section may be included for matching
6 under section 413(a)(2) of the Social Security Act.
7 "(B) When designation may be made.—Any
8 designation under this paragraph shall be made no
9 later than December 31, 1998.
10 "(C) Period for which designation is in effect.—
11 "(i) In general.—Designations made under
12 this paragraph shall be effective for advance
13 earned income payments made after December 31,
14 1998, and before January 1, 2002.
15 "(ii) Special rules.—
16 "(I) Revocation of designations.—The
17 Secretary may revoke any designation made
18 under this paragraph if the Secretary
19 determines that the State is not complying
20 substantially with the proposal described in
21 paragraph (3) submitted by the State.
22 "(II) Automatic termination of
23 designations.—Any failure by a State to
24 comply with the reporting requirements
25 described in paragraphs (3)(F) and (3)(G)
26 shall have the effect of immediately

1 terminating the designation under this
2 paragraph and rendering paragraph (5)(A)(ii)
3 inapplicable to subsequent payments.
4 "(3) Proposals.—No State may be designated under
5 paragraph (2) unless the State's proposal for such
6 designation—
7 "(A) identifies the responsible State agency,
8 "(B) describes how and when the advance earned
9 income payments will be made by that agency,
10 including a description of any other State or
11 Federal benefits with which such payments will be
12 coordinated,
13 "(C) describes how the State will obtain the
14 information on which the amount of advance earned
15 income payments made to each participating resident
16 will be determined in accordance with paragraph
17 (4),
18 "(D) describes how State residents who will be
19 eligible to receive advance earned income payments
20 will be selected, notified of the opportunity to
21 receive advance earned income payments from the
22 responsible State agency, and given the opportunity
23 to elect to participate in the program,
24 "(E) describes how the State will verify, in
25 addition to receiving the certifications and
26 statement described in paragraph (7)(D)(iv), the

1 eligibility of participating residents for the
2 earned income tax credit,
3 "(F) commits the State to furnishing to each
4 participating resident, by January 31 of each year
5 a written statement showing—
6 "(i) the name and taxpayer identification
7 number of the participating resident and by
8 January 31 the amounts paid to each participating
9 resident, and
10 "(ii) the total amount of advance earned
11 income payments made to the participating resident
12 during the prior calendar year,
13 "(G) commits the State to furnishing to the
14 Secretary by December 1 of each year a written
15 statement showing the name and taxpayer
16 identification number of each participating
17 resident, and by January 31 the amounts paid to
18 each participating resident,
19 "(H) commits the State to treat any advance earned
20 income payments as described in paragraph (5) and
21 any repayments of excessive advance earned income
22 payments as described in paragraph (6),
23 "(I) commits the State to assess the development
24 and implementation of its State Advance Payment
25 Program, including an agreement to share its

1 findings and lessons with other interested States
2 in a manner to be described by the Secretary, and
3 "(J) is submitted to the Secretary on or before
4 June 30, 1998.
5 "(4) Amount and timing of advance earned income
6 payments.—
7 "(A) Amount.—
8 "(i) In general.—The method for determining
9 the amount of advance earned income payments made
10 to each participating resident shall conform to
11 the fullest extent possible with the provisions of
12 subsection (c).
13 "(ii) Special rule.—A State may, at its
14 election, apply the rules of subsection (c)(2)(B)
15 by substituting 'between 60 percent and 75 percent
16 of the credit percentage in effect under section
17 32(b)(1) for an individual with the corresponding
18 number of qualifying children' for '60 percent of
19 the credit percentage in effect under section
20 32(b)(1) for such an eligible individual with 1
21 qualifying child' in clause (i) and 'the same
22 percentage (as applied in clause (i))' for '60
23 percent' in clause (ii).
24 "(B) Timing.—The frequency of advance earned
25 income payments may be determined on the basis of
26 the payroll periods of participating residents, on

1 a single statewide schedule, or on any other
2 reasonable basis prescribed by the State in its
3 proposal; however, in no event may advance earned
4 income payments be made to any participating
5 resident less frequently than on a calendar-quarter
6 basis.
7 "(5) Payments to be treated as payments of
8 withholding and FICA taxes.—
9 "(A) In general.—For purposes of this title,
10 advance earned income payments during any calendar
11 quarter—
12 "(i) shall neither be treated as a payment of
13 compensation nor be included in gross income, and
14 "(ii) shall be treated as made out of—
15 "(I) amounts required to be deducted by
16 the State and withheld for the calendar
17 quarter by the State under section 3401
18 (relating to wage withholding),
19 "(II) amounts required to be deducted
20 for the calendar quarter under section 3102
21 (relating to FICA employee taxes), and
22 "(III) amounts of the taxes imposed on
23 the State for the calendar quarter under
24 section 3111 (relating to FICA employer
25 taxes), as if the State had paid to the
26 Secretary, on the day on which payments are

1 made to participating residents, an amount
2 equal to such payments.
3 "(B) If advance payments exceed taxes due.—If for
4 any calendar quarter the aggregate amount of
5 advance earned income payments made by the
6 responsible State agency under a State Advance
7 Payment Program exceeds the sum of the amounts
8 referred to in subparagraph (A)(ii) (without regard
9 to paragraph (6)(A)), each such advance earned
10 income payment shall be reduced by an amount which
11 bears the same ratio to such excess as such advance
12 earned income payment bears to the aggregate amount
13 of all such advance earned income payments.
14 "(6) State repayment of excessive advance earned
15 income payments.—
16 "(A) In general.—Notwithstanding any other
17 provision of law, in the case of an excessive
18 advance earned income payment a State shall be
19 treated as having deducted and withheld under
20 section 3401 (relating to wage withholding), and as
21 being required to pay to the United States, the
22 repayment amount during the repayment calendar
23 quarter.
24 "(B) Excessive advance earned income payment.—For
25 purposes of this section, the term 'excessive
26 advance income payment' means that portion of any

1 advance earned income payment that, when combined
2 with other advance earned income payments
3 previously made to the same participating resident
4 during the same calendar year, exceeds the amount
5 of earned income tax credit to which that
6 participating resident is entitled under section 32
7 for that year.
8 "(C) Repayment amount.—For purposes of this
9 subsection, the term 'repayment amount' means an
10 amount equal to 50 percent of the excess of—
11 "(i) excessive advance earned income payments
12 made by a State during a particular calendar year,
13 over
14 "(ii) the sum of—
15 "(I) 4 percent of all advance earned
16 income payments made by the State during that
17 calendar year, and
18 "(II) the excessive advance earned
19 income payments made by the State during that
20 calendar year that have been collected from
21 participating residents by the Secretary.
22 "(D) Repayment calendar quarter.—For purposes of
23 this subsection, the term 'repayment calendar
24 quarter' means the second calendar quarter of the
25 third calendar year beginning after the calendar

1 year in which an excessive earned income payment is
2 made.
3 "(7) Definitions.—For purposes of this subsection—
4 "(A) State advance payment program.—The term
5 'State Advance Payment Program' means the program
6 described in a proposal submitted for designation
7 under paragraph (1) and designated by the Secretary
8 under paragraph (2).
9 "(B) Responsible state agency.—The term
10 'responsible State agency' means the single State
11 agency that will be making the advance earned
12 income payments to residents of the State who elect
13 to participate in a State Advance Payment Program.
14 "(C) Advance earned income payments.—The term
15 'advance earned income payments' means an amount
16 paid by a responsible State agency to residents of
17 the State pursuant to a State Advance Payment
18 Program.
19 "(D) Participating resident.—The term
20 'participating resident' means an individual who—
21 "(i) is a resident of a State that has in
22 effect a designated State Advance Payment Program,
23 "(ii) makes the election described in
24 paragraph (3)(D) pursuant to guidelines prescribed
25 by the State,

"(iii) certifies to the State the number of qualifying children the individual has, and

"(iv) provides to the State the certifications and statement described in subsections (b)(1), (b)(2), (b)(3), and (b)(4) (except that for purposes of this clause, the term 'any employer' shall be substituted for 'another employer' in subsection (b)(3)), along with any other information required by the State.".

(b) Technical Assistance.—The Secretaries of the Treasury and Health and Human Services shall jointly ensure that technical assistance is provided to State Advance Payment Programs and that these programs are rigorously evaluated.

(c) Annual Reports.—The Secretary shall issue annual reports detailing the extent to which—

(1) residents participate in the State Advance Payment Programs,

(2) participating residents file Federal and State tax returns,

(3) participating residents report accurately the amount of the advance earned income payments made to them by the responsible State agency during the year, and

(4) recipients of excessive advance earned income payments repay those amounts.

The report shall also contain an estimate of the amount of advance earned income payments made by each responsible State

1 agency but not reported on the tax returns of a participating
2 resident and the amount of excessive advance earned income
3 payments.
4 (d) Authorization of Appropriations.—For purposes of
5 providing technical assistance described in subsection (b),
6 preparing the reports described in subsection (c), and providing
7 grants to States in support of designated State Advance Payment
8 Programs, there are authorized to be appropriated in advance to
9 the Secretary of the Treasury and the Secretary of Health and
10 Human Services a total of $1,400,000 for fiscal years 1999
11 through 2001.
12 **SEC. 114. CONSOLIDATED CHILD CARE AND DEVELOPMENT BLOCK GRANT.**
13 (a) Purpose.—It is the purpose of this section to amend the
14 Child Care and Development Block Grant Act of 1990 (referred to
15 in this section as the "CCDBG Act") and to consolidate other
16 child care programs into the program under that Act, in order
17 to—
18 (1) eliminate program fragmentation and create a
19 seamless system of high quality child care that allows for
20 continuity of care for children as parents move from welfare
21 to work;
22 (2) provide for parental choice among high quality
23 child care programs; and
24 (3) increase the availability of high quality
25 affordable child care in order to promote self-sufficiency
26 and support working families.

1 (b) Authorization of Appropriations.—Section 658B of the
2 CCDBG Act (42 U.S.C. 9858) is amended to read as follows:
3 "SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.
4 "(a) Authorization of discretionary appropriations of block
5 grant funds.—For the purpose of providing child care services
6 for eligible children through the awarding of grants to States
7 under this subchapter (other than the grants awarded under
8 subsection (b)) by the Secretary, there are authorized to be
9 appropriated $2,000,000,000 for fiscal year 1996 and such sums as
10 may be necessary for fiscal years 1997 through 2002.
11 "(b) Entitlement to States.—For the purpose of providing
12 child care services for eligible children, in addition to grants
13 from appropriations authorized under subsection (a), there are
14 authorized to be appropriated and States shall be entitled to
15 receive matching grants under section 6580b in amounts not to
16 exceed in total $1,555,000,000 for fiscal year 1997,
17 $1,615,000,000 for fiscal year 1998, $1,800,000,000 for fiscal
18 year 1999, $2,200,000,000 for fiscal year 2000, $2,475,000,000
19 for fiscal year 2001, and $2,525,000,000 for fiscal year 2002.".
20 (c) Use of Block Grant Funds.—
21 (1) Services to Families in Welfare-to-Work
22 Transition.—Section 658E(c)(3)(B) of the CCDBG Act (42
23 U.S.C. 9858c(c)(3)(B)) is amended—
24 (A) by redesignating clauses (i) and (ii) as
25 subclauses (I) and (II), respectively, and realigning
26 the margins accordingly;

1 (B) by striking "Subject" and inserting the
2 following:
3 "(i) In general.—Subject"; and
4 (C) by adding at the end the following new clause:
5 "(ii) SPECIAL RULES FOR FAMILIES SEEKING TO BECOME
6 OR BECOMING INDEPENDENT OF TEMPORARY EMPLOYMENT
7 ASSISTANCE.—
8 "(I) IN GENERAL.—Each State agency referred
9 to in section 658D shall guarantee child care in
10 accordance with this Act—
11 "(aa) for any individual who is
12 participating in an education or training
13 activity (including participation in a
14 program established under part F, G, or H of
15 title IV of the Social Security Act) if the
16 State agency administering the program under
17 part F of that title approves the activity
18 and determines that the individual is
19 participating satisfactorily in the activity;
20 "(bb) for each family with a needy child
21 (as defined in section 402(a)(1) of the
22 Social Security Act) requiring such care, to
23 the extent that such care is determined by
24 the State agency to be necessary to permit an
25 individual in the family to accept employment
26 or remain employed, including in a community

1 service job under part F, G, or H of title IV
2 of the Social Security Act; and
3 "(cc) to the extent that the State
4 agency determines that such care is necessary
5 for the employment of an individual, if the
6 family of which the individual is a member
7 has ceased to receive assistance under the
8 State plan approved under part A of title IV
9 of the Social Security Act by reason of
10 increased hours of, or income from, such
11 employment, for 12 months after the last
12 month for which the family received
13 assistance described in such paragraph.".
14 (2) Set-asides for quality and expansion.—Section
15 658E(c)(3)(C) of the CCDBG Act (42 U.S.C. 9858c(c)(3)(C)) is
16 amended by striking "25 percent" and inserting "10 percent".
17 (3) Support of Welfare-to-Work.—(A) In
18 General.—Section 658E(c) of the CCDBG Act (42 U.S.C.
19 9858c(c)) is amended by adding the following:
20 "(6) Significant expenditures to support welfare-
21 to-work transition.—The State plan shall provide that
22 the State will use significant portions of amounts
23 provided for child care services for each of the
24 following:
25 "(A) Families containing an individual receiving
26 assistance under a State plan approved under part A

1 of title IV of the Social Security Act and
2 participating in education, job search, job
3 training, work, or workforce programs;
4 "(B) Families containing an individual who—
5 "(i) has ceased to receive assistance under
6 the temporary employment assistance program under
7 part A of title IV of the Social Security Act as a
8 result of increased hours of, or increased income
9 from, employment, and no longer qualifies for
10 child care assistance on the basis of receiving
11 such assistance under part A of title IV of the
12 Social Security Act; and
13 "(ii) the State determines requires such
14 child care assistance in order to continue such
15 employment.
16 "(C) Families containing an individual who—
17 "(i) is not described in subparagraph (A) or
18 (B); and
19 "(ii) has an annual income for a fiscal year
20 below 75 percent of the State median income.".
21 (B) Conforming amendments—(i) Section
22 658E(c)(3)(B)(i)(I) of the CCDBG Act, as redesignated
23 by paragraph (1), is amended by inserting "consistent
24 with paragraph (6)" after "child care services".

1 (ii) Subsection 658F(a) is amended by striking
2 "Nothing" and inserting "Except as provided in
3 section 658E(c)(B)(ii), nothing".
4 (4) Sliding fee scale.—Section 658E(c)(5) of the CCDBG
5 Act (42 U.S.C. 9858c(c)(5)) is amended by inserting
6 "described in subparagraphs (B) and (C) of paragraph (6)"
7 after "families".
8 (d) Limited Entitlement; Allocation.—
9 (1) In general.—The CCDBG Act (42 U.S.C. 9858) is
10 amended by adding after section 6580 the following new
11 section:
12 "Sec. 6580b. ALLOCATION OF LIMITATION ON ENTITLEMENT.
13 "(a) Each State shall be entitled to payment from the
14 Secretary of an amount equal to the lesser of:
15 "(1) the Federal medical assistance percentage (as
16 defined in section 1905(b) or, as applicable, in section
17 1118 of the Social Security Act) of the amount of
18 expenditures made by the State in providing child care
19 services pursuant to this subchapter, other than
20 expenditures of funds appropriated under subsection 658B(a);
21 or
22 "(2) the limitation determined under subsection (b).
23 "(b) Limitation on entitlement.—Subject to the
24 redistribution procedures under subsection (c), the limitation
25 for a State for a fiscal year under this paragraph shall be an
26 amount equal to the product of—

1 "(1) the sum of the total amounts of Federal payments
2 for fiscal year 1994 to the State under—
3 "(A) Section 402(g)(3)(A) of the Social Security
4 Act (as that section was in effect before October 1,
5 1995) for amounts expended for child care pursuant to
6 paragraph (1) of such subsection;
7 "(B) Section 403(l)(1)(A) of that Act (as so in
8 effect) for amounts expended for child care pursuant to
9 section 402(g)(1)(A) of that Act (as so in effect), in
10 the case of a State with respect to which section 1108
11 of that Act applies; and
12 "(C) Section 403(n) of that Act (as so in effect)
13 for child care services pursuant to section 402(i) of
14 that Act;
15 "divided by the total amount of such Federal payments to all
16 States for fiscal year 1994; and
17 "(2) the total limitation for all States under
18 subsection 658B(b) for such fiscal year, reduced by the
19 amount reserved under subsection (d).
20 "(c) Adjustment of Limitation; Reallotment.—
21 "(1) Availability of Unused Amounts for
22 Reallotment.—If the Secretary determines that a State will
23 not use the full limitation amount available to it for a
24 fiscal year (as calculated under subsection (b)), the
25 Secretary shall—

1 "(A) reduce that State's limitation under
2 subsection (b) by the amount the Secretary determines
3 the State will not use; and
4 "(B) increase by no more than the amount of
5 reductions under subparagraph (A) the limitations
6 available to States under subsection (b) that have
7 requested an increase in their limitations.
8
9 "(2) Reallotment formula.—Limitation increases
10 available under paragraph (1) shall be made available to
11 each State requesting an increase in its limitation amount
12 that bears the same ratio to the total available increase in
13 limitations as the State's historical expenditures described
14 in subsection (b)(1) bear to the sum of such historical
15 expenditures for all States requesting an increase in their
16 limitations.
17 "(d) Amounts Reserved for Indian Tribes.—The Secretary
18 shall reserve not more than 3 percent of the amount appropriated
19 under section 658B(b) each fiscal year for payments to Indian
20 tribes and tribal organizations with applications approved under
21 section 6580a(c). The amounts reserved under the prior sentence
22 shall be available to make grants to or enter into contracts with
23 Indian tribes or tribal organizations consistent with section
24 6580a(c), without a requirement of matching funds by the Indian
25 tribes or tribal organizations.

1 "(e) Same Treatment as Allotments.—Amounts paid to a State
2 or Indian tribe under subsections (a) and (d) shall be subject to
3 the same requirements under this subchapter as amounts paid from
4 the allotment under section 658Oa, except that section 658J(c)
5 shall not apply.".
6 (2) Conforming amendments.—(A) Section 658O of the
7 CCDBG Act (42 U.S.C. 9858m) is amended—
8 (i) by striking "Sec. 658O." and inserting "Sec.
9 658Oa. Discretionary Appropriations;";
10 (ii) in subsection (a)—
11 (I) in paragraph (1), by striking "this
12 subchapter" and inserting "section 658B(a)"; and
13 (II) in paragraph (2), by striking 658B" and
14 inserting "658B(a)"; and
15 (iii) in subsection (b)(1), by striking "section
16 658B" and inserting "section 658B(a)".
17 (B) Subsection 658J(c) of the CCDBG Act (42 U.S.C.
18 9858m) is amended by striking "658O" and inserting
19 "658Oa".
20 (e) Improving quality.—
21 (1) Increase in required funding.—Section 658G of the
22 CCDBG Act (42 U.S.C. 9858e) is amended by striking "not less
23 than 20 percent of the".
24 (2) Quality improvement incentive initiative.—Section
25 658G of the CCDBG Act (42 U.S.C. 9858e) is further amended—

1 (A) by adding at the end the following new
2 paragraphs:
3 "(6) Before- and after-school
4 activities.—Increasing the availability of before-
5 and after-school care.
6 "(7) Infant care.—Increasing the availability of
7 child care for infants under the age of 18 months.
8 "(8) Nontraditional work hours.—Increasing the
9 availability of child care between the hours of
10 5:00 p.m. and 8:00 a.m.";
11 (B) by striking "A State" and inserting "(a) In
12 General.—A State"; and
13 (C) by adding at the end the following new
14 subsection:
15 "(b) Quality Improvement Incentive
16 Initiative.—
17 "(1) In general.—The Secretary shall
18 establish a child care quality improvement
19 incentive initiative to make funds available
20 to States that demonstrate progress in the
21 implementation of—
22 "(A) innovative teacher training
23 programs such as the Department of
24 Defense staff development and
25 compensation program for child care
26 personnel; or

1 "(B) enhanced child care quality
2 standards and licensing and monitoring
3 procedures.
4 "(2) Funding.—From the amounts made
5 available for each fiscal year under
6 subsection (a), the Secretary shall reserve
7 not to exceed $25,000,000 for each such
8 fiscal year to carry out this subsection.".
9 (f) Payments.—
10 (1) Section 658H of the CCDBG Act (42 U.S.C. 9858f) is
11 repealed.
12 (2) Section 658J(a) of the CCDBG Act (42 U.S.C. 9858h)
13 is amended to read as follows:
14 "(a) IN GENERAL.—Subject to the availability of
15 appropriations under Section 658B(a) and the
16 limitations and other requirements under 6580b, a State
17 that has an application approved by the Secretary under
18 section 658E shall be entitled to a payment in a fiscal
19 year in an amount equal to the sum of its allotment
20 under section 6580a for that year and the amount
21 determined for that State for that fiscal year under
22 6580b(a).".
23 (g) Annual Report.—Section 658K(a) of the CCDBG Act (42
24 U.S.C. 9858i) is amended by adding after paragraph (6) the
25 following new paragraph:

1 "(7) specifying the total amount expended by the
2 State for child care under part 658E(c)(3)(B)(ii), and
3 describing the types of child care provided, such as
4 child care provided in the case of a family that has
5 ceased to receive assistance under part A of title IV
6 of the Social Security Act because of increased hours
7 of, or increased income from, employment; or child care
8 provided in the case of a family that is not receiving
9 assistance under that part but would be at risk of
10 becoming eligible for such assistance if child care was
11 not provided.".
12 (h) Program Repeals.—
13 (1) State dependent care grants.—Subchapter E of
14 chapter 8 of subtitle A of title VI of the Omnibus Budget
15 Reconciliation Act of 1981 (42 U.S.C. 9871 et seq.) is
16 repealed.
17 (2) Child development associate scholarship assistance
18 act.—The Child Development Associate Scholarship Assistance
19 Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.
20 **SEC. 115. EFFECTIVE DATES.**
21 The amendments made by this subtitle are effective with
22 respect to calendar quarters beginning on or after October 1,
23 1996.

24 ## Subtitle C—Work First

25 **SEC. 121. WORK FIRST PROGRAM.**

1 (a) Establishment and Operation of Program.—Title IV
2 (42 U.S.C. 601 et seq.) is amended by striking part F and
3 inserting the following:
4 "Part F—Work First Program
5 "SEC. 481. STATE ROLE.
6 "(a) Program Requirements.—Each State that operates a
7 program under part A shall establish and operate a Work First
8 program that meets the following requirements:
9 "(1) Objective.—The objective of the program is for
10 each program participant to find and hold a full-time
11 unsubsidized paid job, and for this goal to be achieved in a
12 cost-effective fashion.
13 "(2) Method.—The method of the program is to connect
14 recipients of assistance under the State plan under part A
15 with the private sector labor market as soon as possible and
16 offer them the support and skills necessary to remain in the
17 labor market. Each component of the program should be
18 permeated with an emphasis on employment and with an
19 understanding that minimum wage jobs are a stepping stone to
20 more highly paid employment. The program shall provide
21 recipients with education, training, job search and
22 placement, work supplementation, temporary subsidized jobs,
23 or such other services as the State considers necessary to
24 help a recipient obtain private sector employment.
25 "(3) Job creation.—The creation of jobs, with an
26 emphasis on private sector jobs, shall be a component of the

1 program and shall be a priority for each State office with
2 responsibilities under the program.
3 "(4) Forms of assistance.—The State shall provide
4 assistance to participants in the program in the form of
5 education, training, job placement services (including
6 vouchers for job placement services), work supplementation
7 programs, temporary subsidized job creation, job counseling,
8 assistance in establishing microenterprises, or other
9 services to provide individuals with the support and skills
10 necessary to obtain and keep employment in the private
11 sector.
12 "(5) Mutual responsibility plans.—
13 "(A) In general.—The State agency shall develop a
14 mutual responsibility plan for each program
15 participant, which will be an individualized
16 comprehensive plan, developed by the State agency and
17 the participant, to move the participant into a
18 full-time unsubsidized job. The agreement should
19 detail the education, training, or skills that the
20 individual will be receiving to obtain a full-time
21 unsubsidized job, and the obligations of the
22 individual.
23 "(B) (i) Hours of participation requirement.—The
24 agreement shall provide that the individual, except as
25 provided in clause (ii), shall participate in
26 activities in accordance with the agreement for—

1 "(I) not fewer than 20 hours per week during
2 fiscal years 1997 and 1998;
3 "(II) not fewer than 25 hours per week during
4 fiscal year 1999; and
5 "(III) not fewer than 30 hours per week
6 thereafter.
7 "(ii) At the option of the State, a parent of a
8 child under age 6 may be required to participate in
9 such activities for fewer hours than specified in
10 clause (i) (but not fewer than 20 hours per week).
11 "(6) Caseload participation rates.—The program shall
12 comply with section 488.
13 "(7) Community Service.—On and after the date which is
14 two years after the date of enactment of this part, (unless
15 the State plan under part A specifically opts out of this
16 provision) the State agency shall require a parent or
17 caretaker who—
18 "(A) is receiving assistance under part A, and has
19 received that assistance for three months;
20 "(B) is not exempt from work requirements; and
21 "(C) is not participating in the programs
22 established under parts F, G, and H as determined under
23 section 488, in community service employment,
24 to participate in community service, with minimum hours per
25 week and tasks to be determined by the State (and the State
26 shall offer such employment to the parent or caretaker).

1 "(8) Nondisplacement in Work Activities.—
2 "(A) In General.—A State program under this part
3 or under part G or H may not be operated in a manner
4 that results in—
5 "(i) the displacement of any currently
6 employed worker or position (including partial
7 displacement such as a reduction in the hours of
8 nonovertime work, wages, or employment benefits),
9 or the impairment of an existing contract for
10 services or a collective bargaining agreement;
11 "(ii) the employment or assignment of a
12 participant or the filling of a position when
13 "(I) any other individual is on layoff
14 from the same or an equivalent position, or
15 "(II) the employer has terminated the
16 employment of a regular employee or otherwise
17 reduced its workforce with the effect of
18 filling the vacancy so created with a
19 participant subsidized under the program
20 under this part or under part G or H; or
21 "(iii) an infringement of the promotional
22 opportunity of a currently employed individual.
23 Funds available to carry out the program under this
24 part or under part G or H may not be used to assist,
25 promote, or deter union organizing.
26 "(B) Enforcing Nondisplacement Protections.—

1 "(i) Grievance Procedure.—Each State shall
2 establish and maintain a grievance procedure for
3 resolving complaints alleging violation of a
4 prohibition or requirement of subparagraph (A). Such a
5 procedure shall include an opportunity for a hearing.
6 The procedure's remedies shall include, but are not
7 limited to, termination or suspension of payments to
8 the employer, prohibition of the placement of the
9 program participant, reinstatement of an employee, and
10 other relief to make an aggrieved employee whole.
11 "(ii) Other Laws or Contracts.—Nothing in clause
12 (i) shall be construed to prohibit a complainant from
13 pursuing a remedy authorized under another Federal,
14 State, or local law or a contract or collective
15 bargaining agreement for a violation of a prohibition
16 or requirement of subparagraph (A).
17 "(b) Annual Reports.—
18 "(1) Compliance with performance measures.—Each State
19 that operates a program under this part shall submit to the
20 Secretary annual reports on its performance relative to the
21 performance-based measures established under section
22 413(a)(4).
23 "(2) Compliance with participation rates.—Each State
24 that operates a program under this part for a fiscal year
25 shall submit to the Secretary a report on the participation
26 rate achieved by the State for the fiscal year.

1 "SEC. 482. REVAMPED JOBS PROGRAM.

2 "A State that establishes a program under this part may
3 operate a program similar to the program known as the 'GAIN
4 Program' that has been operated by Riverside County, California,
5 under this Act in effect immediately before the date this part
6 (as amended by the Work First and Personal Responsibility Act of
7 1996) first applies to the State of California.

8 "SEC. 483. USE OF PLACEMENT COMPANIES.

9 "(a) In General.—A State that establishes a program under
10 this part may enter into contracts with private companies
11 (whether operated for profit or not for profit) for the placement
12 of participants in the program in positions of full-time
13 employment, preferably in the private sector, for wages
14 sufficient to eliminate the need of such participants for cash
15 assistance.

16 "(b) Required Contract Terms.—Each contract entered into
17 under this section with a company shall meet the following
18 requirements:

19 "(1) Provision of job readiness and support
20 services.—The contract shall require the company to
21 provide, to any program participant who presents to the
22 company a voucher issued under subsection (d), intensive
23 personalized support and job readiness services designed to
24 prepare the individual for employment and ensure the
25 continued success of the individual in employment.

26 "(2) Payments.—

1 "(A) In general.—The contract shall provide for
2 payments to be made to the company with respect to each
3 program participant who presents to the company a
4 voucher issued under subsection (d).
5 "(B) Structure.—The contract shall provide for
6 payment of the majority of the amounts under the
7 contract with respect to a program participant after
8 the company has placed the participant in a position of
9 full-time employment and the participant has been
10 employed in the position for such period of not less
11 than 5 months as the State deems appropriate.
12 "(c) Competitive Bidding Required.—Contracts under this
13 section shall be awarded only after competitive bidding.
14 "(d) Vouchers.—The State shall issue a voucher to each
15 program participant whose mutual responsibility plan provides for
16 the use of placement companies under this section, indicating
17 that the participant is eligible for the services of such a
18 company.
19 "SEC. 484. TEMPORARY SUBSIDIZED JOB CREATION.
20 "A State that establishes a program under this part may
21 establish a program similar to the program known as 'JOBS Plus'
22 that has been operated by the State of Oregon under this Act in
23 effect immediately before the date this part (as amended by the
24 Work First and Personal Responsibility Act of 1996) first applies
25 to the State of Oregon.
26 "SEC. 485. MICROENTERPRISE.

1 "(a) Grants and Loans to Nonprofit Organizations for the
2 Provision of Technical Assistance, Training, and Credit to Low-
3 Income Entrepreneurs.—A State that establishes a program under
4 this part may make grants and loans to nonprofit organizations to
5 provide technical assistance, training, and credit to low-income
6 entrepreneurs for the purpose of establishing micro enterprises.
7 "(b) Microenterprise Defined.—For purposes of this section,
8 the term 'microenterprise' means a commercial enterprise which
9 has 5 or fewer employees, 1 or more of whom owns the enterprise.
10 "SEC. 486. WORK SUPPLEMENTATION PROGRAM.
11 "(a) In General.—A State that establishes a program under
12 this part may institute a work supplementation program under
13 which the State, to the extent it considers appropriate, may
14 reserve sums that would otherwise be payable under the State plan
15 under part A to participants in the program and use the sums
16 instead for the purpose of providing and subsidizing jobs for the
17 participants (as described in subsection (c)(3)(A) and (B)).
18 "(b) State Flexibility.—
19 "(1) Nothing in this part, or in any State plan
20 approved under part A, shall be construed to prevent a State
21 from operating (on such terms and conditions and in such
22 cases as the State may find to be necessary or appropriate)
23 a work supplementation program in accordance with this
24 section and section 484 (as in effect before the date this
25 part (as amended by the Work First and Personal
26 Responsibility Act of 1996) first applies to the State).

1 "(2) Notwithstanding any other provision of law, a
2 State may adjust the levels of the standards of need under
3 the State plan as the State determines to be necessary and
4 appropriate for carrying out a work supplementation program
5 under this section.
6 "(3) Notwithstanding any other provision of law, a
7 State operating a work supplementation program under this
8 section may provide that the need standards in effect in
9 those areas of the State in which the program is in
10 operation may be different from the need standards in effect
11 in the areas in which the program is not in operation, and
12 the State may provide that the need standards for categories
13 of recipients may vary among such categories to the extent
14 the State determines to be appropriate on the basis of
15 ability to participate in the work supplementation program.
16 "(4) Notwithstanding any other provision of law, a
17 State may make such further adjustments in the amounts of
18 assistance provided under the plan to different categories
19 of recipients (as determined under paragraph (3)) in order
20 to offset increases in benefits from needs-related programs
21 (other than the State plan approved under part A) as the
22 State determines to be necessary and appropriate to further
23 the purposes of the work supplementation program.
24 "(5) In determining the amounts to be reserved and used
25 for providing and subsidizing jobs under this section as

1 described in subsection (a), the State may use a sampling
2 methodology.
3 "(6) Notwithstanding any other provision of law, a
4 State operating a work supplementation program under this
5 section may reduce or eliminate the amount of earned income
6 to be disregarded under the State plan to the extent the
7 State determines to be necessary and appropriate to further
8 the purposes of the work supplementation program.
9 "(c) Rules Relating to Supplemented Jobs.—
10 "(1) A work supplementation program operated by a State
11 under this section may require that any individual who is an
12 eligible individual (as determined under paragraph (2))
13 shall take a supplemented job (as defined in paragraph (3))
14 to the extent that supplemented jobs are available under the
15 program. Payments by the State to individuals or to
16 employers under the work supplementation program shall be
17 treated as expenditures incurred by the State for temporary
18 employment assistance under part A except as limited by
19 subsection (d).
20 "(2) For purposes of this section, an eligible
21 individual is an individual who is in a category which the
22 State determines should be eligible to participate in the
23 work supplementation program, and who would, at the time of
24 placement in the job involved, be eligible for assistance
25 under an approved State plan if the State did not have a
26 work supplementation program in effect.

1 "(3) For purposes of this subsection, a supplemented
2 job is—
3 "(A) a job provided to an eligible individual by
4 the State or local agency administering the State plan
5 under part A; or
6 "(B) a job provided to an eligible individual by
7 any other employer for which all or part of the wages
8 are paid by the State or local agency.
9 A State may provide or subsidize under the program any job
10 which the State determines to be appropriate.
11 "(d) Cost Limitation.—The amount of the Federal payment to
12 a State under section 413 for expenditures incurred in making
13 payments to individuals and employers under a work
14 supplementation program under this section shall not exceed the
15 amount which would otherwise be payable under section 413 if the
16 family of each individual employed in the State program under
17 this section had received the maximum amount of assistance
18 payable under the State plan under part A to such a family with
19 no income (without regard to adjustments under subsection (b))
20 for the lesser of—
21 "(1) 9 months; or
22 "(2) the number of months in which the individual was
23 employed in the program.
24 "(e) Rules of Interpretation.—
25 "(1) This section shall not be construed as requiring
26 the State or local agency administering the State plan under

1 this part to provide employee status to an eligible
2 individual to whom the State or local agency provides a job
3 under the work supplementation program (or with respect to
4 whom the State or local agency provides all or part of the
5 wages paid to the individual by another entity under the
6 program), or as requiring any State or local agency to
7 require that an eligible individual filling a job position
8 provided by another entity under the program be provided
9 employee status by the entity during the first 13 weeks the
10 individual fills the position.
11 "(2) Wages paid under a work supplementation program
12 shall be considered to be earned income for purposes of any
13 provision of law.
14 "(f) Preservation of Medicaid Eligibility.—Any State that
15 chooses to operate a work supplementation program under this
16 section shall provide that any individual who participates in the
17 program, and any child or relative of the individual (or other
18 individual) living in the same household as the individual who
19 would be eligible for assistance under the State plan under part
20 A if the State did not have a work supplementation program, shall
21 be considered individuals receiving assistance under the State
22 plan under part A for purposes of eligibility for medical
23 assistance under the State plan approved under title XIX.
24 "SEC. 487. PARTICIPATION RULES.
25 A State that establishes a program under this part may
26 require any individual receiving assistance under the State plan

1 under part A to participate in the program, except for an
2 individual described in section 402(c)(2)(C)(ii).
3 "SEC. 488. CASELOAD PARTICIPATION RATES.
4 "(a) Requirement.—A State that operates a program under
5 this part shall achieve a participation rate for the following
6 fiscal years of not less than the following percentage:

| "Fiscal year: | Percentage: |
|---|---|
| 1997 | 30 |
| 1998 | 35 |
| 1999 | 40 |
| 2000 | 45 |
| 2001 | 50 |
| 2002 | 50 |
| 2003 or later | 52 |

16 "(b) Participation rate defined.—
17 "(1) In general.—As used in this subsection, the term
18 'participation rate' means, with respect to a State and a
19 fiscal year, an amount equal to—
20 "(A)(i) the average monthly number of families
21 receiving assistance that include an individual who,
22 during the fiscal year, participate in the State
23 program established under this part or part G or H;
24 plus
25 "(ii) the average monthly number of families
26 receiving assistance that include an individual
27 working in unsubsidized employment for the number
28 of hours specified in section 481(a)(5)(B); plus
29 "(iii) the average monthly number of families
30 receiving assistance subject to a penalty

1 described in section 402(c)(1) but who have not
2 been subject to such a penalty for more than three
3 months within the preceding 12-month period;
4 divided by
5 "(B) the average monthly number of families
6 receiving assistance that include an individual not
7 described in section 402(c)(2)(C)(ii) and for whom a
8 personal responsibility agreement is in effect under
9 section 403 during the fiscal year.
10 "(2) Special rule.—For each of the first six months
11 after an individual ceases to receive assistance under a
12 State plan approved under part A by reason of having become
13 employed in an unsubsidized job, the individual shall be
14 considered to be participating in the State program
15 established under this part for the purposes of subparagraph
16 (A), and to be an adult recipient of such assistance for the
17 purposes of subparagraph (B).
18 "(c) State compliance reports.—Each State that operates a
19 program under this part for a fiscal year shall submit to the
20 Secretary a report on the participation rate of the State for the
21 fiscal year.
22 "(d) Effect of failure to meet participation rates.—
23 "(1) In general.—If a State reports that the State has
24 failed to achieve the participation rate required by
25 subsection (a) for the fiscal year, the Secretary may make
26 recommendations for changes in the State programs

1 established under this part and part G or H. The State may
2 elect to follow such recommendations, and shall demonstrate
3 to the Secretary how the State will achieve the required
4 participation rates.
5 "(2) Second consecutive failure.—Notwithstanding
6 paragraph (1), if a State fails to achieve the participation
7 rate required by subsection (a) for 2 consecutive fiscal
8 years, the Secretary may—
9 "(A) require the State to make changes in the
10 State programs established under this part and part G
11 or H; and
12 "(B) reduce by up to 5 percent the amount
13 otherwise payable to the State under section 413(a)(1).
14 "SEC. 489. FEDERAL ROLE.
15 "(a) Approval of State Plans.—
16 "(1) In general.—Within 60 days after the date a State
17 submits to the Secretary a plan that provides for the
18 establishment and operation of a Work First program that
19 meets the requirements of section 481, the Secretary shall
20 approve the plan.
21 "(2) Authority to extend approval deadline.—The 60-day
22 deadline established in paragraph (1) with respect to a
23 State may be extended in accordance with an agreement
24 between the Secretary and the State.
25 "Part G—Workfare Program
26 "SEC. 490. ESTABLISHMENT AND OPERATION OF PROGRAM.

1 "(a) In General.—A State that establishes a Work First
2 program under part F shall establish and carry out either a
3 workfare program that meets the requirements of this part or a
4 job placement voucher program under part H.
5 "(b) Objective.—The objective of the workfare program is
6 for each program participant to find and hold a full-time
7 unsubsidized paid job, and for this goal to be achieved in a
8 cost-effective fashion.
9 "(c) Case Management Teams.—The State shall assign to each
10 program participant a case management team that shall meet with
11 the participant and assist the participant to choose the most
12 suitable workfare job under subsection (e), (f), or (g) and to
13 eventually obtain a full-time unsubsidized paid job.
14 "(d) Provision of Jobs.—The State shall provide each
15 participant in the program with a community service job that
16 meets the requirements of subsection (e) or a subsidized job that
17 meets the requirements of subsection (f) or (g).
18 "(e) Community Service Jobs.—
19 "(1) In general.—Except as provided in paragraphs (2)
20 and (3) and section 481(a)(5)(B)(ii), each participant shall
21 work for 20 hours per week during fiscal years 1997 and
22 1998, not fewer than 25 hours per week during fiscal year
23 1999, and not fewer than 30 hours thereafter in a community
24 service job, and shall be paid at a rate which is 100
25 percent of the maximum amount of assistance that may be

1 provided under the State plan approved under part A to a
2 family of the same size and composition with no income.
3 "(2) Exception.—(A) If the participant has obtained
4 unsubsidized part-time employment, the State shall provide
5 the participant with a part-time community service job.
6 "(B) If the State provides a participant a
7 part-time community service job under subparagraph (A),
8 the State shall ensure that the participant works for
9 not fewer than the number of hours specified in
10 paragraph (1).
11 "(3) Wages not considered earned income.—Wages paid
12 under a workfare program shall not be considered to be
13 earned income for purposes of any provision of law.
14 "(4) Community service job defined.—For purposes of
15 this section, the term 'community service job' means—
16 "(A) a job provided to a participant by the State
17 administering the State plan under part A; or
18 "(B) a job provided to a participant by any other
19 employer for which all or part of the wages are paid by
20 the State.
21 "A State may provide or subsidize under the program any job
22 which the State determines to be appropriate.
23 "(f) Temporary Subsidized Job Creation.—A State that
24 establishes a workfare program under this part may establish a
25 program under this Act similar to the program operated by the
26 State of Oregon known as 'JOBS Plus'.

1 "(g) Work Supplementation Program.—

2 "(1) In general.—A State that establishes a workfare
3 program under this part may institute a work supplementation
4 program under which the State, to the extent it considers
5 appropriate, may reserve the sums that would otherwise be
6 payable to participants in the program as a community
7 service minimum wage and use the sums instead for the
8 purpose of providing and subsidizing private sector jobs for
9 the participants.

10 "(2) Employer agreement.—An employer who provides a
11 private sector job to a participant under paragraph (1)
12 shall agree to provide to the participant an amount in wages
13 equal to the poverty threshold for a family of three.

14 "(h) Job Search Requirement.—The State shall require each
15 participant to spend a minimum of 5 hours per week on activities
16 related to securing unsubsidized full-time employment in the
17 private sector.

18 "(i) Use of Placement Companies.—A State that establishes a
19 workfare program under this part may enter into contracts in
20 accordance with section 483 with private companies (whether
21 operated for profit or not for profit) for the placement of
22 participants in the program in positions of full-time employment,
23 preferably in the private sector, for wages sufficient to
24 eliminate the need of such participants for cash assistance.

1 "(j) Maximum of 3 Community Service Jobs.—A program
2 participant may not receive more than 3 community service jobs
3 under the program.
4 "Part H—Job Placement Voucher Program
5 "SEC. 495. JOB PLACEMENT VOUCHER PROGRAM.
6 "A State that is not operating a workfare program under part
7 G shall establish and operate a job placement voucher program
8 under this part that meets the following requirements:
9 "(1) The program shall offer each program participant a
10 voucher which the participant may use to obtain employment
11 in the private sector.
12 "(2) An employer who receives a voucher issued under
13 the program from an individual may redeem the voucher at any
14 time after the individual has been employed by the employer
15 for 6 months, unless another employee of the employer was
16 displaced by the employment of the individual.
17 "(3) Upon presentation of a voucher by an employer to
18 the State agency responsible for the administration of the
19 program, the State agency shall pay to the employer an
20 amount equal to 50 percent of the total amount of assistance
21 provided under the State plan under part A to the family of
22 which the individual is a member for the most recent 12
23 months for which the family was eligible for such
24 assistance.".
25 (b) Conforming Amendments.

1 (1) Section 1108 of the Social Security Act (42 U.S.C.
2 1308) is amended—
3 (A) in subsection (a), by striking "or, in the
4 case of part A of title IV, section 403(k)"; and
5 (B) in subsection (d), by striking "(exclusive of
6 any amounts on account of services and items to which,
7 in the case of part A of such title, section 403(k)
8 applies)".
9 (2) Section 1902(a)(10)(A)(i)(I) of that Act (42 U.S.C.
10 1396a(a)(19)(A)(i)(I)) is amended—
11 (A) by striking "402(a)(37), 406(h), or"; and
12 (B) by striking "482(e)(6)" and inserting
13 "486(f)".
14 (3) Section 1928(a)(1) of that Act (42 U.S.C.
15 1396s(a)(1)) is amended by striking "482(e)(6)" and
16 inserting "486(f)".
17 (c) Intent of the Congress.—The Congress intends for State
18 activities under section 484 of the Social Security Act (as added
19 by section 121(a) of this Act) to emphasize the use of the funds
20 that would otherwise be used to provide individuals with
21 assistance under part A of title IV of the Social Security Act to
22 subsidize the wages of such individuals in temporary jobs.
23 (d) Sense of the Congress.—It is the sense of the Congress
24 that States should focus the resources of the program under part
25 F of title IV of the Social Security Act, as amended by this

1 subtitle, on individuals who have not attained 25 years of age in
2 order to break the cycle of welfare dependency.
3 (e) Effective date.—This section takes effect October 1,
4 1996.
5 **SEC. 122. REGULATIONS.**
6 The Secretary of Health and Human Services shall prescribe
7 such regulations as may be necessary to implement the amendments
8 made by this subtitle.
9 **SEC. 123. APPLICABILITY TO STATES.**
10 (a) State Option to Accelerate Applicability.—If a State
11 formally notifies the Secretary of Health and Human Services that
12 the State desires to accelerate the applicability to the State of
13 the amendments made by this title, the amendments shall apply to
14 the State on and after such earlier date as the State may select;
15 provided, that only funding otherwise provided for grants to
16 States to carry out part F of title IV, as that part was in
17 effect on January 1, 1996, shall be available to States to carry
18 out parts F, G, and H of title IV before October 1, 1996.
19 (b) State Option to Delay Applicability Until Waivers
20 Expire.—The amendments made by this subtitle, other than
21 participation requirements under sections 481(a)(5)(B),
22 481(a)(6), and 488 of the Social Security Act, shall not apply to
23 areas in a State with respect to which there is in effect a
24 waiver issued under section 1115 of that Act for the State
25 program established under part A of title IV of that Act, until
26 the waiver expires, if the State formally notifies the Secretary

1 of Health and Human Services that the State desires to so delay
2 such effective date and the waiver's terms and conditions have
3 been modified so that all cost comparisons reflect the amendments
4 made to part A of title IV of that Act. States are subject to
5 the funding provisions under parts A, F, G, and H and the
6 participation requirements under sections 481(a)(5)(B),
7 481(a)(6), and 488 of that Act.
8 **SEC. 124. ONE TIME INCREASES IN WORK FIRST PROGRAM FUNDS.**
9 To the extent that the Congressional Budget Office estimates
10 that amendments made by subtitle A of this title increase the sum
11 of payments to States under section 413(a)(1) of the Social
12 Security Act, title XIX of that Act, and the Food Stamp Act of
13 1977 (excluding:
14 (i) any effects from limitations on funding for
15 activities authorized under section 413(a)(3) of the Social
16 Security Act, as amended by this Act,
17 (ii) any savings resulting from the State option under
18 section 402(d)(1)(C) of the Social Security Act, as amended
19 by this Act, and
20 (iii) any savings resulting from section 416 of the
21 Social Security Act, as amended by this Act)
22 by less than:
23 $170,000,000 in FY 1997,
24 $405,000,000 in FY 1998,
25 $635,000,000 in FY 1999,
26 $785,000,000 in FY 2000,

1 $775,000,000 in FY 2001 or,
2 $825,000,000 in FY 2002
3 then the amount(s) in section 413(a)(2)(C) of the Social Security
4 Act for such fiscal year(s) shall be adjusted upward by such
5 difference(s).

## 6 Subtitle D—Pregnancy And Family Stability

7 **SEC. 131. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.**
8 (a) In General.—Section 402(c) of the Social Security Act,
9 as amended by section 102 of this Act, is amended by adding at
10 the end the following:
11 "(8) Supervised living arrangements for minors.—
12 "(A) In General.—Except as provided in
13 subparagraph (B), in the case of any individual who is
14 under age 18 and has never married, and who has a needy
15 child in his or her care (or is pregnant and is
16 eligible for temporary employment assistance under the
17 State plan)—
18 "(i) such individual may receive such
19 assistance for the individual and such child (or
20 for herself in the case of a pregnant woman) only
21 if such individual and child (or such pregnant
22 woman) reside in a place of residence maintained
23 by a parent, legal guardian, or other adult
24 relative of such individual as such parent's,
25 guardian's, or adult relative's own home; and

1 "(ii) such assistance (where possible) shall
2 be provided to the parent, legal guardian, or
3 other adult relative on behalf of such individual
4 and child; and
5 "(B) Alternative Appropriate Arrangements.—(i) In
6 the case of an individual described in clause (ii)—
7 "(I) the State agency shall assist such
8 individual in locating an appropriate
9 adult-supervised supportive living arrangement,
10 taking into consideration the needs and concerns
11 of the individual, unless the State agency
12 determines that the individual's current living
13 arrangement is appropriate, and thereafter shall
14 require that the individual (and child, if any)
15 reside in such living arrangement as a condition
16 of the continued receipt of assistance under the
17 plan (or in an alternative appropriate
18 arrangement, should circumstances change and the
19 current arrangement cease to be appropriate), or
20 "(II) if the State agency is unable, after
21 making diligent efforts, to locate any such
22 appropriate living arrangement, the State agency
23 shall provide for comprehensive case management,
24 monitoring, and other social services consistent
25 with the best interests of the individual (and

1 child) while living independently (as determined
2 by the State agency).
3 "(ii) For purposes of clause (i), an individual is
4 described in this clause if—
5 "(I) such individual has no parent or legal
6 guardian who is living and whose whereabouts are
7 known;
8 "(II) no living parent or legal guardian of
9 such individual allows the individual to live in
10 the home of such parent or guardian;
11 "(III) the State agency determines that the
12 physical or emotional health of such individual or
13 any needy child of the individual would be
14 jeopardized if such individual and such needy
15 child lived in the same residence with such
16 individual's own parent or legal guardian; or
17 "(IV) the State agency otherwise determines
18 (in accordance with regulations issued by the
19 Secretary) that it is in the best interest of the
20 needy child to waive the requirement of
21 subparagraph (A) with respect to such
22 individual.".
23 (b) Effective Date.—The amendment made by subsection (a)
24 takes effect in the same manner as the amendment made by section
25 102 takes effect.
26 **SEC. 132. NATIONAL CLEARINGHOUSE ON ADOLESCENT PREGNANCY.**

1 (a) In General.—Title XX of the Social Security Act (42
2 U.S.C. 1397-1397f), is amended by adding at the end the
3 following:
4 "SEC. 2008. NATIONAL CLEARINGHOUSE ON ADOLESCENT PREGNANCY.
5 "(a) National Clearinghouse on Adolescent Pregnancy.—
6 "(1) Establishment.—The Secretary shall establish,
7 through grant or contract, a national center for the
8 collection and provision of programmatic information and
9 technical assistance that relates to adolescent pregnancy
10 prevention programs, to be known as the 'National
11 Clearinghouse on Adolescent Pregnancy Prevention Programs'.
12 "(2) Functions.—The national center established under
13 paragraph (1) shall serve as a national information and data
14 clearinghouse, and as a training, technical assistance, and
15 material development source for adolescent pregnancy
16 prevention programs including, but not limited to,
17 abstinence programs. Such center shall—
18 "(A) develop and maintain a system for
19 disseminating information on all types of adolescent
20 pregnancy prevention programs, including abstinence
21 programs, and on the state of adolescent pregnancy
22 prevention program development, including information
23 concerning the most effective model programs;
24 "(B) develop and sponsor a variety of training
25 institutes and curricula for adolescent pregnancy

1 prevention program staff, including abstinence
2 education;
3 "(C) identify model programs representing the
4 various types of adolescent pregnancy prevention
5 programs;
6 "(D) develop technical assistance materials and
7 activities to assist other entities in establishing and
8 improving adolescent pregnancy prevention programs,
9 including abstinence education;
10 "(E) develop networks of adolescent pregnancy
11 prevention programs for the purpose of sharing and
12 disseminating information; and
13 "(F) conduct such other activities as the
14 responsible Federal officials find will assist in
15 developing and carrying out programs or activities to
16 reduce adolescent pregnancy.
17 "(b) Funding.—There are authorized to be appropriated $6
18 million for each of fiscal years 1997 through 2001 to carry out
19 this section.".
20 (b) Effective Date.—The amendments made by this section
21 become effective October 1, 1996.
22 **SEC. 133. REQUIRED COMPLETION OF HIGH SCHOOL OR OTHER TRAINING**
23 **FOR TEENAGE PARENTS.**
24 (a) In General.—Section 403(b)(1)(D), as added by section
25 102 of this Act, is amended—
26 (1) by inserting "(i)" after "(D)"; and

1 (2) by adding at the end the following:
2 "(ii) in the case of a client who is a custodial
3 or expectant parent who is under age 18 (or age 19, at
4 the option of the State), has not successfully
5 completed a high school education (or its equivalent),
6 and is required to participate in the Work First
7 program (including an individual who would otherwise be
8 exempt from participation in the program), shall
9 provide that—
10 "(I) such parent shall participate in—
11 "(aa) educational activities directed
12 toward the attainment of a high school
13 diploma or its equivalent on a full-time (as
14 defined by the educational provider) basis;
15 or
16 "(bb) an alternative educational or
17 training program on a full-time (as defined
18 by the provider) basis; and
19 "(II) child care will be provided in
20 accordance with section 114 with respect to the
21 family under the Child Care and Development Block
22 Grant Act of 1990.".
23 (b) State Option To Provide Additional Incentives and
24 Penalties to Encourage Teen Parents to Complete High School and
25 Participate in Parenting Activities.—

1 (1) State plan.—Section 403(b)(1)(D), as amended by
2 subsection (a) of this section, is amended further by adding
3 at the end the following:
4 "(iii) at the option of the State, may provide
5 that the client who is a custodial parent or pregnant
6 woman who is under age 19 (or age 21, at the option of
7 the State) shall participate in a program of monetary
8 incentives and penalties which—
9 "(I) may, at the option of the State, require
10 full-time participation by such custodial parent
11 or pregnant woman in secondary school or
12 equivalent educational activities, or
13 participation in a course or program leading to a
14 skills certificate found appropriate by the State
15 agency or parenting education activities (or any
16 combination of such activities and secondary
17 education);
18 "(II) shall require that the needs of such
19 custodial parent or pregnant woman be reviewed and
20 the program assure that, either in the initial
21 development or revision of such individual's
22 personal responsibility agreement, there will be
23 included a description of the services that will
24 be provided to the client and the way in which the
25 program and service providers will coordinate with

1 the educational or skills training activities in
2 which the client is participating;
3 "(III) shall provide monetary incentives (to
4 be treated as assistance under the State plan) for
5 more than minimally acceptable performance of
6 required educational activities;
7 "(IV) shall provide penalties (which may be
8 those required by section 402(c)(1)(C) or, with
9 the approval of the Secretary, other monetary
10 penalties that the State finds will better achieve
11 the objectives of the program) for less than
12 minimally acceptable performance of required
13 activities;
14 "(V) shall provide that when a monetary
15 incentive is payable because of the more than
16 minimally acceptable performance of required
17 educational activities by a custodial parent or
18 pregnant woman, the incentive be paid directly to
19 the individual, regardless of whether the State
20 agency makes payment of assistance under the State
21 plan directly to the individual; and
22 "(VI) for purposes of any other Federal or
23 Federally assisted program based on need, shall
24 not consider any monetary incentive paid under the
25 State plan as income in determining a family's
26 eligibility for or amount of benefits under such

1 program, and if assistance is reduced by reason of
2 a penalty under this clause, such other program
3 shall treat the family involved as if no such
4 penalty has been applied.".
5 (c) Effective Date.—The amendments made by this section
6 take effect in the same manner as the amendment made by section
7 102 takes effect.
8 **SEC. 134. SECOND CHANCE HOMES.**
9 (a) In General.—Section 402(c) of the Social Security Act,
10 as amended by sections 102 and 131 of this Act, is amended by
11 adding after paragraph (8):
12 "(9) Second Chance Homes—
13 "(A) In General.—States may use funds available
14 under section 413(a)(2)(B) for the establishment,
15 operation, and support of second chance group homes for
16 custodial parents under age 18 (or age 19, at the
17 option of the State) and their children.
18 "(B) Definition of Second Chance Home.—For
19 purposes of this section, the term 'second chance home'
20 means an entity that provides custodial parents under
21 age 18 (or age 19, at the option of the State) and
22 their children with a supportive and supervised living
23 arrangement in which the parents are required to learn
24 parenting skills, including child development, family
25 budgeting, health and nutrition, and other skills to
26 promote their long-term economic independence and the

1 well-being of their children. A second chance home
2 also may serve as a network center for other supportive
3 services that are available in the community.
4 "(C) Technical Assistance.—A State may use a
5 portion of the funds described in subparagraph (A) to
6 purchase technical assistance from public or private
7 entities if the State determines that such assistance
8 is required in developing, implementing, or
9 administering the program funded under this section.
10 "(D) Local Involvement.—Each State shall seek
11 local involvement from the community in any area in
12 which a second chance home receiving funds to be
13 expended under this paragraph is to be established.
14 When providing funds to be expended under this
15 paragraph, each State shall evaluate the community's
16 commitment to the establishment and planning of the
17 home.
18 "(E) Limitations on the Use of Funds.—
19 "(i) Construction.—Except as provided in
20 clause (ii), expenditures authorized under this
21 paragraph and section 413(a)(2)(B)(i)(V) may not
22 be used by the State, or any person with whom the
23 State makes arrangements to carry out the purposes
24 of this section, for the purchase or improvement
25 of land, or the purchase, construction, or

1 permanent improvement (other than minor
2 remodeling) of any building or other facility.
3 "(ii) Waiver.—The Secretary may waive the
4 limitation in clause (i) upon the State's request
5 if the Secretary finds that the request describes
6 extraordinary circumstances to justify such a
7 waiver and that permitting the waiver would
8 contribute to the State's ability to carry out the
9 purposes of this section.
10 "(F) Receipt of Payments by Second Chance
11 Homes.—Section 402(c)(8)(A)(ii) (as added by section
12 131(a) of the Work First and Personal Responsibility
13 Act of 1996), is amended by striking 'or other adult
14 relative' and inserting 'other adult relative, or
15 second chance home described under paragraph (9) of
16 this subsection'.".
17 (b) Funding.—Section 413(a)(2)(B)(i) of the Social Security
18 Act, as added by section 102 of this Act, is amended by adding at
19 after subclause (IV) the following new subclause:
20 "(V) Second Chance Homes.—Costs of establishing and
21 operating Second Chance Homes under section 402(a)(9).".
22 (c) Recommendations on Use of Government Surplus
23 Property.—Not later than 6 months after the date of the
24 enactment of this Act, after consulting with the Secretary of
25 Defense, the Secretary of Housing and Urban Development, and the
26 Administrator of the General Services Administration, the
27 Secretary of Health and Human Services shall submit

1 recommendations to the Congress on the extent to which surplus
2 properties of the United States Government may be used for the
3 establishment of second chance homes receiving funds under
4 section 413 of the Social Security Act, as amended by this
5 section.
6 (d) Effective Date.—The amendments made by subsections (a)
7 and (b) take effect October 1, 1996.

# 8 TITLE II—CHILD SUPPORT

# 9 ENFORCEMENT

## 10 Subtitle A—Eligibility for Services;

## 11 Distribution of Payments

12 **SEC. 201. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
13 **ENFORCEMENT SERVICES.**
14 (a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is
15 amended—
16 (1) by striking paragraph (4) and inserting the
17 following new paragraph:
18 "(4) provide that the State will—
19 "(A) provide services relating to the
20 establishment of paternity or the establishment,
21 modification, or enforcement of child support
22 obligations, as appropriate, under the plan with
23 respect to—

1 "(i) each child for whom
2 (I) assistance is provided under
3 the State program funded under part A of
4 this title,
5 (II) benefits or services for
6 foster care maintenance and adoption
7 assistance are provided under the State
8 program funded under part B of this
9 title, or
10 (III) medical assistance is
11 provided under the State plan approved
12 under title XIX,
13 unless the State agency administering the
14 plan determines (in accordance with paragraph
15 (29)) that it is against the best interests
16 of the child to do so; and
17 "(ii) any other child, if an individual
18 applies for such services with respect to the
19 child; and
20 "(B) enforce any support obligation
21 established, with respect to—
22 "(i) a child with respect to whom the
23 State provides services under the plan; or
24 "(ii) the custodial parent of such a
25 child;"; and
26 (2) in paragraph (6)—

1 (A) by striking "provide that" and inserting
2 "provide that—";
3 (B) by striking subparagraph (A) and inserting the
4 following new subparagraph:
5 "(A) services under the plan shall be made
6 available to residents of other States on the same
7 terms as to residents of the State submitting the
8 plan;";
9 (C) in subparagraph (B), by inserting "on
10 individuals not receiving assistance under any State
11 program funded under part A" after "such services shall
12 be imposed";
13 (D) in each of subparagraphs (B), (C), (D), and
14 (E)—
15 (i) by indenting the subparagraph in the same
16 manner as, and aligning the left margin of the
17 subparagraph with the left margin of, the matter
18 inserted by subparagraph (B) of this paragraph;
19 and
20 (ii) by striking the final comma and
21 inserting a semicolon; and
22 (E) in subparagraph (E), by indenting each of
23 clauses (i) and (ii) 2 additional ems.
24 (b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE
25 ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section
26 454 (42 U.S.C. 654) is amended—
27 (1) by striking "and" at the end of paragraph (23);

1 (2) by striking the period at the end of paragraph (24)
2 and inserting "; and"; and
3 (3) by adding after paragraph (24) the following new
4 paragraph:
5 "(25) provide that if a family with respect to which
6 services are provided under the plan ceases to receive
7 assistance under the State program funded under part A, the
8 State shall provide appropriate notice to the family and
9 continue to provide such services, subject to the same
10 conditions and on the same basis as in the case of other
11 individuals to whom services are furnished under the plan,
12 except that an application or other request to continue
13 services shall not be required of such a family and
14 paragraph (6)(B) shall not apply to the family.".
15 (c) CONFORMING AMENDMENTS.—
16 (1) Section 452(b) (42 U.S.C. 652(b)) is amended by
17 striking "454(6)" and inserting "454(4)".
18 (2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is
19 amended by striking "454(6)" each place it appears and
20 inserting "454(4)(A)(ii)".
21 (3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is
22 amended by striking "in the case of overdue support which a
23 State has agreed to collect under section 454(6)" and
24 inserting "in any other case".
25 (4) Section 466(e) (42 U.S.C. 666(e)) is amended by
26 striking "paragraph (4) or (6) of section 454" and inserting
27 "section 454(4)".

1 **SEC. 202. DISTRIBUTION OF PAYMENTS.**

2 (a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT
3 AGENCY TO FORMER ASSISTANCE RECIPIENTS—Section 454(5) (42 U.S.C.
4 654(5)) is amended—

5 (1) in subparagraph (A)—

6 (A) by striking "section 402(a)(26) is effective,"
7 and inserting "section 403(b)(1)(E)(i) is effective,
8 except as otherwise specifically provided in section
9 464 or 466(a)(3),"; and

10 (B) by striking "except that" and all that follows
11 through the semicolon; and

12 (2) in subparagraph (B), by striking ", except" and all
13 that follows through "medical assistance".

14 (b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING TEMPORARY
15 EMPLOYMENT ASSISTANCE—Section 457 (42 U.S.C. 657) is amended—

16 (1) by striking subsection (a) and redesignating
17 subsection (b) as subsection (a);

18 (2) in subsection (a) (as so redesignated)—

19 (A) in the matter preceding paragraph (2), to read
20 as follows:

21 "(a) IN THE CASE OF A FAMILY RECEIVING TEA—Amounts subject
22 to section 1912 collected under this part during any month as
23 support of a child who is receiving assistance under part A (or a
24 parent or caretaker relative of such a child) shall (except in
25 the case of a State exercising the option under subsection (b))
26 be distributed as follows:

1 "(1) an amount equal to the amount that will be
2 disregarded pursuant to section 402(d)(2)(C) shall be taken
3 from each of—
4 "(A) the amounts received in a month which
5 represent payments for that month; and
6 "(B) the amounts received in a month which
7 represent payments for a prior month which were made by
8 the absent parent in that prior month;
9 and shall be paid to the family without affecting its
10 eligibility for assistance or decreasing any amount
11 otherwise payable as assistance to such family during such
12 month;";
13 (B) in paragraph (4), by striking "or (B)" and all
14 that follows through the period and inserting "; then
15 (B) from any remainder, amounts equal to arrearages of
16 such support obligations assigned, pursuant to part A,
17 to any other State or States shall be paid to such
18 other State or States and used to pay any such
19 arrearages (with appropriate reimbursement of the
20 Federal Government to the extent of its participation
21 in the financing); and then (C) any remainder shall be
22 paid to the family."; and (3) by inserting after
23 subsection (a) (as so redesignated) the following new
24 subsection:
25 "(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING
26 TEA—In the case of a State electing the option under this

1 subsection, amounts collected as described in subsection (a) that
2 are not subject to section 1912 shall be distributed as follows:
3 "(1) an amount equal to the amount that will be
4 disregarded pursuant to section 402(d)(2)(C) shall be taken
5 from each of—
6 "(A) the amounts received in a month which
7 represent payments for that month; and
8 "(B) the amounts received in a month which
9 represent payments for a prior month which were made by
10 the absent parent in that prior month;
11 and shall be paid to the family without affecting its
12 eligibility for assistance or decreasing any amount
13 otherwise payable as assistance to such family during such
14 month;
15 "(2) second, from any remainder, amounts equal to the
16 balance of support owed for the current month shall be paid
17 to the family;
18 "(3) third, from any remainder, amounts equal to
19 arrearages of such support obligations assigned, pursuant to
20 part A, to the State making the collection shall be retained
21 and used by such State to pay any such arrearages (with
22 appropriate reimbursement of the Federal Government to the
23 extent of its participation in the financing);
24 "(4) fourth, from any remainder, amounts equal to
25 arrearages of such support obligations assigned, pursuant to
26 part A, to any other State or States shall be paid to such
27 other State or States and used to pay any such arrearages

1 (with appropriate reimbursement of the Federal Government to
2 the extent of its participation in the financing); and
3 "(5) fifth, any remainder shall be paid to the
4 family.".
5 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING TEA.—Section
6 457(c) (42 U.S.C.657(c)) is amended to read as follows:
7 "(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RECEIVING
8 TEA.—Amounts that are not subject to section 1912 collected by a
9 State agency under this part during any month as support of a
10 child who is not receiving assistance under part A (or of a
11 parent or caretaker relative of such a child) shall (subject to
12 the remaining provisions of this section) be distributed as
13 follows:
14 "(1) first, amounts equal to the total of such support
15 owed for such month shall be paid to the family;
16 "(2) second, from any remainder, amounts equal to
17 arrearages of such support obligations that have not been
18 assigned to the State for months during which such child did
19 not receive assistance under part A shall be paid to the
20 family;
21 "(3) third, from any remainder, amounts equal to
22 arrearages of such support obligations assigned to the State
23 making the collection pursuant to part A shall be retained
24 and used by such State to pay any such arrearages (with
25 appropriate reimbursement of the Federal Government to the
26 extent of its participation in the financing); and

1 "(4) fourth, from any remainder, amounts equal to
2 arrearages of such support obligations assigned to any other
3 State pursuant to part A shall be paid to such other State
4 or States, and used to pay such arrearages, in the order in
5 which such arrearages accrued (with appropriate
6 reimbursement of the Federal Government to the extent of its
7 participation in the financing).".
8 (d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER TITLE
9 IV-E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the
10 matter preceding paragraph (1), by striking "Notwithstanding the
11 preceding provisions of this section, amounts" and inserting the
12 following:
13 "(d) DISTRIBUTIONS IN THE CASE OF A CHILD RECEIVING
14 ASSISTANCE UNDER TITLE IV-E.—Amounts".
15 (e) REGULATIONS.—The Secretary of Health and Human Services
16 shall promulgate regulations under part A of title IV of the
17 Social Security Act, establishing standards applicable to the
18 States electing the alternative formula under section 457(b) of
19 such Act for distribution of collections on behalf of families
20 receiving temporary employment assistance, designed to minimize
21 irregular monthly payments to such families.
22 (f) CONFORMING AMENDMENTS CONCERNING COLLECTION OF CHILD
23 SUPPORT ARREARAGES THROUGH INCOME TAX REFUND OFFSET.—
24 (1) Section 6402(c) of the Internal Revenue Code of
25 1986 is amended by striking the third sentence after "past
26 due support has been paid to the State".

1 (2) Section 6402(d)(2) of such Code is amended in the
2 first sentence by striking "after" and inserting "before"
3 and by striking "with respect to past-due support collected
4 pursuant to an assignment under section 402(a)(26) of the
5 Social Security Act and".
6 (3) Section 464(a) (42 U.S.C. 664) is amended—
7 (A) by striking "(a)" and inserting "(a) OFFSET
8 AUTHORIZED.—";
9 (B) in paragraph (1)—
10 (i) in the first sentence, by striking "which
11 has been assigned to such State pursuant to
12 section 402(a)(26) or section 471(a)(17)"; and
13 (ii) in the second sentence, by striking "in
14 accordance with section 457(b)(4) or (d)(3)" and
15 inserting "as provided in paragraph (2)";
16 (C) by amending paragraph (2) to read as follows:
17 "(2) The State agency shall distribute amounts paid by
18 the Secretary of the Treasury pursuant to paragraph (1)—
19 "(A) in accordance with section 457(a)(4) or
20 (d)(3), in the case of past-due support assigned to a
21 State under part A of title IV of the Social Security
22 Act; and
23 "(B) to or on behalf of the child to whom the
24 support was owed, in the case of past-due support not
25 so assigned."; and
26 (D) in paragraph (3)—

1 (i) by striking "or (2)" each place it
2 appears; and
3 (ii) in subparagraph (B), by striking "under
4 paragraph (2)" and inserting "on account of past-
5 due support described in paragraph (2)(B)";
6 (4) Section 464(b) is amended—
7 (A) by striking "(b)(1)" and inserting "(b)
8 REGULATIONS.—"; and
9 (B) by striking paragraph (2).
10 (5) Section 464(c) is amended—
11 (A) by striking "(c)(1) Except as provided in
12 paragraph (2), as" and inserting "(c) DEFINITION.—As";
13 and
14 (B) by striking paragraphs (2) and (3).
15 (g) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is
16 amended-
17 (1) in paragraph (11)—
18 (A) by striking "(11)" and inserting "(11)(A)";
19 and
20 (B) by inserting after the semicolon "and"; and
21 (2) by redesignating paragraph (12) as subparagraph (B)
22 of paragraph (11).
23 (h) EFFECTIVE DATES.—
24 (1) IN GENERAL.—Except as otherwise provided in this
25 subsection, the amendments made by this section become
26 effective on October 1, 1996.

1 (2) FAMILY NOT RECEIVING TEA.—The amendments made by
2 subsections (c) and (f)(3), (4), and (5) become effective on
3 October 1, 1999.
4 (3) SPECIAL RULES.—
5 (A) APPLICABILITY.—A State may elect to have the
6 amendments made by any subsection of this section
7 become effective only with respect to child support
8 cases beginning on or after the effective date of such
9 subsection.
10 (B) DELAYED IMPLEMENTATION.—A State may elect to
11 have the amendments made by this section (other than
12 subsections (c)and (f)) become effective on a date
13 later than October 1, 1996, which date shall coincide
14 with the operation of the single statewide automated
15 data processing and information retrieval system
16 required by section 454A of the Social Security Act (as
17 added by section 244(a)(2) of this Act) and the State
18 disbursement unit required by section 454B of the
19 Social Security Act (as added by section 212(b) of this
20 Act).
21 **SEC. 203. PRIVACY SAFEGUARDS.**
22 (a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as
23 amended by section 201(b) of this Act, is amended—
24 (1) by striking "and" at the end of paragraph (24);
25 (2) by striking the period at the end of paragraph (25)
26 and inserting "; and"; and

1 (3) by adding after paragraph (25) the following new
2 paragraph:
3 "(26) will have in effect safeguards, applicable to all
4 confidential information handled by the State agency, that
5 are designed to protect the privacy rights of the parties,
6 including—
7 "(A) safeguards against unauthorized use or
8 disclosure of information relating to proceedings or
9 actions to establish paternity, or to establish or
10 enforce support;
11 "(B) prohibitions against the release of
12 information on the whereabouts of one party to another
13 party against whom a protective order with respect to
14 the former party has been entered; and
15 "(C) prohibitions against the release of
16 information on the whereabouts of one party to another
17 party if the State has reason to believe that the
18 release of the information may result in physical or
19 emotional harm to the former party.".
20 (b) EFFECTIVE DATE.—The amendment made by subsection (a)
21 becomes effective on October 1, 1997.
22 **SEC. 204. RIGHTS TO NOTIFICATION.**
23 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by
24 section 202(g) of this Act, is amended by inserting after
25 paragraph (11) the following new paragraph:
26 "(12) provide for the establishment of procedures to
27 require the State to provide individuals who are applying

1 for or receiving services under the State plan, or who are
2 parties to cases in which services are being provided under
3 the State plan—
4 "(A) with notice of all proceedings in which
5 support obligations might be established or modified;
6 and
7 "(B) with a copy of any order establishing or
8 modifying a child support obligation, or (in the case
9 of a petition for modification) a notice of
10 determination that there should be no change in the
11 amount of the child support award, within 14 days after
12 issuance of such order or determination;".
13 (b) EFFECTIVE DATE.—The amendment made by subsection (a)
14 becomes effective on October 1, 1997.

15 **Subtitle B—Locate and Case Tracking**

16 **SEC. 211. STATE CASE REGISTRY.**
17 Section 454A, as added by section 244(a)(2) of this Act, is
18 amended by adding at the end the following new subsections:
19 "(e) STATE CASE REGISTRY.—
20 "(1) CONTENTS.—The automated system required by this
21 section shall include a registry (which shall be known as
22 the 'State case registry') that contains records with
23 respect to—
24 "(A) each case in which services are being
25 provided by the State agency under the State plan
26 approved under this part; and

1 "(B) each support order established or modified in
2 the State on or after October 1, 1998.
3 "(2) LINKING OF LOCAL REGISTRIES.—The State case
4 registry may be established by linking local case registries
5 of support orders through an automated information network,
6 subject to this section.
7 "(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records
8 shall use standardized data elements for both parents (such
9 as names, social security numbers and other uniform
10 identification numbers, dates of birth, and case
11 identification numbers), and contain such other information
12 (such as information on case status) as the Secretary may
13 require.
14 "(4) PAYMENT RECORDS.—Each case record in the State
15 case registry with respect to which services are being
16 provided under the State plan approved under this part and
17 with respect to which a support order has been established
18 shall include a record of—
19 "(A) the amount of monthly (or other periodic)
20 support owed under the order, and other amounts
21 (including arrearages, interest or late payment
22 penalties, and fees) due or overdue under the order;
23 "(B) any amount described in subparagraph (A) that
24 has been collected;
25 "(C) the distribution of such collected amounts;
26 "(D) the birth date of any child for whom the
27 order requires the provision of support; and

1 "(E) the amount of any lien imposed with respect
2 to the order pursuant to section 466(a)(4).
3 "(5) UPDATING AND MONITORING.—The State agency
4 operating the automated system required by this section
5 shall promptly establish and maintain, and regularly
6 monitor, case records in the State case registry with
7 respect to which services are being provided under the State
8 plan approved under this part, on the basis of—
9 "(A) information on administrative actions and
10 administrative and judicial proceedings and orders
11 relating to paternity and support;
12 "(B) information obtained from comparison with
13 Federal, State, or local sources of information;
14 "(C) information on support collections and
15 distributions; and
16 "(D) any other relevant information.
17 "(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF
18 INFORMATION.—The State shall use the automated system required
19 by this section to extract information from (at such times, and
20 in such standardized format or formats, as may be required by the
21 Secretary), to share and compare information with, and to receive
22 information from, other data bases and information comparison
23 services, in order to obtain (or provide) information necessary
24 to enable the State agency (or the Secretary or other State or
25 Federal agencies) to carry out this part, subject to section 6103
26 of the Internal Revenue Code of 1986. Such information comparison
27 activities shall include the following:

1 "(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—
2 Furnishing to the Federal Case Registry of Child Support
3 Orders established under section 453(h) (and update as
4 necessary, with information including notice of expiration
5 of orders) the minimum amount of information on child
6 support cases recorded in the State case registry that is
7 necessary to operate the registry (as specified by the
8 Secretary in regulations).
9 "(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging
10 information with the Federal Parent Locator Service for the
11 purposes specified in section 453.
12 "(3) TEMPORARY EMPLOYMENT ASSISTANCE AND MEDICAID
13 AGENCIES.—Exchanging information with State agencies (of
14 the State and of other States) administering programs under
15 part A, programs under State plans under title XIX, and
16 other programs designated by the Secretary, as necessary to
17 perform State agency responsibilities under this part and
18 under such programs.
19 "(4) INTRASTATE AND INTERSTATE INFORMATION
20 COMPARISONS.—Exchanging information with other agencies of
21 the State, agencies of other States, and interstate
22 information networks, as necessary and appropriate to carry
23 out (or assist other States to carry out) the purposes of
24 this part.".
25 **SEC. 212. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.**
26 (a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as
27 amended by sections 201(b) and 203(a) of this Act, is amended--

1 (1) by striking "and" at the end of paragraph (25);
2 (2) by striking the period at the end of paragraph (26)
3 and inserting "; and"; and
4 (3) by adding after paragraph (26) the following new
5 paragraph:
6 "(27) provide that, on and after October 1, 1998, the
7 State agency will—
8 "(A) operate a State disbursement unit in
9 accordance with section 454B; and
10 "(B) have sufficient State staff (consisting of
11 State employees) and (at State option) contractors
12 reporting directly to the State agency to—
13 "(i) monitor and enforce support collections
14 through the unit in cases being enforced by the
15 State pursuant to section 454(4) (including
16 carrying out the automated data processing
17 responsibilities described in section 454A(g));
18 and
19 "(ii) take the actions described in section
20 466(c)(1) in appropriate cases.".
21 (b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of
22 title IV (42 U.S.C. 651-669), as amended by section 245(a)(2) of
23 this Act, is amended by inserting after section 454A the
24 following new section:
25 "SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.
26 "(a) STATE DISBURSEMENT UNIT.—

1 "(1) IN GENERAL.—In order for a State to meet the
2 requirements of this section, the State agency must
3 establish and operate a unit (which shall be known as the
4 'State disbursement unit') for the collection and
5 disbursement of payments under support orders—
6 "(A) in all cases being enforced by the State
7 pursuant to section 454(4); and
8 "(B) in all cases not being enforced by the State
9 under this part in which the support order is initially
10 issued in the State on or after January 1, 1994, and in
11 which the wages of the absent parent are subject to
12 withholding pursuant to section 466(a)(8)(B).
13 "(2) OPERATION.—The State disbursement unit shall be
14 operated—
15 "(A) directly by the State agency (or 2 or more
16 State agencies under a regional cooperative agreement),
17 or (to the extent appropriate) by a contractor
18 responsible directly to the State agency; and
19 "(B) except in cases described in paragraph
20 (1)(B), in coordination with the automated system
21 established by the State pursuant to section 454A.
22 "(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State
23 disbursement unit may be established by linking local
24 disbursement units through an automated information network,
25 subject to this section; if the Secretary agrees that the
26 system will not cost more nor take more time to establish or
27 operate than a centralized system. In addition, employers

1 shall be given 1 location to which income withholding is
2 sent.
3 "(b) REQUIRED PROCEDURES.—The State disbursement unit shall
4 use automated procedures, electronic processes, and
5 computer-driven technology to the maximum extent feasible,
6 efficient, and economical, for the collection and disbursement of
7 support payments, including procedures—
8 "(1) for receipt of payments from parents, employers,
9 and other States, and for disbursements to custodial parents
10 and other obligees, the State agency, and the agencies of
11 other States;
12 "(2) for accurate identification of payments;
13 "(3) to ensure prompt disbursement of the custodial
14 parent's share of any payment; and
15 "(4) to furnish to any parent, upon request, timely
16 information on the current status of support payments under
17 an order requiring payments to be made by or to the parent.
18 "(c) TIMING OF DISBURSEMENTS.—
19 "(1) IN GENERAL.—Except as provided in paragraph (2),
20 the State disbursement unit shall distribute all amounts
21 payable under section 457(a) within 2 business days after
22 receipt from the employer or other source of periodic
23 income, if sufficient information identifying the payee is
24 provided.
25 "(2) PERMISSIVE RETENTION OF ARREARAGES.—The State
26 disbursement unit may delay the distribution of collections

1 toward arrearages until the resolution of any timely appeal
2 with respect to such arrearages.
3 "(d) BUSINESS DAY DEFINED.—As used in this section, the
4 term 'business day' means a day on which State offices are open
5 for regular business.".
6 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by
7 section 245(a)(2) and as amended by section 211 of this Act, is
8 amended by adding at the end the following new subsection:
9 "(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—
10 "(1) IN GENERAL.—The State shall use the automated
11 system required by this section, to the maximum extent
12 feasible, to assist and facilitate the collection and
13 disbursement of support payments through the State
14 disbursement unit operated under section 454B, through the
15 performance of functions, including, at a minimum—
16 "(A) transmission of orders and notices to
17 employers (and other debtors) for the withholding of
18 wages and other income—
19 "(i) within 2 business days after receipt
20 from a court, another State, an employer, the
21 Federal Parent Locator Service, or another source
22 recognized by the State of notice of, and the
23 income source subject to, such withholding; and
24 "(ii) using uniform formats prescribed by the
25 Secretary;
26 "(B) ongoing monitoring to promptly identify
27 failures to make timely payment of support; and

1 "(C) automatic use of enforcement procedures
2 (including procedures authorized pursuant to section
3 466(c)) if payments are not timely made.
4 "(2) BUSINESS DAY DEFINED.—As used in paragraph (1),
5 the term 'business day' means a day on which State offices
6 are open for regular business.".
7 (d) EFFECTIVE DATE.—The amendments made by this section
8 become effective on October 1, 1998.
9 **SEC. 213. STATE DIRECTORY OF NEW HIRES.**
10 (a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as
11 amended by sections 201(b), 203(a) and 212(a) of this Act, is
12 amended—
13 (1) by striking "and" at the end of paragraph (26);
14 (2) by striking the period at the end of paragraph (27)
15 and inserting "; and"; and
16 (3) by adding after paragraph (27) the following new
17 paragraph:
18 "(28) provide that, on and after October 1, 1997, the
19 State will operate a State Directory of New Hires in
20 accordance with section 453A.".
21 (b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42
22 U.S.C. 651-669) is amended by inserting after section 453 the
23 following new section:
24 "SEC. 453A. STATE DIRECTORY OF NEW HIRES.
25 "(a) ESTABLISHMENT.—
26 "(1) IN GENERAL.—

1 "(A) REQUIREMENT FOR STATES THAT HAVE NO
2 DIRECTORY.—Except as provided in subparagraph (B), not
3 later than October 1, 1997, each State shall establish
4 an automated directory (to be known as the 'State
5 Directory of New Hires') which shall contain
6 information supplied in accordance with subsection (b)
7 by employers on each newly hired employee.
8 "(B) STATES WITH NEW HIRE REPORTING IN
9 EXISTENCE.—A State which has a new hire reporting law
10 in existence on the date of the enactment of this
11 section may continue to operate under the State law,
12 but the State must meet the requirements of this
13 section (other than subsection (f)) not later than
14 October 1, 1997.
15 "(2) DEFINITIONS.—As used in this section:
16 "(A) EMPLOYEE.—The term 'employee'—
17 "(i) means an individual who is an employee
18 within the meaning of chapter 24 of the Internal
19 Revenue Code of 1986; and
20 "(ii) does not include an employee of a
21 Federal or State agency performing intelligence or
22 counterintelligence functions, if the head of such
23 agency has determined that reporting pursuant to
24 paragraph (1) with respect to the employee could
25 endanger the safety of the employee or compromise
26 an ongoing investigation or intelligence mission.
27 "(B) EMPLOYER.—

1 "(i) IN GENERAL.—The term 'employer' has the
2 meaning given such term in section 3401(d) of the
3 Internal Revenue Code of 1996 and includes any
4 governmental entity and any labor organization.
5 "(ii) LABOR ORGANIZATION.—The term 'labor
6 organization' has the meaning given such term in
7 section 2(5) of the National Labor Relations Act,
8 and includes any entity (also known as a 'hiring
9 hall') which is used by the organization and an
10 employer to carry out requirements described in
11 section 8(f)(3) of such Act of an agreement
12 between the organization and the employer.
13 "(b) EMPLOYER INFORMATION.—
14 "(1) REPORTING REQUIREMENT.—
15 "(A) IN GENERAL.—Except as provided in
16 subparagraphs (B) and (C), each employer shall furnish
17 to the Directory of New Hires of the State in which a
18 newly hired employee works, a report that contains the
19 name, address, and social security number of the
20 employee, and the name and address of, and identifying
21 number assigned under section 6109 of the Internal
22 Revenue Code of 1986 to, the employer.
23 "(B) MULTISTATE EMPLOYERS.—An employer that has
24 employees who are employed in 2 or more States and that
25 transmits reports magnetically or electronically may
26 comply with subparagraph (A) by designating 1 State in
27 which such employer has employees to which the employer

1 will transmit the report described in subparagraph (A),
2 and transmitting such report to such State. Any
3 employer that transmits reports pursuant to this
4 subparagraph shall notify the Secretary in writing as
5 to which State such employer designates for the purpose
6 of sending reports.
7 "(C) FEDERAL GOVERNMENT EMPLOYERS.—Any
8 department, agency, or instrumentality of the United
9 States shall comply with subparagraph (A) by
10 transmitting the report described in subparagraph (A)
11 to the National Directory of New Hires established
12 pursuant to section 453.
13 "(2) TIMING OF REPORT.—Each State may provide the time
14 within which the report required by paragraph (1) shall be
15 made with respect to an employee, but such report shall be
16 made—
17 "(A) not later than 20 days after the date the
18 employer hires the employee; or
19 "(B) in the case of an employer transmitting
20 reports magnetically or electronically, by 2 monthly
21 transmissions (if necessary) not less than 12 days nor
22 more than 16 days apart.
23 "(c) REPORTING FORMAT AND METHOD.—Each report required by
24 subsection (b) shall be made on a W-4 form or, at the option of
25 the employer, an equivalent form, and may be transmitted by 1st
26 class mail, magnetically, or electronically.

1 "(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The
2 State shall have the option to set a State civil money penalty
3 which does not exceed—
4 "(1) $25; or
5 "(2) $500 if, under State law, the failure is the
6 result of a conspiracy between the employer and the employee
7 to not supply the required report or to supply a false or
8 incomplete report.
9 "(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be
10 entered into the data base maintained by the State Directory of
11 New Hires within 5 business days of receipt from an employer
12 pursuant to subsection (b).
13 "(f) INFORMATION COMPARISONS.—
14 "(1) IN GENERAL.—Not later than May 1, 1998, an agency
15 designated by the State shall, directly or by contract,
16 conduct automated comparisons of the social security numbers
17 reported by employers pursuant to subsection (b) and the
18 social security numbers appearing in the records of the
19 State case registry for cases being enforced under the State
20 plan.
21 "(2) NOTICE OF MATCH.—When an information comparison
22 conducted under paragraph (1) reveals a match with respect
23 to the social security number of an individual required to
24 provide support under a support order, the State Directory
25 of New Hires shall provide the agency administering the
26 State plan approved under this part of the appropriate State
27 with the name, address, and social security number of the

1 employee to whom the social security number is assigned, and
2 the name of, and identifying number assigned under section
3 6109 of the Internal Revenue Code of 1986 to the employer.
4 "(g) TRANSMISSION OF INFORMATION.—
5 "(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO
6 EMPLOYERS.-Within 2 business days after the date information
7 regarding a newly hired employee is entered into the State
8 Directory of New Hires, the State agency enforcing the
9 employee's child support obligation shall transmit a notice
10 to the employer of the employee directing the employer to
11 withhold from the wages of the employee an amount equal to
12 the monthly (or other periodic) child support obligation
13 (including any past due support obligation) of the employee,
14 unless the employee's wages are not subject to withholding
15 pursuant to section 466(b)(3).
16 "(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW
17 HIRES.—
18 "(A) NEW HIRE INFORMATION.—Within 3 business days
19 after the date information regarding a newly hired
20 employee is entered into the State Directory of New
21 Hires, the State Directory of New Hires shall furnish
22 the information to the National Directory of New Hires.
23 "(B) WAGE AND UNEMPLOYMENT COMPENSATION
24 INFORMATION.—The State Directory of New Hires shall,
25 on a quarterly basis, furnish to the National Directory
26 of New Hires extracts of the reports required under
27 section 303(a)(6) to be made to the Secretary of Labor

1 concerning the wages and unemployment compensation paid
2 to individuals, by such dates, in such format, and
3 containing such information as the Secretary of Health
4 and Human Services shall specify in regulations.
5 "(3) BUSINESS DAY DEFINED.—As used in this subsection,
6 the term 'business day' means a day on which State offices
7 are open for regular business.
8 "(h) OTHER USES OF NEW HIRE INFORMATION.—
9 "(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency
10 administering the State plan approved under this part shall
11 use information received pursuant to subsection (f)(2) to
12 locate individuals for purposes of establishing paternity
13 and establishing, modifying, and enforcing child support
14 obligations.
15 "(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN
16 PROGRAMS.—A State agency responsible for administering a
17 program specified in section 1137(b) shall have access to
18 information reported by employers pursuant to subsection (b)
19 of this section for purposes of verifying eligibility for
20 the program.
21 "(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS'
22 COMPENSATION.—State agencies operating employment security
23 and workers' compensation programs shall have access to
24 information reported by employers pursuant to subsection (b)
25 for the purposes of administering such programs.".
26 (c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C.
27 1320b-7(a)(3)) is amended—

1 (1) by inserting "(including State and local
2 governmental entities and labor organizations (as defined in
3 section 453A(a)(2)(B)(iii))" after "employers"; and
4 (2) by inserting ", and except that no report shall be
5 filed with respect to an employee of a State or local agency
6 performing intelligence or counterintelligence functions, if
7 the head of such agency has determined that filing such a
8 report could endanger the safety of the employee or
9 compromise an ongoing investigation or intelligence mission"
10 after "paragraph (2)".
11 **SEC. 214. AMENDMENTS CONCERNING INCOME WITHHOLDING.**
12 (a) MANDATORY INCOME WITHHOLDING.—
13 (1) IN GENERAL.—Section 466(a)(1) (42 U.S.C.
14 666(a)(1)) is amended to read as follows:
15 "(1)(A) Procedures described in subsection (b) for the
16 withholding from income of amounts payable as support in
17 cases subject to enforcement under the State plan.
18 "(B) Procedures under which the wages of a person with
19 a support obligation imposed by a support order issued (or
20 modified) in the State before October 1, 1996, if not
21 otherwise subject to withholding under subsection (b), shall
22 become subject to withholding as provided in subsection (b)
23 if arrearages occur, without the need for a judicial or
24 administrative hearing.".
25 (2) CONFORMING AMENDMENTS.—
26 (A) Section 466(b) (42 U.S.C. 666(b)) is amended
27 in the matter preceding paragraph (1), by striking

1 "subsection (a)(1)" and inserting "subsection
2 (a)(1)(A)".
3 (B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is
4 amended to read as follows:
5 "(4)(A) Such withholding must be carried out in full
6 compliance with all procedural due process requirements of
7 the State, and the State must send notice to each
8 noncustodial parent to whom paragraph (1) applies—
9 "(i) that the withholding has commenced; and
10 "(ii) of the procedures to follow if the
11 noncustodial parent desires to contest such withholding
12 on the grounds that the withholding or the amount
13 withheld is improper due to a mistake of fact.
14 "(B) The notice under subparagraph (A) of this
15 paragraph shall include the information provided to the
16 employer under paragraph (6)(A).".
17 (C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is
18 amended by striking all that follows "administered by"
19 and inserting "the State through the State disbursement
20 unit established pursuant to section 454B, in
21 accordance with the requirements of section 454B.".
22 (D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A))
23 is amended—
24 (i) in clause (i), by striking "to the
25 appropriate agency" and all that follows and
26 inserting "to the State disbursement unit within 2
27 business days after the date the amount would (but

1 for this subsection) have been paid or credited to
2 the employee, for distribution in accordance with
3 this part. The employer shall comply with the
4 procedural rules relating to income withholding of
5 the State in which the employee works, regardless
6 of the State where the notice originates.".
7 (ii) in clause (ii), by inserting "be in a
8 standard format prescribed by the Secretary, and"
9 after "shall"; and
10 (iii) by adding at the end the following new
11 clause:
12 "(iii) As used in this subparagraph, the term
13 'business day' means a day on which State offices
14 are open for regular business.".
15 (E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D))
16 is amended by striking "any employer" and all that
17 follows and inserting "any employer who—
18 "(i) discharges from employment, refuses to
19 employ, or takes disciplinary action against any
20 noncustodial parent subject to wage withholding
21 required by this subsection because of the
22 existence of such withholding and the obligations
23 or additional obligations which it imposes upon
24 the employer; or
25 "(ii) fails to withhold support from wages,
26 or to pay such amounts to the State disbursement
27 unit in accordance with this subsection.".

1 (F) Section 466(b) (42 U.S.C. 666(b)) is amended
2 by adding at the end the following new paragraph:
3 "(11) Procedures under which the agency administering
4 the State plan approved under this part may execute a
5 withholding order without advance notice to the obligor,
6 including issuing the withholding order through electronic
7 means.".
8 (b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c))
9 is repealed.
10 **SEC. 215. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.**
11 Section 466(a) (42 U.S.C. 666(a)) is amended by adding at
12 the end the following new paragraph:
13 "(12) LOCATOR INFORMATION FROM INTERSTATE
14 NETWORKS.—Procedures to ensure that all Federal and State
15 agencies conducting activities under this part have access
16 to any system used by the State to locate an individual for
17 purposes relating to motor vehicles or law enforcement.".
18 **SEC. 216. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.**
19 (a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND
20 ASSETS.—Section 453 (42 U.S.C. 653) is amended—
21 (1) in subsection (a), by striking all that follows
22 subsection (c))" and inserting ", for the purpose of
23 establishing parentage, establishing, setting the amount of,
24 modifying, or enforcing child support obligations, or
25 enforcing child custody or visitation orders—
26 "(1) information on, or facilitating the discovery of,
27 the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

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

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

1 (b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION
2 RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—
3 (1) in paragraph (1), by striking "support" and
4 inserting "support or to seek to enforce orders providing
5 child custody or visitation rights"; and
6 (2) in paragraph (2), by striking ", or any agent of
7 such court; and" and inserting "or to issue an order against
8 a resident parent for child custody or visitation rights, or
9 any agent of such court;".
10 (c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL
11 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in
12 the 4th sentence by inserting "in an amount which the Secretary
13 determines to be reasonable payment for the information exchange
14 (which amount shall not include payment for the costs of
15 obtaining, compiling, or maintaining the information)" before the
16 period.
17 (d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section
18 453 (42 U.S.C. 653) is amended by adding at the end the following
19 new subsection:
20 "(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The
21 Secretary may reimburse Federal and State agencies for the costs
22 incurred by such entities in furnishing information requested by
23 the Secretary under this section in an amount which the Secretary
24 determines to be reasonable payment for the information exchange
25 (which amount shall not include payment for the costs of
26 obtaining, compiling, or maintaining the information).".
27 (e) CONFORMING AMENDMENTS.—

1 (1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e),
2 and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a),
3 663(e), and 663(f)) are each amended by inserting "Federal"
4 before "Parent" each place such term appears.
5 (2) Section 453 (42 U.S.C. 653) is amended in the
6 heading by adding "FEDERAL" before "PARENT".
7 (f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended
8 by subsection (d) of this section, is amended by adding at the
9 end the following new subsections:
10 "(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—
11 "(1) IN GENERAL.—Not later than October 1, 1998, in
12 order to assist States in administering programs under State
13 plans approved under this part and programs funded under
14 part A, and for the other purposes specified in this
15 section, the Secretary shall establish and maintain in the
16 Federal Parent Locator Service an automated registry (which
17 shall be known as the 'Federal Case Registry of Child
18 Support Orders'), which shall contain abstracts of support
19 orders and other information described in paragraph (2) with
20 respect to each case in each State case registry maintained
21 pursuant to section 454A(e), as furnished (and regularly
22 updated), pursuant to section 454A(f), by State agencies
23 administering programs under this part.
24 "(2) CASE INFORMATION.—The information referred to in
25 paragraph (1) with respect to a case shall be such
26 information as the Secretary may specify in regulations
27 (including the names, social security numbers or other

1 uniform identification numbers, and State case
2 identification numbers) to identify the individuals who owe
3 or are owed support (or with respect to or on behalf of whom
4 support obligations are sought to be established), and the
5 State or States which have the case.
6 "(i) NATIONAL DIRECTORY OF NEW HIRES.—
7 "(1) IN GENERAL.—In order to assist States in
8 administering programs under State plans approved under this
9 part and programs funded under part A, and for the other
10 purposes specified in this section, the Secretary, not later
11 than April 1, 1997, shall establish and maintain in the
12 Federal Parent Locator Service an automated directory to be
13 known as the National Directory of New Hires, which shall
14 contain the information supplied pursuant to section
15 453A(g)(2).
16 "(2) ENTRY OF DATA.—Information shall be entered into
17 the data base maintained by the National Directory of New
18 Hires within 2 business days of receipt pursuant to section
19 453A(g)(2).
20 "(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary
21 of the Treasury shall have access to the information in the
22 National Directory of New Hires for purposes of
23 administering section 32 of the Internal Revenue Code of
24 1986, or the advance payment of the earned income tax credit
25 under section 3507 of such Code, and verifying a claim with
26 respect to employment in a tax return.

1 "(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall
2 maintain within the National Directory of New Hires a list
3 of multistate employers that report information regarding
4 newly hired employees pursuant to section 453A(b)(1)(B), and
5 the State which each such employer has designated to receive
6 such information.
7 "(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—
8 "(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—
9 "(A) IN GENERAL.—The Secretary shall transmit
10 information on individuals and employers maintained
11 under this section to the Social Security
12 Administration to the extent necessary for verification
13 in accordance with subparagraph (B).
14 "(B) VERIFICATION BY SSA.—The Social Security
15 Administration shall verify the accuracy of, correct,
16 or supply to the extent possible, and report to the
17 Secretary, the following information supplied by the
18 Secretary pursuant to subparagraph (A):
19 "(i) The name, social security number, and
20 birth date of each such individual.
21 "(ii) The employer identification number of
22 each such employer.
23 "(2) INFORMATION COMPARISONS.—For the purpose of
24 locating individuals in a paternity establishment case or a
25 case involving the establishment, modification, or
26 enforcement of a support order, the Secretary shall—

1 "(A) compare information in the National Directory
2 of New Hires against information in the support case
3 abstracts in the Federal Case Registry of Child Support
4 Orders not less often than every 2 business days; and
5 "(B) within 2 such days after such a comparison
6 reveals a match with respect to an individual, report
7 the information to the State agency responsible for the
8 case.
9 "(3) INFORMATION COMPARISONS AND DISCLOSURES OF
10 INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM
11 PURPOSES.—To the extent and with the frequency that the
12 Secretary determines to be effective in assisting States to
13 carry out their responsibilities under programs operated
14 under this part and programs funded under part A, the
15 Secretary shall—
16 "(A) compare the information in each component of
17 the Federal Parent Locator Service maintained under
18 this section against the information in each other such
19 component (other than the comparison required by
20 paragraph (2)), and report instances in which such a
21 comparison reveals a match with respect to an
22 individual to State agencies operating such programs;
23 and
24 "(B) disclose information in such registries to
25 such State agencies.
26 "(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL
27 SECURITY ADMINISTRATION.—The National Directory of New

1 Hires shall provide the Commissioner of Social Security with
2 all information in the National Directory, which shall be
3 used to determine the accuracy of payments under the
4 supplemental security income program under title XVI and in
5 connection with benefits under title II.
6 "(5) RESEARCH.—The Secretary may provide access to
7 information reported by employers pursuant to section
8 453A(b) for research purposes found by the Secretary to be
9 likely to contribute to achieving the purposes of part A or
10 this part, but without personal identifiers.
11 "(k) FEES.—
12 "(1) FOR SSA VERIFICATION.—The Secretary shall
13 reimburse the Commissioner of Social Security, at a rate
14 negotiated between the Secretary and the Commissioner, for
15 the costs incurred by the Commissioner in performing the
16 verification services described in subsection (j).
17 "(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW
18 HIRES.—The Secretary shall reimburse costs incurred by
19 State directories of new hires in furnishing information as
20 required by subsection (j)(3), at rates which the Secretary
21 determines to be reasonable (which rates shall not include
22 payment for the costs of obtaining, compiling, or
23 maintaining such information).
24 "(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL
25 AGENCIES.—A State or Federal agency that receives
26 information from the Secretary pursuant to this section
27 shall reimburse the Secretary for costs incurred by the

1 Secretary in furnishing the information, at rates which the
2 Secretary determines to be reasonable (which rates shall
3 include payment for the costs of obtaining, verifying,
4 maintaining, and comparing the information).
5 "(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the
6 Federal Parent Locator Service, and information resulting from
7 comparisons using such information, shall not be used or
8 disclosed except as expressly provided in this section, subject
9 to section 6103 of the Internal Revenue Code of 1986.
10 "(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary
11 shall establish and implement safeguards with respect to the
12 entities established under this section designed to—
13 "(1) ensure the accuracy and completeness of
14 information in the Federal Parent Locator Service; and
15 "(2) restrict access to confidential information in the
16 Federal Parent Locator Service to authorized persons, and
17 restrict use of such information to authorized purposes.
18 "(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency,
19 and instrumentality of the United States on a quarterly basis
20 shall report to the Federal Parent Locator Service the name and
21 social security number of each employee and the wages paid to the
22 employee during the previous quarter, except that such a report
23 shall not be filed with respect to an employee of a department,
24 agency, or instrumentality performing intelligence or
25 counterintelligence functions, if the head of such department,
26 agency, or instrumentality has determined that filing such a

1 report could endanger the safety of the employee or compromise an
2 ongoing investigation or intelligence mission.".
3 (g) CONFORMING AMENDMENTS.—
4 (1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—
5 (A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is
6 amended to read as follows:
7 "(B) the Federal Parent Locator Service
8 established under section 453;".
9 (B) Section 454(13) (42 U.S.C.654(13)) is amended
10 by inserting "and provide that information requests by
11 parents who are residents of other States be treated
12 with the same priority as requests by parents who are
13 residents of the State submitting the plan" before the
14 semicolon.
15 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section
16 3304(a)(16) of the Internal Revenue Code of 1986 is
17 amended—
18 (A) by striking "Secretary of Health, Education,
19 and Welfare" each place such term appears and inserting
20 "Secretary of Health and Human Services";
21 (B) in subparagraph (B), by striking "such
22 information" and all that follows and inserting
23 "information furnished under subparagraph (A) or (B) is
24 used only for the purposes authorized under such
25 subparagraph;";
26 (C) by striking "and" at the end of subparagraph
27 (A);

1 (D) by redesignating subparagraph (B) as
2 subparagraph (C); and
3 (E) by inserting after subparagraph (A) the
4 following new subparagraph:
5 "(B) wage and unemployment compensation
6 information contained in the records of such agency
7 shall be furnished to the Secretary of Health and Human
8 Services (in accordance with regulations promulgated by
9 such Secretary) as necessary for the purposes of the
10 National Directory of New Hires established under
11 section 453(i) of the Social Security Act, and".
12 (3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE
13 SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42
14 U.S.C. 503) is amended to read as follows:
15 "(h)(1) The State agency charged with the administration of
16 the State law shall, on a reimbursable basis—
17 "(A) disclose quarterly, to the Secretary of Health and
18 Human Services, wage and claim information, as required
19 pursuant to section 453(i)(1), contained in the records of
20 such agency;
21 "(B) ensure that information provided pursuant to
22 subparagraph (A) meets such standards relating to
23 correctness and verification as the Secretary of Health and
24 Human Services, with the concurrence of the Secretary of
25 Labor, may find necessary; and
26 "(C) establish such safeguards as the Secretary of
27 Labor determines are necessary to insure that information

1 disclosed under subparagraph (A) is used only for purposes
2 of section 453(i)(1) in carrying out the child support
3 enforcement program under title IV.
4 "(2) Whenever the Secretary of Labor, after reasonable
5 notice and opportunity for hearing to the State agency charged
6 with the administration of the State law, finds that there is a
7 failure to comply substantially with the requirements of
8 paragraph (1), the Secretary of Labor shall notify such State
9 agency that further payments will not be made to the State until
10 the Secretary of Labor is satisfied that there is no longer any
11 such failure. Until the Secretary of Labor is so satisfied, the
12 Secretary shall make no future certification to the Secretary of
13 the Treasury with respect to the State.
14 "(3) For purposes of this subsection—
15 "(A) the term 'wage information' means information
16 regarding wages paid to an individual, the social security
17 account number of such individual, and the name, address,
18 State, and the Federal employer identification number of the
19 employer paying such wages to such individual; and
20 "(B) the term 'claim information' means information
21 regarding whether an individual is receiving, has received,
22 or has made application for, unemployment compensation, the
23 amount of any such compensation being received (or to be
24 received by such individual), and the individual's current
25 (or most recent) home address.".
26 (4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD
27 SUPPORT ENFORCEMENT AGENCIES.—

1 (A) IN GENERAL.—Paragraph (6) of section 6103(l) of
2 the Internal Revenue Code of 1986 (relating to disclosure of
3 return information to Federal, State, and local child
4 support enforcement agencies) is amended by redesignating
5 subparagraph (B) as subparagraph (C) and by inserting after
6 subparagraph (A) the following new subparagraph:
7 "(B) DISCLOSURE TO CERTAIN AGENTS.—The following
8 information disclosed to any child support enforcement
9 agency under subparagraph (A) with respect to any individual
10 with respect to whom child support obligations are sought to
11 be established or enforced may be disclosed by such agency
12 to any agent of such agency which is under contract with
13 such agency to carry out the purposes described in
14 subparagraph (C):
15 "(i) The address and social security account
16 number (or numbers) of such individual.
17 "(ii) The amount of any reduction under section
18 6402(c) (relating to offset of past-due support against
19 overpayments) in any overpayment otherwise payable to
20 such individual.".
21 (B) CONFORMING AMENDMENTS.—
22 (i) Paragraph (3) of section 6103(a) of such Code
23 is amended by striking "(l)(12)" and inserting
24 "paragraph (6) or (12) of subsection (l)".
25 (ii) Subparagraph (C) of section 6103(l)(6) of
26 such Code, as redesignated by subsection (a), is
27 amended to read as follows:

1 "(C) RESTRICTION ON DISCLOSURE.--Information may be
2 disclosed under this paragraph only for purposes of, and to
3 the extent necessary in, establishing and collecting child
4 support obligations from, and locating, individuals owing
5 such obligations.".
6 (iii) The material following subparagraph (F) of
7 section 6103(p)(4) of such Code is amended by striking
8 "subsection (l)(12)(B)" and inserting "paragraph (6)(A)
9 or (12)(B) of subsection (l)".
10 **SEC. 217. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR**
11 **USE IN CHILD SUPPORT ENFORCEMENT.**
12 (a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C.
13 666(a)), as amended by section 215 of this Act, is amended by
14 adding at the end the following new paragraph:
15 "(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN
16 MATTERS.—Procedures requiring that the social security
17 number of—
18 "(A) any applicant for a professional license,
19 commercial driver's license, occupational license, or
20 marriage license be recorded on the application;
21 "(B) any individual who is subject to a divorce
22 decree, support order, or paternity determination or
23 acknowledgment be placed in the records relating to the
24 matter; and
25 "(C) any individual who has died be placed in the
26 records relating to the death and be recorded on the
27 death certificate.

1 For purposes of subparagraph (A), if a State allows the
2 use of a number other than the social security number, the
3 State shall so advise any applicants.".
4 (b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C.
5 405(c)(2)(C)) is amended—
6 (1) in clause (i), by striking "may require" and
7 inserting "shall require";
8 (2) in clause (ii), by inserting after the first
9 sentence the following: "In the administration of any law
10 involving the issuance of a marriage certificate or license,
11 each State shall require each party named in the certificate
12 or license to furnish to the State (or political subdivision
13 thereof), or any State agency having administrative
14 responsibility for the law involved, the social security
15 number of the party.";
16 (3) in clause (ii), by inserting "or marriage
17 certificate" after "Such numbers shall not be recorded on
18 the birth certificate".
19 (4) in clause (vi), by striking "may" and inserting
20 "shall"; and
21 (5) by adding at the end the following new clauses:
22 "(x) An agency of a State (or a political
23 subdivision thereof) charged with the administration of
24 any law concerning the issuance or renewal of a
25 license, certificate, permit, or other authorization to
26 engage in a profession, an occupation, or a commercial
27 activity shall require all applicants for issuance or

1 renewal of the license, certificate, permit, or other
2 authorization to provide the applicant's social
3 security number to the agency for the purpose of
4 administering such laws, and for the purpose of
5 responding to requests for information from an agency
6 operating pursuant to part D of title IV.
7 "(xi) All divorce decrees, support orders, and
8 paternity determinations issued, and all paternity
9 acknowledgments made, in each State shall include the
10 social security number of each party to the decree,
11 order, determination, or acknowledgment in the records
12 relating to the matter, for the purpose of responding
13 to requests for information from an agency operating
14 pursuant to part D of title IV.".

15 **Subtitle C—Streamlining and Uniformiy of**

16 **Procedures**

17 **SEC. 221. ADOPTION OF UNIFORM STATE LAWS.**

18 Section 466 (42 U.S.C. 666) is amended by adding at the end
19 the following new subsection:
20 "(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—
21 "(1) ENACTMENT AND USE.—In order to satisfy section
22 454(20)(A), on and after January 1, 1998, each State must
23 have in effect the Uniform Interstate Family Support Act, as
24 approved by the American Bar Association on February 9,
25 1993, together with any amendments officially adopted before

1 January 1, 1998 by the National Conference of Commissioners
2 on Uniform State Laws.
3 "(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE
4 WHERE EMPLOYEE WORKS.—The State law enacted pursuant to
5 paragraph (1) shall provide that an employer that receives
6 an income withholding order or notice pursuant to section
7 501 of the Uniform Interstate Family Support Act shall
8 follow the procedural rules that apply with respect to such
9 order or notice under the laws of the State in which the
10 obligor is employed.
11 **SEC. 222. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD**
12 **SUPPORT ORDERS.**
13 Section 1738B of title 28, United States Code, is amended—
14 (1) in subsection (a)(2), by striking "subsection (e)"
15 and inserting "subsections (e), (f), and (i)";
16 (2) in subsection (b), by inserting after the 2nd
17 undesignated paragraph the following:
18 "'child's home State' means the State in which a
19 child lived with a parent or a person acting as parent
20 for at least 6 consecutive months immediately preceding
21 the time of filing of a petition or comparable pleading
22 for support and, if a child is less than 6 months old,
23 the State in which the child lived from birth with any
24 of them. A period of temporary absence of any of them
25 is counted as part of the 6-month period.";
26 (3) in subsection (c), by inserting "by a court of a
27 State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

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

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.--If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the

following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

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

(A) by striking "PRIOR" and inserting "MODIFIED"; and

1 (B) by striking "subsection (e)" and inserting
2 "subsections (e) and (f)";
3 (12) in subsection (h) (as so redesignated)—
4 (A) in paragraph (2), by inserting "including the
5 duration of current payments and other obligations of
6 support" before the comma; and
7 (B) in paragraph (3), by inserting "arrears under"
8 after "enforce"; and
9 (13) by adding at the end the following new subsection:
10 "(i) REGISTRATION FOR MODIFICATION.—If there is no
11 individual contestant or child residing in the issuing State, the
12 party or support enforcement agency seeking to modify, or to
13 modify and enforce, a child support order issued in another State
14 shall register that order in a State with jurisdiction over the
15 nonmovant for the purpose of modification.".
16 **SEC. 223. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.**
17 Section 466(a) (42 U.S.C. 666(a)), as amended by sections
18 215 and 217(a) of this Act, is amended by adding at the end the
19 following new paragraph:
20 "(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE
21 CASES.—Procedures under which—
22 "(A) the State shall respond within 5 business
23 days to a request made by another State to enforce a
24 support order (and for this purpose the term 'business
25 day' means a day on which State offices are open for
26 regular business);

1 "(B) the State may, by electronic or other means,
2 transmit to another State a request for assistance in a
3 case involving the enforcement of a support order,
4 which request—
5 "(i) shall include such information as will
6 enable the State to which the request is
7 transmitted to compare the information about the
8 case to the information in the data bases of the
9 State; and
10 "(ii) shall constitute a certification by the
11 requesting State—
12 "(I) of the amount of support under the
13 order the payment of which is in arrears; and
14 "(II) that the requesting State has
15 complied with all procedural due process
16 requirements applicable to the case;
17 "(C) if the State provides assistance to another
18 State pursuant to this paragraph with respect to a
19 case, neither State shall consider the case to be
20 transferred to the caseload of such other State; and
21 "(D) the State shall maintain records of—
22 "(i) the number of such requests for
23 assistance received by the State;
24 "(ii) the number of cases for which the State
25 collected support in response to such a request;
26 and

1 "(iii) the amount of such collected
2 support.".
3 **SEC. 224. USE OF FORMS IN INTERSTATE ENFORCEMENT.**
4 (a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is
5 amended—
6 (1) by striking "and" at the end of paragraph (9);
7 (2) by striking the period at the end of paragraph (10)
8 and inserting "; and"; and
9 (3) by adding at the end the following new paragraph:
10 "(11) not later than December 31, 1996, after
11 consulting with the State directors of programs under this
12 part, promulgate forms to be used by States in interstate
13 cases for—
14 "(A) collection of child support through income
15 withholding;
16 "(B) imposition of liens; and
17 "(C) administrative subpoenas.".
18 (b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is
19 amended—
20 (1) by striking "and" at the end of subparagraph (C);
21 (2) by inserting "and" at the end of subparagraph (D);
22 and
23 (3) by adding at the end the following new
24 subparagraph:
25 "(E) no later than April 1, 1997, in using the
26 forms promulgated pursuant to section 452(a)(11) for
27 income withholding, imposition of liens, and issuance

1 of administrative subpoenas in interstate child support
2 cases;".
3 **SEC. 225. STATE LAWS PROVIDING EXPEDITED PROCEDURES.**
4 (a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as
5 amended by section 214 of this Act, is amended—
6 (1) in subsection (a)(2), by striking the first
7 sentence and inserting the following: "Expedited
8 administrative and judicial procedures (including the
9 procedures specified in subsection (c)) for establishing
10 paternity and for establishing, modifying, and enforcing
11 support obligations."; and
12 (2) by inserting after subsection (b) the following new
13 subsection:
14 "(c) EXPEDITED PROCEDURES.—The procedures specified in this
15 subsection, for purposes of the requirement of subsection (a)(2),
16 are the following:
17 "(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures
18 which give the State agency the authority to take the
19 following actions relating to establishment or enforcement
20 of support orders, without the necessity of obtaining an
21 order from any other judicial or administrative tribunal,
22 and to recognize and enforce the authority of State agencies
23 of other States) to take the following actions:
24 "(A) GENETIC TESTING.—To order genetic testing
25 for the purpose of paternity establishment as provided
26 in section 466(a)(5).

1 "(B) FINANCIAL OR OTHER INFORMATION.—To subpoena
2 any financial or other information needed to establish,
3 modify, or enforce a support order, and to impose
4 penalties for failure to respond to such a subpoena.
5 "(C) RESPONSE TO STATE AGENCY REQUEST.—To require
6 all entities in the State (including for-profit,
7 nonprofit, and governmental employers) to provide
8 promptly, in response to a request by the State agency
9 of that or any other State administering a program
10 under this part, information on the employment,
11 compensation, and benefits of any individual employed
12 by such entity as an employee or contractor, and to
13 sanction failure to respond to any such request.
14 "(D) ACCESS TO CERTAIN RECORDS.—To obtain access,
15 subject to safeguards on privacy and information
16 security, to the following records (including automated
17 access, in the case of records maintained in automated
18 data bases):
19 "(i) Records of other State and local
20 government agencies, including—
21 "(I) vital statistics (including records
22 of marriage, birth, and divorce);
23 "(II) State and local tax and revenue
24 records (including information on residence
25 address, employer, income and assets);
26 "(III) records concerning real and
27 titled personal property;

1 "(IV) records of occupational and
2 professional licenses, and records concerning
3 the ownership and control of corporations,
4 partnerships, and other business entities;
5 "(V) employment security records;
6 "(VI) records of agencies administering
7 public assistance programs;
8 "(VII) records of the motor vehicle
9 department; and
10 "(VIII) corrections records.
11 "(ii) Certain records held by private
12 entities, including—
13 "(I) customer records of public
14 utilities and cable television companies; and
15 "(II) information (including information
16 on assets and liabilities) on individuals who
17 owe or are owed support (or against or with
18 respect to whom a support obligation is
19 sought) held by financial institutions
20 (subject to limitations on liability of such
21 entities arising from affording such access),
22 as provided pursuant to agreements described
23 in subsection (a)(18).
24 "(E) CHANGE IN PAYEE.—In cases in which support
25 is subject to an assignment in order to comply with a
26 requirement imposed pursuant to part A or section 1912,
27 or to a requirement to pay through the State

1 disbursement unit established pursuant to section 454B,
2 upon providing notice to obligor and obligee; to direct
3 the obligor or other payor to change the payee to the
4 appropriate government entity.
5 "(F) INCOME WITHHOLDING.—To order income
6 withholding in accordance with subsections (a)(1) and
7 (b) of section 466.
8 "(G) SECURING ASSETS.—In cases in which there is
9 a support arrearage, to secure assets to satisfy the
10 arrearage by—
11 "(i) intercepting or seizing periodic or
12 lump-sum payments from—
13 "(I) a State or local agency, including
14 unemployment compensation, workers'
15 compensation, and other benefits; and
16 "(II) judgments, settlements, and
17 lotteries;
18 "(ii) attaching and seizing assets of the
19 obligor held in financial institutions;
20 "(iii) attaching public and private
21 retirement funds; and
22 "(iv) imposing liens in accordance with
23 subsection (a)(4) and, in appropriate cases, to
24 force sale of property and distribution of
25 proceeds.
26 "(H) INCREASED MONTHLY PAYMENTS.—For the purpose
27 of securing overdue support, to increase the amount of

1 monthly support payments to include amounts for
2 arrearages, subject to such conditions or limitations
3 as the State may provide.
4 Such procedures shall be subject to due process
5 safeguards, including (as appropriate) requirements for
6 notice, opportunity to contest the action, and opportunity
7 for an appeal on the record to an independent administrative
8 or judicial tribunal.
9 "(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited
10 procedures required under subsection (a)(2) shall include
11 the following rules and authority, applicable with respect
12 to all proceedings to establish paternity or to establish,
13 modify, or enforce support orders:
14 "(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING
15 NOTICE.—Procedures under which—
16 "(i) each party to any paternity or child
17 support proceeding is required (subject to privacy
18 safeguards) to file with the tribunal and the
19 State case registry upon entry of an order, and to
20 update as appropriate, information on location and
21 identity of the party, including social security
22 number, residential and mailing addresses,
23 telephone number, driver's license number, and
24 name, address, and name and telephone number of
25 employer; and
26 "(ii) in any subsequent child support
27 enforcement action between the parties, upon

1 sufficient showing that diligent effort has been
2 made to ascertain the location of such a party,
3 the tribunal may deem State due process
4 requirements for notice and service of process to
5 be met with respect to the party, upon delivery of
6 written notice to the most recent residential or
7 employer address filed with the tribunal pursuant
8 to clause (i).
9 "(B) STATEWIDE JURISDICTION.—Procedures under
10 which—
11 "(i) the State agency and any administrative
12 or judicial tribunal with authority to hear child
13 support and paternity cases exerts statewide
14 jurisdiction over the parties; and
15 "(ii) in a State in which orders are issued
16 by courts or administrative tribunals, a case may
17 be transferred between local jurisdictions in the
18 State without need for any additional filing by
19 the petitioner, or service of process upon the
20 respondent, to retain jurisdiction over the
21 parties.
22 "(3) COORDINATION WITH ERISA.—Notwithstanding
23 subsection (d) of section 514 of the Employee Retirement
24 Income Security Act of 1974 (relating to effect on other
25 laws), nothing in this subsection shall be construed to
26 alter, amend, modify, invalidate, impair, or supersede
27 subsections (a), (b), and (c) of such section 514 as it

1 applies with respect to any procedure referred to in
2 paragraph (1) and any expedited procedure referred to in
3 paragraph (2), except to the extent that such procedure
4 would be consistent with the requirements of section
5 206(d)(3) of such Act (relating to qualified domestic
6 relations orders) or the requirements of section 609(a) of
7 such Act (relating to qualified medical child support
8 orders) if the reference in such section 206(d)(3) to a
9 domestic relations order and the reference in such section
10 609(a) to a medical child support order were a reference to
11 a support order referred to in paragraphs (1) and (2)
12 relating to the same matters, respectively.".
13 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as
14 added by section 245(a)(2) and as amended by sections 211 and
15 212(c) of this Act, is amended by adding at the end the following
16 new subsection:
17 "(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated
18 system required by this section shall be used, to the maximum
19 extent feasible, to implement the expedited administrative
20 procedures required by section 466(c).".

21 ## Subtitle D—Paternity Establishment

22 **SEC. 231. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.**
23 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C.
24 666(a)(5)) is amended to read as follows:
25 "(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.

1 "(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH
2 UNTIL AGE 18.—
3 "(i) Procedures which permit the
4 establishment of the paternity of a child at any
5 time before the child attains 18 years of age.
6 "(ii) As of August 16, 1984, clause (i) shall
7 also apply to a child for whom paternity has not
8 been established or for whom a paternity action
9 was brought but dismissed because a statute of
10 limitations of less than 18 years was then in
11 effect in the State.
12 "(B) PROCEDURES CONCERNING GENETIC TESTING.—
13 "(i) GENETIC TESTING REQUIRED IN CERTAIN
14 CONTESTED CASES.—Procedures under which the State
15 is required, in a contested paternity case (unless
16 otherwise barred by State law) to require the
17 child and all other parties (other than
18 individuals found under section 454(29) to have
19 good cause for refusing to cooperate) to submit to
20 genetic tests upon the request of any such party,
21 if the request is supported by a sworn statement
22 by the party—
23 "(I) alleging paternity, and setting
24 forth facts establishing a reasonable
25 possibility of the requisite sexual contact
26 between the parties; or

1 "(II) denying paternity, and setting
2 forth facts establishing a reasonable
3 possibility of the nonexistence of sexual
4 contact between the parties.
5 "(ii) OTHER REQUIREMENTS.—Procedures which
6 require the State agency, in any case in which the
7 agency orders genetic testing—
8 "(I) to pay costs of such tests, subject
9 to recoupment (if the State so elects) from
10 the alleged father if paternity is
11 established; and
12 "(II) to obtain additional testing in
13 any case if an original test result is
14 contested, upon request and advance payment
15 by the contestant.
16 "(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—
17 "(i) SIMPLE CIVIL PROCESS.—Procedures
18 for a simple civil process for voluntarily
19 acknowledging paternity under which the State
20 must provide that, before a mother and a
21 putative father can sign an acknowledgment of
22 paternity, the mother and the putative father
23 must be given notice, orally and in writing,
24 of the alternatives to, the legal
25 consequences of, and the rights (including,
26 if 1 parent is a minor, any rights afforded

1 due to minority status) and responsibilities
2 that arise from, signing the acknowledgment.
3 "(ii) HOSPITAL-BASED PROGRAM.--Such
4 procedures must include a hospital-based
5 program for the voluntary acknowledgment of
6 paternity focusing on the period immediately
7 before or after the birth of a child, subject
8 to such good cause exceptions, taking into
9 account the best interests of the child, as
10 the State may establish.
11 "(iii) PATERNITY ESTABLISHMENT
12 SERVICES.—
13 "(I) STATE-OFFERED SERVICES.--Such
14 procedures must require the State agency
15 responsible for maintaining birth
16 records to offer voluntary paternity
17 establishment services.
18 "(II) REGULATIONS.—
19 "(aa) SERVICES OFFERED BY
20 HOSPITALS AND BIRTH RECORD
21 AGENCIES.—The Secretary shall
22 prescribe regulations governing
23 voluntary paternity establishment
24 services offered by hospitals and
25 birth record agencies.
26 "(bb) SERVICES OFFERED BY
27 OTHER ENTITIES.—The Secretary

1 shall prescribe regulations
2 specifying the types of other
3 entities that may offer voluntary
4 paternity establishment services,
5 and governing the provision of such
6 services, which shall include a
7 requirement that such an entity
8 must use the same notice provisions
9 used by, use the same materials
10 used by, provide the personnel
11 providing such services with the
12 same training provided by, and
13 evaluate the provision of such
14 services in the same manner as the
15 provision of such services is
16 evaluated by, voluntary paternity
17 establishment programs of hospitals
18 and birth record agencies.
19 "(iv) USE OF PATERNITY ACKNOWLEDGMENT
20 AFFIDAVIT.—Such procedures must require the
21 State to develop and use an affidavit for the
22 voluntary acknowledgment of paternity which
23 includes the minimum requirements of the
24 affidavit developed by the Secretary under
25 section 452(a)(7) for the voluntary
26 acknowledgment of paternity, and to give full
27 faith and credit to such an affidavit signed

1 in any other State according to its
2 procedures.
3 "(D) STATUS OF SIGNED PATERNITY
4 ACKNOWLEDGMENT.—
5 "(i) INCLUSION IN BIRTH
6 RECORDS.—Procedures under which the name of
7 the father shall be included on the record of
8 birth of the child of unmarried parents only
9 if—
10 "(I) the father and mother have
11 signed a voluntary acknowledgment of
12 paternity; or
13 "(II) a court or an administrative
14 agency of competent jurisdiction has
15 issued an adjudication of paternity.
16 Nothing in this clause precludes a State
17 agency from obtaining an admission of
18 paternity from the father for submission in a
19 judicial or administrative proceeding, or
20 prohibit the issuance of an order in a
21 judicial or administrative proceeding which
22 bases a legal finding of paternity on an
23 admission of paternity by the father and any
24 other additional showing required by State
25 law.
26 "(ii) LEGAL FINDING OF PATERNITY.—
27 Procedures under which a signed voluntary

1 acknowledgment of paternity is considered a
2 legal finding of paternity, subject to the
3 right of any signatory to rescind the
4 acknowledgment within the earlier of—
5 "(I) 60 days; or
6 "(II) the date of an administrative
7 or judicial proceeding relating to the
8 child (including a proceeding to
9 establish a support order) in which the
10 signatory is a party.
11 "(iii) CONTEST.—Procedures under which,
12 after the 60-day period referred to in clause
13 (ii), a signed voluntary acknowledgment of
14 paternity may be challenged in court only on
15 the basis of fraud, duress, or material
16 mistake of fact, with the burden of proof
17 upon the challenger, and under which the
18 legal responsibilities (including child
19 support obligations) of any signatory arising
20 from the acknowledgment may not be suspended
21 during the challenge, except for good cause
22 shown.
23 "(E) BAR ON ACKNOWLEDGMENT RATIFICATION
24 PROCEEDINGS.—Procedures under which judicial or
25 administrative proceedings are not required or
26 permitted to ratify an unchallenged acknowledgment
27 of paternity.

1 "(F) ADMISSIBILITY OF GENETIC TESTING
2 RESULTS.—Procedures—
3 "(i) requiring the admission into
4 evidence, for purposes of establishing
5 paternity, of the results of any genetic test
6 that is—
7 "(I) of a type generally
8 acknowledged as reliable by
9 accreditation bodies designated by the
10 Secretary; and
11 "(II) performed by a laboratory
12 approved by such an accreditation body;
13 "(ii) requiring an objection to genetic
14 testing results to be made in writing not
15 later than a specified number of days before
16 any hearing at which the results may be
17 introduced into evidence (or, at State
18 option, not later than a specified number of
19 days after receipt of the results); and
20 "(iii) making the test results
21 admissible as evidence of paternity without
22 the need for foundation testimony or other
23 proof of authenticity or accuracy, unless
24 objection is made.
25 "(G) PRESUMPTION OF PATERNITY IN CERTAIN
26 CASES.—Procedures which create a rebuttable or,
27 at the option of the State, conclusive presumption

1 of paternity upon genetic testing results
2 indicating a threshold probability that the
3 alleged father is the father of the child.
4 "(H) DEFAULT ORDERS.—Procedures requiring a
5 default order to be entered in a paternity case
6 upon a showing of service of process on the
7 defendant and any additional showing required by
8 State law.
9 "(I) NO RIGHT TO JURY TRIAL.—Procedures
10 providing that the parties to an action to
11 establish paternity are not entitled to a trial by
12 jury.
13 "(J) TEMPORARY SUPPORT ORDER BASED ON
14 PROBABLE PATERNITY IN CONTESTED CASES.—Procedures
15 which require that a temporary order be issued,
16 upon motion by a party, requiring the provision of
17 child support pending an administrative or
18 judicial determination of parentage, if there is
19 clear and convincing evidence of paternity (on the
20 basis of genetic tests or other evidence).
21 "(K) PROOF OF CERTAIN SUPPORT AND PATERNITY
22 ESTABLISHMENT COSTS.—Procedures under which bills
23 for pregnancy, childbirth, and genetic testing are
24 admissible as evidence without requiring
25 third-party foundation testimony, and shall
26 constitute prima facie evidence of amounts

1 incurred for such services or for testing on
2 behalf of the child.
3 "(L) STANDING OF PUTATIVE FATHERS.—
4 Procedures ensuring that the putative father has a
5 reasonable opportunity to initiate a paternity
6 action.
7 "(M) FILING OF ACKNOWLEDGMENTS AND
8 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
9 RECORDS.—Procedures under which voluntary
10 acknowledgments and adjudications of paternity by
11 judicial or administrative processes are filed
12 with the State registry of birth records for
13 comparison with information in the State case
14 registry.".
15 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section
16 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and
17 develop an affidavit to be used for the voluntary acknowledgment
18 of paternity which shall include the social security number of
19 each parent and, after consultation with the States, other common
20 elements as determined by such designee" before the semicolon.
21 (c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is
22 amended by striking "a simple civil process for voluntarily
23 acknowledging paternity and".
24 **SEC. 232. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.**
25 Section 454(23) (42 U.S.C. 654(23)) is amended by inserting
26 "and will publicize the availability and encourage the use of
27 procedures for voluntary establishment of paternity and child

1 support by means the State deems appropriate" before the
2 semicolon.
3 **SEC. 233. COOPERATION REQUIREMENT AND GOOD CAUSE EXCEPTION.**
4 (a) IN GENERAL—Section 454 (42 U.S.C. 654), as amended by
5 sections 201(b), 203(a), 212(a), and 213(a) of this Act, is
6 amended—
7 (1) by striking "and" at the end of paragraph (27);
8 (2) by striking the period at the end of paragraph (28)
9 and inserting "; and"; and
10 (3) by inserting after paragraph (28) the following new
11 paragraph:
12 "(29) provide that the State agency administering the
13 plan under this part—
14 "(A) will make the determination specified under
15 paragraph (4), as to whether an individual is
16 cooperating with efforts to establish paternity and
17 secure support (or has good cause not to cooperate with
18 such efforts) for purposes of the requirements of
19 sections 403(b)(1)(E)(i) and 1912;
20 "(B) will advise individuals, both orally and in
21 writing, of the grounds for good cause exceptions to
22 the requirement to cooperate with such efforts;
23 "(C) will take the best interests of the child
24 into consideration in making the determination whether
25 such individual has good cause not to cooperate with
26 such efforts;

1 "(D)(i) will make the initial determination as to
2 whether an individual is cooperating (or has good cause
3 not to cooperate) with efforts to establish paternity
4 within 10 days after such individual is referred to
5 such State agency by the State agency administering the
6 program under part A or title XIX;
7 "(ii) will make redeterminations as to cooperation
8 or good cause at appropriate intervals; and
9 "(iii) will promptly notify the individual, and
10 the State agencies administering such programs, of each
11 such determination and redetermination;
12 "(E) with respect to any child born on or after
13 the date 10 months after enactment of this provision,
14 will not determine (or redetermine) the mother (or
15 other custodial relative) of such child to be cooperat-
16 ing with efforts to establish paternity unless such
17 individual furnishes—
18 "(i) the name of the putative father (or
19 fathers); and
20 "(ii) sufficient additional information to
21 enable the State agency, if reasonable efforts
22 were made, to verify the identity of the person
23 named as the putative father (including such
24 information as the putative father's present
25 address, telephone number, date of birth, past or
26 present place of employment, school previously or
27 currently attended, names and addresses of

1 parents, friends, or relatives able to provide
2 location information, or other information that
3 could enable service of process on such person);
4 and
5 "(F)(i) (where a custodial parent who was
6 initially determined not to be cooperating (or to have
7 good cause not to cooperate) is later determined to be
8 cooperating or to have good cause not to cooperate)
9 will immediately notify the State agencies
10 administering the programs under part A and title XIX
11 that this eligibility condition has been met; and
12 "(ii) (where a custodial parent was initially
13 determined to be cooperating (or to have good cause not
14 to cooperate)) will not later determine such individual
15 not to be cooperating (or not to have good cause not to
16 cooperate) until such individual has been afforded an
17 opportunity for a hearing.".
18 (b) Medicaid Amendments.—Section 1912(a) (42 U.S.C.
19 1396k(a)) is amended—
20 (1) in paragraph (1)(B), by inserting "(except as
21 provided in paragraph (2))" after "to cooperate with the
22 State";
23 (2) in subparagraphs (B) and (C) of paragraph (1) by
24 striking ", unless" and all that follows and inserting a
25 semicolon; and

1 (3) by redesignating paragraph (2) as paragraph (6),
2 and inserting after paragraph (1) the following new
3 paragraphs:
4 "(2) provide that the State agency will immediately
5 refer each applicant or recipient requiring paternity
6 establishment services to the State agency administering the
7 program under part D of title IV;
8 "(3) provide that an individual will not be required to
9 cooperate with the State, as provided under paragraph (1),
10 if the individual is found to have good cause for refusing
11 to cooperate, as determined in accordance with standards
12 prescribed by the Secretary, which standards shall take into
13 consideration the best interests of the individuals
14 involved—
15 "(A) to the satisfaction of the State agency
16 administering the program under part D, as determined
17 in accordance with section 454(29), with respect to the
18 requirements to cooperate with efforts to establish
19 paternity and to obtain support (including medical
20 support) from a parent; and
21 "(B) to the satisfaction of the State agency
22 administering the program under this title, with
23 respect to other requirements to cooperate under
24 paragraph (1);
25 "(4) provide that (except as provided in paragraph (5))
26 an applicant requiring paternity establishment services
27 (other than an individual presumptively eligible pursuant to

1 section 1920) shall not be eligible for medical assistance
2 under this title until such applicant—
3 "(i) has furnished to the agency administering the
4 State plan under part D of title IV the information
5 specified in section 454(29)(E); or
6 "(ii) has been determined by such agency to have
7 good cause not to cooperate; and
8 "(5) provide that the provisions of paragraph (4) shall
9 not apply with respect to an applicant—
10 "(i) if such agency has not, within 10 days after
11 such individual was referred to such agency, provided
12 the notification required by section 454(29)(D)(iii),
13 until such notification is received); and
14 "(ii) if such individual appeals a determination
15 that the individual lacks good cause for
16 noncooperation, until after such determination is
17 affirmed after notice and opportunity for a hearing.".
18 (c) Effective Date.—The amendments made by this section are
19 effective with respect to applications filed in or after the
20 first calendar quarter beginning 10 months or more after the date
21 of the enactment of this amendment (or such earlier quarter as
22 the State may select) for assistance under a State plan approved
23 under part A of title IV of the Social Security Act or for
24 medical assistance under a State plan approved under title XIX of
25 such Act.

1 # Subtitle E—Program Administration and

2 # Funding

3 **SEC. 241. PERFORMANCE-BASED INCENTIVES AND PENALTIES.**

4 (a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and
5 Human Services, in consultation with State directors of programs
6 under part D of title IV of the Social Security Act, shall
7 develop a new incentive system to replace, in a cost neutral
8 manner, the system under section 458 of such Act. The new system
9 shall provide additional payments to any State based on such
10 State's performance under such a program. The Secretary shall
11 include procedures that ensure that the total incentives paid to
12 all States for a fiscal year under the new incentive system do
13 not exceed the total incentives that would have been paid to all
14 States for such fiscal year under the system that was in effect
15 during fiscal year 1995. Not later than October 1, 1996, the
16 Secretary shall report on the new system to the Committee on Ways
17 and Means of the House of Representatives and the Committee on
18 Finance of the Senate.

19 (b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458
20 (42 U.S.C. 658) is amended—

21 (1) in subsection (a), by striking "aid to families
22 with dependent children under a State plan approved under
23 part A of this title" and inserting "assistance under a
24 program funded under part A";

1 (2) in subsection (b)(1)(A), by striking "section
2 402(a)(26)" and inserting "section 402(a)(2)";
3 (3) in subsections (b) and (c)—
4 (A) by striking "AFDC collections" each place it
5 appears and inserting "title IV-A collections", and
6 (B) by striking "non-AFDC collections" each place
7 it appears and inserting "non-title IV-A collections";
8 and
9 (4) in subsection (c), by striking "combined
10 AFDC/non-AFDC administrative costs" both places it appears
11 and inserting "combined title IV-A/non-title IV-A
12 administrative costs".
13 (c) CALCULATION OF IV-D PATERNITY ESTABLISHMENT
14 PERCENTAGE.—
15 (1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is
16 amended by striking "75" and inserting "90".
17 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended
18 by redesignating subparagraphs (B) through (E) as
19 subparagraphs (C) through (F), respectively, and by
20 inserting after subparagraph (A) the following new
21 subparagraph:
22 "(B) for a State with a paternity establishment
23 percentage of not less than 75 percent but less than 90
24 percent for such fiscal year, the paternity
25 establishment percentage of the State for the
26 immediately preceding fiscal year plus 2 percentage
27 points;".

1 (3) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is
2 amended in the matter preceding clause (i)—
3 (A) by striking "paternity establishment
4 percentage" and inserting "IV-D paternity establishment
5 percentage"; and
6 (B) by striking "(or all States, as the case may
7 be)".
8 (4) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended
9 by adding at the end the following new sentence: "In meeting
10 the 90 percent paternity establishment requirement, a State
11 may calculate either the paternity establishment rate of
12 cases in the program funded under this part or the paternity
13 establishment rate of all out-of-wedlock births in the
14 State.".
15 (5) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
16 amended—
17 (A) by striking subparagraph (A) and redesignating
18 subparagraphs (B) and (C) as subparagraphs (A) and (B),
19 respectively;
20 (B) in subparagraph (A) (as so redesignated), by
21 striking "the percentage of children born
22 out-of-wedlock in a State" and inserting "the
23 percentage of children in a State who are born out of
24 wedlock or for whom support has not been established";
25 and
26 (C) in subparagraph (B) (as so redesignated) by
27 inserting "and securing support" before the period.

1 (d) EFFECTIVE DATES.—

2 (1) INCENTIVE ADJUSTMENTS.—

3 (A) IN GENERAL.—The system developed under

4 subsection (a) and the amendments made by subsection

5 (b) become effective on October 1, 1997, except to the

6 extent provided in subparagraph (B).

7 (B) APPLICATION OF SECTION 458.—Section 458 of

8 the Social Security Act, as in effect on the day before

9 the date of the enactment of this section, shall be

10 effective for purposes of incentive payments to States

11 for fiscal years before fiscal year 1999.

12 (2) PENALTY REDUCTIONS.—The amendments made by

13 subsection (c) become effective with respect to calendar

14 quarters beginning on or after the date of the enactment of

15 this Act.

16 **SEC. 242. FEDERAL AND STATE REVIEWS AND AUDITS.**

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

18 amended—

19 (1) in paragraph (14), by striking "(14)" and inserting

20 "(14)(A)";

21 (2) by redesignating paragraph (15) as subparagraph (B)

22 of paragraph (14); and

23 (3) by inserting after paragraph (14) the following new

24 paragraph:

25 "(15) provide for—

26 "(A) a process for annual reviews of and reports

27 to the Secretary on the State program operated under

1 the State plan approved under this part, including such
2 information as may be necessary to measure State
3 compliance with Federal requirements for expedited
4 procedures, using such standards and procedures as are
5 required by the Secretary, under which the State agency
6 will determine the extent to which the program is
7 operated in compliance with this part; and
8 "(B) a process of extracting from the automated
9 data processing system required by paragraph (16) and
10 transmitting to the Secretary data and calculations
11 concerning the levels of accomplishment (and rates of
12 improvement) with respect to applicable performance
13 indicators (including IV-D paternity establishment
14 percentages to the extent necessary for purposes of
15 sections 452(g) and 458).".
16 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C.
17 652(a)(4)) is amended to read as follows:
18 "(4)(A) review data and calculations transmitted by
19 State agencies pursuant to section 454(15)(B) on State
20 program accomplishments with respect to performance
21 indicators for purposes of subsection (g) of this section
22 and section 458;
23 "(B) review annual reports submitted pursuant to
24 section 454(15)(A) and, as appropriate, provide to the State
25 comments, recommendations for additional or alternative
26 corrective actions, and technical assistance; and

1 "(C) conduct audits, in accordance with the Government
2 auditing standards of the Comptroller General of the United
3 States—
4 "(i) at least once every 3 years (or more
5 frequently, in the case of a State which fails to meet
6 the requirements of this part concerning performance
7 standards and reliability of program data) to assess
8 the completeness, reliability, and security of the
9 data, and the accuracy of the reporting systems, used
10 in calculating performance indicators under subsection
11 (g) of this section and section 458;
12 "(ii) of the adequacy of financial management of
13 the State program operated under the State plan
14 approved under this part, including assessments of—
15 "(I) whether Federal and other funds made
16 available to carry out the State program are being
17 appropriately expended, and are properly and fully
18 accounted for; and
19 "(II) whether collections and disbursements
20 of support payments are carried out correctly and
21 are fully accounted for; and
22 "(iii) for such other purposes as the Secretary
23 may find necessary;".
24 (c) EFFECTIVE DATE.—The amendments made by this section
25 shall be effective with respect to calendar quarters beginning 12
26 months or more after the date of the enactment of this Act.
27 **SEC. 243. REQUIRED REPORTING PROCEDURES.**

1 (a) ESTABLISHMENT.--Section 452(a)(5) (42 U.S.C. 652(a)(5))
2 is amended by inserting ", and establish procedures to be
3 followed by States for collecting and reporting information
4 required to be provided under this part, and establish uniform
5 definitions (including those necessary to enable the measurement
6 of State compliance with the requirements of this part relating
7 to expedited processes) to be applied in following such
8 procedures" before the semicolon.
9 (b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as
10 amended by sections 201(b), 203(a), 212(a), 213(a), and 233 of
11 this Act, is amended—
12 (1) by striking "and" at the end of paragraph (28);
13 (2) by striking the period at the end of paragraph (29)
14 and inserting "; and"; and
15 (3) by adding after paragraph (29) the following new
16 paragraph:
17 "(30) provide that the State shall use the definitions
18 established under section 452(a)(5) in collecting and
19 reporting information as required under this part.".
20 **SEC. 244. AUTOMATED DATA PROCESSING REQUIREMENTS.**
21 (a) REVISED REQUIREMENTS.—
22 (1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is
23 amended—
24 (A) by striking ", at the option of the State,";
25 (B) by inserting "and operation by the State
26 agency" after "for the establishment";

1 (C) by inserting "meeting the requirements of
2 section 454A" after "information retrieval system";
3 (D) by striking "in the State and localities
4 thereof, so as (A)" and inserting "so as";
5 (E) by striking "(i)"; and
6 (F) by striking "(including" and all that follows
7 and inserting a semicolon.
8 (2) AUTOMATED DATA PROCESSING.—Part D of title IV (42
9 U.S.C. 651-669) is amended by inserting after section 454
10 the following new section:
11 "SEC. 454A. AUTOMATED DATA PROCESSING.
12 "(a) IN GENERAL.—In order for a State to meet the
13 requirements of this section, the State agency administering the
14 State program under this part shall have in operation a single
15 statewide automated data processing and information retrieval
16 system which has the capability to perform the tasks specified in
17 this section with the frequency and in the manner required by or
18 under this part.
19 "(b) PROGRAM MANAGEMENT.—The automated system required by
20 this section shall perform such functions as the Secretary may
21 specify relating to management of the State program under this
22 part, including—
23 "(1) controlling and accounting for use of Federal,
24 State, and local funds in carrying out the program; and
25 "(2) maintaining the data necessary to meet Federal
26 reporting requirements under this part on a timely basis.

1 "(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to
2 enable the Secretary to determine the incentive payments and
3 penalty adjustments required by sections 452(g) and 458, the
4 State agency shall—
5 "(1) use the automated system—
6 "(A) to maintain the requisite data on State
7 performance with respect to paternity establishment and
8 child support enforcement in the State; and
9 "(B) to calculate the IV-D paternity establishment
10 percentage for the State for each fiscal year; and
11 "(2) have in place systems controls to ensure the
12 completeness and reliability of, and ready access to, the
13 data described in paragraph (1)(A), and the accuracy of the
14 calculations described in paragraph (1)(B).
15 "(d) INFORMATION INTEGRITY AND SECURITY.—The State agency
16 shall have in effect safeguards on the integrity, accuracy, and
17 completeness of, access to, and use of data in the automated
18 system required by this section, which shall include the
19 following (in addition to such other safeguards as the Secretary
20 may specify in regulations):
21 "(1) POLICIES RESTRICTING ACCESS.—Written policies
22 concerning access to data by State agency personnel, and
23 sharing of data with other persons, which—
24 "(A) permit access to and use of data only to the
25 extent necessary to carry out the State program under
26 this part; and

1 "(B) specify the data which may be used for
2 particular program purposes, and the personnel
3 permitted access to such data.
4 "(2) SYSTEMS CONTROLS.--Systems controls (such as
5 passwords or blocking of fields) to ensure strict adherence
6 to the policies described in paragraph (1).
7 "(3) MONITORING OF ACCESS.—Routine monitoring of
8 access to and use of the automated system, through methods
9 such as audit trails and feedback mechanisms, to guard
10 against and promptly identify unauthorized access or use.
11 "(4) TRAINING AND INFORMATION.—Procedures to ensure
12 that all personnel (including State and local agency staff
13 and contractors) who may have access to or be required to
14 use confidential program data are informed of applicable
15 requirements and penalties (including those in section 6103
16 of the Internal Revenue Code of 1986), and are adequately
17 trained in security procedures.
18 "(5) PENALTIES.—Administrative penalties (up to and
19 including dismissal from employment) for unauthorized access
20 to, or disclosure or use of, confidential data.".
21 (3) REGULATIONS.—The Secretary of Health and Human
22 Services shall prescribe final regulations for
23 implementation of section 454A of the Social Security Act
24 not later than 2 years after the date of the enactment of
25 this Act.

1 (4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42
2 U.S.C. 654(24)), as amended by section 203(a)(1) of this
3 Act, is amended to read as follows:
4 "(24) provide that the State will have in effect an
5 automated data processing and information retrieval system—
6 "(A) by October 1, 1997, which meets all
7 requirements of this part which were enacted on or
8 before the date of enactment of the Family Support Act
9 of 1988, and
10 "(B) by October 1, 1999, which meets all
11 requirements of this part enacted on or before the date
12 of the enactment of this Act, except that such deadline
13 shall be extended by 1 day for each day (if any) by
14 which the Secretary fails to meet the deadline imposed
15 by section 244(a)(3) of the Work First and Personal
16 Responsibility Act of 1996;".
17 (b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF
18 AUTOMATED SYSTEMS.—
19 (1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is
20 amended—
21 (A) in paragraph (1)(B)—
22 (i) by striking "90 percent" and inserting
23 "the percent specified in paragraph (3), subect to
24 the limitations in paragraph (3)";
25 (ii) by striking "so much of"; and
26 (iii) by striking "which the Secretary" and
27 all that follows and inserting ", and"; and

1 (B) by adding at the end the following new
2 paragraph:
3 "(3)(A) Subject to the limitation in subparagraph (C),
4 the Secretary shall pay to each State, for each quarter in
5 fiscal years 1996 and 1997, 90 percent of so much of the
6 State expenditures described in paragraph (1)(B) as the
7 Secretary finds are for a system meeting the requirements
8 specified in section 454(16) (as in effect on September 30,
9 1995), but limited to the amount approved for States in the
10 advance planning documents of such States submitted on or
11 before May 1, 1995.
12 "(B) Subject to the limitation in subparagraph (C), the
13 Secretary shall pay to each State, for each quarter in
14 fiscal years 1996 through 2001, 80 percent of so much of the
15 State expenditures described in paragraph (1)(B) (other than
16 expenditures with respect to which payment is made under
17 subparagraph (A)) as the Secretary finds are for a system
18 meeting the requirements of sections 454(16) and 454A.
19 "(C) LIMITATION ON PAYMENTS UNDER TEMPORARY SPECIAL
20 FEDERAL MATCHING RATE.—
21 "(i) IN GENERAL.—The Secretary of Health and
22 Human Services may not pay more than $400,000,000 in
23 the aggregate under this paragraph for fiscal years
24 1996 through 2001, which is the maximum amount to which
25 States may be entitled under this paragraph for such
26 fiscal period.

1 "(ii) ALLOCATION OF LIMITATION AMONG STATES.—The
2 total amount payable to a State under this paragraph
3 for fiscal years 1996 through 2001 shall not exceed the
4 limitation determined for the State by the Secretary of
5 Health and Human Services in regulations.
6 "(iii) ALLOCATION FORMULA.—The regulations
7 referred to in clause (ii) shall prescribe a formula
8 for allocating the amount specified in clause (i) among
9 States with plans approved under part D of title IV of
10 the Social Security Act, which shall take into
11 account—
12 "(I) the relative size of State caseloads
13 under such part; and
14 "(II) the level of automation needed to meet
15 the automated data processing requirements of such
16 part.".
17 (c) Subsection (b) of this section is repealed effective
18 September 30, 2001.
19 (d) CONFORMING AMENDMENT.—Section 123(c) of the Family
20 Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is
21 amended by striking "1995" and inserting "2001".
22 **SEC. 245. TECHNICAL ASSISTANCE.**
23 (a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND
24 DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR
25 NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by
26 adding at the end the following new subsection:

1 "(j) From the appropriation account providing funds for
2 payments to States under section 455(a) for a fiscal year, the
3 Secretary may use an amount not to exceed 0.5 percent of
4 reimbursements by States to the Federal Government pursuant to
5 section 457(a) during the preceding fiscal year (as determined on
6 the basis of the most recent reliable data available to the
7 Secretary as of the end of the 3rd calendar quarter following the
8 end of such preceding fiscal year), to cover costs incurred by
9 the Secretary for—
10 "(1) information dissemination and technical assistance
11 to States, training of State and Federal staff, staffing
12 studies, and related activities needed to improve programs
13 under this part (including technical assistance concerning
14 State automated systems required by this part); and
15 "(2) research, demonstration, and special projects of
16 regional or national significance relating to the operation
17 of State programs under this part.".
18 (b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section
19 453 (42 U.S.C. 653), as amended by section 216 of this Act, is
20 amended by adding at the end the following new subsection:
21 "(o) RECOVERY OF COSTS.—From the appropriation account
22 providing funds for payments to States for under section 455(a),
23 the Secretary may use an amount not to exceed 2 percent of the
24 total reimbursements by States to the Federal Government pursuant
25 to section 457(a) during the preceding fiscal year (as determined
26 on the basis of the most recent reliable data available to the
27 Secretary as of the end of the 3rd calendar quarter following the

1 end of such preceding fiscal year), to cover costs incurred by
2 the Secretary for operation of the Federal Parent Locator Service
3 under this section, to the extent such costs are not recovered
4 through user fees.".
5 **SEC. 246. REPORTS AND DATA COLLECTION BY THE SECRETARY.**
6 (a) ANNUAL REPORT TO CONGRESS.—
7 (1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is
8 amended—
9 (A) by striking "this part;" and inserting "this
10 part, including—"; and
11 (B) by adding at the end the following new
12 clauses:
13 "(i) the total amount of child support
14 payments collected as a result of services
15 furnished during the fiscal year to individuals
16 receiving services under this part;
17 "(ii) the cost to the States and to the
18 Federal Government of so furnishing the services;
19 and
20 "(iii) the number of cases involving
21 families—
22 "(I) who became ineligible for
23 assistance under State programs funded under
24 part A during a month in the fiscal year; and
25 "(II) with respect to whom a child
26 support payment was received in the month;".

1 (2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is
2 amended—
3 (A) in the matter preceding clause (i)—
4 (i) by striking "with the data required under
5 each clause being separately stated for cases" and
6 inserting "separately stated for (1) cases";
7 (ii) by striking "cases where the child was
8 formerly receiving" and inserting "or formerly
9 received";
10 (iii) by inserting "or 1912" after
11 "471(a)(17)"; and
12 (iv) by inserting "(2)" before "all other";
13 (B) in each of clauses (i) and (ii), by striking
14 ", and the total amount of such obligations";
15 (C) in clause (iii), by striking "described in"
16 and all that follows and inserting "in which support
17 was collected during the fiscal year;";
18 (D) by striking clause (iv); and
19 (E) by redesignating clause (v) as clause (vii),
20 and inserting after clause (iii) the following new
21 clauses:
22 "(iv) the total amount of support collected
23 during such fiscal year and distributed as current
24 support;
25 "(v) the total amount of support collected
26 during such fiscal year and distributed as
27 arrearages;

1 "(vi) the total amount of support due and
2 unpaid for all fiscal years; and".
3 (3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is
4 amended by striking "on the use of Federal courts and".
5 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
6 amended—
7 (A) in subparagraph (H), by striking "and";
8 (B) in subparagraph (I), by striking the period
9 and inserting "; and"; and
10 (C) by inserting after subparagraph (I) the
11 following new subparagraph:
12 "(J) compliance, by State, with the standards
13 established pursuant to subsections (h) and (i).".
14 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
15 amended by striking all that follows subparagraph (J), as
16 added by paragraph (4).
17 (b) EFFECTIVE DATE.—The amendments made by subsection (a)
18 are effective with respect to fiscal year 1996 and succeeding
19 fiscal years.

20 **Subtitle F—Establishment and Modification**

21 **of Support Orders**

22 **SEC. 251. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF**
23 **CHILD SUPPORT ORDERS.**

24 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read
25 as follows:

1 "(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON
2 REQUEST.—Procedures under which the State shall review and
3 adjust each support order being enforced under this part if
4 there is an assignment under part A or upon the request of
5 either parent. Such procedures shall provide the following:
6 "(A) IN GENERAL.—
7 "(i) 3-YEAR CYCLE.—Except as provided in
8 subparagraphs (B) and (C), the State shall review
9 and, as appropriate, adjust the support order
10 every 3 years, taking into account the best
11 interests of the child involved.
12 "(ii) METHODS OF ADJUSTMENT.—The State may
13 elect to review and, if appropriate, adjust an
14 order pursuant to clause (i) by—
15 "(I) reviewing and, if appropriate,
16 adjusting the order in accordance with the
17 guidelines established pursuant to section
18 467(a) if the amount of the child support
19 award under the order differs from the amount
20 that would be awarded in accordance with the
21 guidelines; or
22 "(II) applying a cost-of-living
23 adjustment to the order in accordance with a
24 formula developed by the State and permit
25 either party to contest the adjustment,
26 within 30 days after the date of the notice
27 of the adjustment, by making a request for

1 review and, if appropriate, adjustment of the
2 order in accordance with the child support
3 guidelines established pursuant to section
4 467(a).
5 "(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES
6 NECESSARY.—Any adjustment under this subparagraph
7 (A) shall be made without a requirement for proof
8 or showing of a change in circumstances.
9 "(B) AUTOMATED METHOD.—The State may use
10 automated methods (including automated comparisons with
11 wage or State income tax data) to identify orders
12 eligible for review, conduct the review, identify
13 orders eligible for adjustment, and apply the
14 appropriate adjustment to the orders eligible for
15 adjustment under the threshold established by the
16 State.
17 "(C) REQUEST UPON SUBSTANTIAL CHANGE IN
18 CIRCUMSTANCES.—The State shall, at the request of
19 either parent subject to such an order or of any State
20 child support enforcement agency, review and, if
21 appropriate, adjust the order in accordance with the
22 guidelines established pursuant to section 467(a) based
23 upon a substantial change in the circumstances of
24 either parent.
25 "(D) NOTICE OF RIGHT TO REVIEW.—The State shall
26 provide notice not less than once every 3 years to the
27 parents subject to such an order informing them of

1 their right to request the State to review and, if
2 appropriate, adjust the order pursuant to this
3 paragraph. The notice may be included in the order.".
4 **SEC. 252. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES**
5. **RELATING TO CHILD SUPPORT.**
6 Section 604 of the Fair Credit Reporting Act (15 U.S.C.
7 1681b) is amended by adding at the end the following new
8 paragraphs:
9 "(4) In response to a request by the head of a State or
10 local child support enforcement agency (or a State or local
11 government official authorized by the head of such an
12 agency), if the person making the request certifies to the
13 consumer reporting agency that—
14 "(A) the consumer report is needed for the purpose
15 of establishing an individual's capacity to make child
16 support payments or determining the appropriate level
17 of such payments;
18 "(B) the paternity of the consumer for the child
19 to which the obligation relates has been established or
20 acknowledged by the consumer in accordance with State
21 laws under which the obligation arises (if required by
22 those laws);
23 "(C) the person has provided at least 10 days'
24 prior notice to the consumer whose report is requested,
25 by certified or registered mail to the last known
26 address of the consumer, that the report will be
27 requested; and

1 "(D) the consumer report will be kept
2 confidential, will be used solely for a purpose
3 described in subparagraph (A), and will not be used in
4 connection with any other civil, administrative, or
5 criminal proceeding, or for any other purpose.
6 "(5) To an agency administering a State plan under
7 section 454 of the Social Security Act (42 U.S.C. 654) for
8 use to set an initial or modified child support award.".
9 **SEC. 253. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING**
10 **FINANCIAL RECORDS TO STATE CHILD SUPPORT**
11 **ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.**
12 (a) IN GENERAL.—Notwithstanding any other provision of
13 Federal or State law, a financial institution shall not be liable
14 under any Federal or State law to any person for disclosing any
15 financial record of an individual to a State child support
16 enforcement agency attempting to establish, modify, or enforce a
17 child support obligation of such individual.
18 (b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED
19 BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support
20 enforcement agency which obtains a financial record of an
21 individual from a financial institution pursuant to subsection
22 (a) may disclose such financial record only for the purpose of
23 establishing, modifying, or enforcing a child support obligation
24 of that individual.
25 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—
26 (1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any
27 person knowingly or negligently discloses a financial record

1 of an individual in violation of subsection (b), such
2 individual may bring a civil action for damages against such
3 person in a district court of the United States.
4 (2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS
5 INTERPRETATION.—No liability shall arise under this
6 subsection with respect to any disclosure which results from
7 a good faith, but erroneous, interpretation of subsection
8 (b).
9 (3) DAMAGES.—In any action brought under paragraph
10 (1), upon a finding of liability on the part of the
11 defendant, the defendant shall be liable to the plaintiff in
12 an amount equal to the sum of—
13 (A) the greater of—
14 (i) $1,000 for each act of unauthorized
15 disclosure of a financial record with respect to
16 which such defendant is found liable; or
17 (ii) the sum of—
18 (I) the actual damages sustained by the
19 plaintiff as a result of such unauthorized
20 disclosure; plus
21 (II) in the case of a willful disclosure
22 or a disclosure which is the result of gross
23 negligence, punitive damages; plus
24 (B) the costs (including attorney's fees) of the
25 action.
26 (d) DEFINITIONS.—For purposes of this section—

1 (1) FINANCIAL INSTITUTION.—The term "financial
2 institution" means—
3 (A) a depository institution, as defined in
4 section 3(c) of the Federal Deposit Insurance Act (12
5 U.S.C. 1813(c));
6 (B) an institution-affiliated party, as defined in
7 section 3(u) of such Act (12 U.S.C. 1813(v));
8 (C) any Federal credit union or State credit
9 union, as defined in section 101 of the Federal Credit
10 Union Act (12 U.S.C. 1752), including an
11 institution-affiliated party of such a credit union, as
12 defined in section 206(r) of such Act (12 U.S.C.
13 1786(r)); and
14 (D) any benefit association, insurance company,
15 safe deposit company, money-market mutual fund, or
16 similar entity authorized to do business in the State.
17 (2) FINANCIAL RECORD.—The term "financial record" has
18 the meaning given such term in section 1101 of the Right to
19 Financial Privacy Act of 1978 (12 U.S.C. 3401).
20 (3) STATE CHILD SUPPORT ENFORCEMENT AGENCY.—The term
21 "State child support enforcement agency" means a State
22 agency which administers a State program for establishing
23 and enforcing child support obligations.

24 **Subtitle G—Enforcement of Support Orders**

25 **SEC. 261. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.**

1 (a) COLLECTION OF FEES.—Section 6305(a) of the Internal
2 Revenue Code of 1986 (relating to collection of certain
3 liability) is amended—
4 (1) by striking "and" at the end of paragraph (3);
5 (2) by striking the period at the end of paragraph (4)
6 and inserting ", and";
7 (3) by adding at the end the following new paragraph:
8 "(5) no additional fee may be assessed for adjustments
9 to an amount previously certified pursuant to such section
10 452(b) with respect to the same obligor."; and
11 (4) by striking "Secretary of Health, Education, and
12 Welfare" each place it appears and inserting "Secretary of
13 Health and Human Services".
14 (b) EFFECTIVE DATE.—The amendments made by this section
15 become effective October 1, 1997.
16 **SEC. 262. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.**
17 (a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section
18 459 (42 U.S.C. 659) is amended to read as follows:
19 "SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING,
20 GARNISHMENT, AND SIMILAR PROCEEDINGS FOR
21 ENFORCEMENT OF CHILD SUPPORT AND ALIMONY
22 OBLIGATIONS.
23 "(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any
24 other provision of law (including section 207 of this Act and
25 section 5301 of title 38, United States Code), effective
26 January 1, 1975, moneys (the entitlement to which is based upon
27 remuneration for employment) due from, or payable by, the United

1 States or the District of Columbia (including any agency,
2 subdivision, or instrumentality thereof) to any individual,
3 including members of the Armed Forces of the United States, shall
4 be subject, in like manner and to the same extent as if the
5 United States or the District of Columbia were a private person,
6 to withholding in accordance with State law enacted pursuant to
7 subsections (a)(1) and (b) of section 466 and regulations of the
8 Secretary under such subsections, and to any other legal process
9 brought, by a State agency administering a program under a State
10 plan approved under this part or by an individual obligee, to
11 enforce the legal obligation of the individual to provide child
12 support or alimony.
13 "(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE
14 PERSON.—With respect to notice to withhold income pursuant to
15 subsection (a)(1) or (b) of section 466, or any other order or
16 process to enforce support obligations against an individual (if
17 the order or process contains or is accompanied by sufficient
18 data to permit prompt identification of the individual and the
19 moneys involved), each governmental entity specified in
20 subsection (a) shall be subject to the same requirements as would
21 apply if the entity were a private person, except as otherwise
22 provided in this section.
23 "(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—
24 "(1) DESIGNATION OF AGENT.—The head of each agency
25 subject to this section shall—

1 "(A) designate an agent or agents to receive
2 orders and accept service of process in matters
3 relating to child support or alimony; and
4 "(B) annually publish in the Federal Register the
5 designation of the agent or agents, identified by title
6 or position, mailing address, and telephone number.
7 "(2) RESPONSE TO NOTICE OR PROCESS.—If an agent
8 designated pursuant to paragraph (1) of this subsection
9 receives notice pursuant to State procedures in effect
10 pursuant to subsection (a)(1) or (b) of section 466, or is
11 effectively served with any order, process, or
12 interrogatory, with respect to an individual's child support
13 or alimony payment obligations, the agent shall—
14 "(A) as soon as possible (but not later than 15
15 days) thereafter, send written notice of the notice or
16 service (together with a copy of the notice or service)
17 to the individual at the duty station or last-known
18 home address of the individual;
19 "(B) within 30 days (or such longer period as may
20 be prescribed by applicable State law) after receipt of
21 a notice pursuant to such State procedures, comply with
22 all applicable provisions of section 466; and
23 "(C) within 30 days (or such longer period as may
24 be prescribed by applicable State law) after effective
25 service of any other such order, process, or
26 interrogatory, respond to the order, process, or
27 interrogatory.

1 "(d) PRIORITY OF CLAIMS.—If a governmental entity specified
2 in subsection (a) receives notice or is served with process, as
3 provided in this section, concerning amounts owed by an
4 individual to more than 1 person—
5 "(1) support collection under section 466(b) must be
6 given priority over any other process, as provided in
7 section 466(b)(7);
8 "(2) allocation of moneys due or payable to an
9 individual among claimants under section 466(b) shall be
10 governed by section 466(b) and the regulations prescribed
11 under such section; and
12 "(3) such moneys as remain after compliance with
13 paragraphs (1) and (2) shall be available to satisfy any
14 other such processes on a first-come, first-served basis,
15 with any such process being satisfied out of such moneys as
16 remain after the satisfaction of all such processes which
17 have been previously served.
18 "(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental
19 entity that is affected by legal process served for the
20 enforcement of an individual's child support or alimony payment
21 obligations shall not be required to vary its normal pay and
22 disbursement cycle in order to comply with the legal process.
23 "(f) RELIEF FROM LIABILITY.—
24 "(1) Neither the United States, nor the government of
25 the District of Columbia, nor any disbursing officer shall
26 be liable with respect to any payment made from moneys due
27 or payable from the United States to any individual pursuant

1 to legal process regular on its face, if the payment is made
2 in accordance with this section and the regulations issued
3 to carry out this section.
4 "(2) No Federal employee whose duties include taking
5 actions necessary to comply with the requirements of
6 subsection (a) with regard to any individual shall be
7 subject under any law to any disciplinary action or civil or
8 criminal liability or penalty for, or on account of, any
9 disclosure of information made by the employee in connection
10 with the carrying out of such actions.
11 "(g) REGULATIONS.—Authority to promulgate regulations for
12 the implementation of this section shall, insofar as this section
13 applies to moneys due from (or payable by)—
14 "(1) the United States (other than the legislative or
15 judicial branches of the Federal Government) or the
16 government of the District of Columbia, be vested in the
17 President (or the designee of the President);
18 "(2) the legislative branch of the Federal Government,
19 be vested jointly in the President pro tempore of the Senate
20 and the Speaker of the House of Representatives (or their
21 designees), and
22 "(3) the judicial branch of the Federal Government, be
23 vested in the Chief Justice of the United States (or the
24 designee of the Chief Justice).
25 "(h) MONEYS SUBJECT TO PROCESS.—
26 "(1) IN GENERAL.--Subject to paragraph (2), moneys paid
27 or payable to an individual which are considered to be based

1 upon remuneration for employment, for purposes of this
2 section—
3 "(A) consist of—
4 "(i) compensation paid or payable for
5 personal services of the individual, whether the
6 compensation is denominated as wages, salary,
7 commission, bonus, pay, allowances, or otherwise
8 (including severance pay, sick pay, and incentive
9 pay);
10 "(ii) periodic benefits (including a periodic
11 benefit as defined in section 228(h)(3)) or other
12 payments—
13 "(I) under the insurance system
14 established by title II;
15 "(II) under any other system or fund
16 established by the United States which
17 provides for the payment of pensions,
18 retirement or retired pay, annuities,
19 dependents' or survivors' benefits, or
20 similar amounts payable on account of
21 personal services performed by the individual
22 or any other individual;
23 "(III) as compensation for death under
24 any Federal program;
25 "(IV) under any Federal program
26 established to provide 'black lung' benefits;
27 or

1 "(V) by the Secretary of Veterans
2 Affairs as compensation for a
3 service-connected disability paid by the
4 Secretary to a former member of the Armed
5 Forces who is in receipt of retired or
6 retainer pay if the former member has waived
7 a portion of the retired or retainer pay in
8 order to receive such compensation; and
9 "(iii) worker's compensation benefits paid
10 under Federal or State law but
11 "(B) do not include any payment—
12 "(i) by way of reimbursement or otherwise, to
13 defray expenses incurred by the individual in
14 carrying out duties associated with the employment
15 of the individual; or
16 "(ii) as allowances for members of the
17 uniformed services payable pursuant to chapter 7
18 of title 37, United States Code, as prescribed by
19 the Secretaries concerned (defined by section
20 101(5) of such title) as necessary for the
21 efficient performance of duty.
22 "(2) CERTAIN AMOUNTS EXCLUDED.—In determining the
23 amount of any moneys due from, or payable by, the United
24 States to any individual, there shall be excluded amounts
25 which—
26 "(A) are owed by the individual to the United
27 States;

1 "(B) are required by law to be, and are, deducted
2 from the remuneration or other payment involved,
3 including Federal employment taxes, and fines and
4 forfeitures ordered by court-martial;
5 "(C) are properly withheld for Federal, State, or
6 local income tax purposes, if the withholding of the
7 amounts is authorized or required by law and if amounts
8 withheld are not greater than would be the case if the
9 individual claimed all dependents to which he was
10 entitled (the withholding of additional amounts
11 pursuant to section 3402(i) of the Internal Revenue
12 Code of 1986 may be permitted only when the individual
13 presents evidence of a tax obligation which supports
14 the additional withholding);
15 "(D) are deducted as health insurance premiums;
16 "(E) are deducted as normal retirement
17 contributions (not including amounts deducted for
18 supplementary coverage); or
19 "(F) are deducted as normal life insurance
20 premiums from salary or other remuneration for
21 employment (not including amounts deducted for
22 supplementary coverage).
23 "(i) DEFINITIONS.—For purposes of this section—
24 "(1) UNITED STATES.—The term 'United States' includes
25 any department, agency, or instrumentality of the
26 legislative, judicial, or executive branch of the Federal
27 Government, the United States Postal Service, the Postal

1 Rate Commission, any Federal corporation created by an Act
2 of Congress that is wholly owned by the Federal Government,
3 and the governments of the territories and possessions of
4 the United States.

5 "(2) CHILD SUPPORT.—The term 'child support', when
6 used in reference to the legal obligations of an individual
7 to provide such support, means amounts required to be paid
8 under a judgment, decree, or order, whether temporary,
9 final, or subject to modification, issued by a court or an
10 administrative agency of competent jurisdiction, for the
11 support and maintenance of a child, including a child who
12 has attained the age of majority under the law of the
13 issuing State, or a child and the parent with whom the child
14 is living, which provides for monetary support, health care,
15 arrearages or reimbursement, and which may include other
16 related costs and fees, interest and penalties, income
17 withholding, attorney's fees, and other relief.

18 "(3) ALIMONY.—

19 "(A) IN GENERAL.—The term 'alimony', when used in
20 reference to the legal obligations of an individual to
21 provide the same, means periodic payments of funds for
22 the support and maintenance of the spouse (or former
23 spouse) of the individual, and (subject to and in
24 accordance with State law) includes separate
25 maintenance, alimony pendente lite, maintenance, and
26 spousal support, and includes attorney's fees,
27 interest, and court costs when and to the extent that

1 the same are expressly made recoverable as such
2 pursuant to a decree, order, or judgment issued in
3 accordance with applicable State law by a court of
4 competent jurisdiction.
5 "(B) EXCEPTIONS.—Such term does not include—
6 "(i) any child support; or
7 "(ii) any payment or transfer of property or
8 its value by an individual to the spouse or a
9 former spouse of the individual in compliance with
10 any community property settlement, equitable
11 distribution of property, or other division of
12 property between spouses or former spouses.
13 "(4) PRIVATE PERSON.—The term 'private person' means a
14 person who does not have sovereign or other special immunity
15 or privilege which causes the person not to be subject to
16 legal process.
17 "(5) LEGAL PROCESS.—The term 'legal process' means any
18 writ, order, summons, or other similar process in the nature
19 of garnishment—
20 "(A) which is issued by—
21 "(i) a court or an administrative agency of
22 competent jurisdiction in any State, territory, or
23 possession of the United States;
24 "(ii) a court or an administrative agency of
25 competent jurisdiction in any foreign country with
26 which the United States has entered into an

1 agreement which requires the United States to
2 honor the process; or
3 "(iii) an authorized official pursuant to an
4 order of such a court or an administrative agency
5 of competent jurisdiction or pursuant to State or
6 local law; and
7 "(B) which is directed to, and the purpose of
8 which is to compel, a governmental entity which holds
9 moneys which are otherwise payable to an individual to
10 make a payment from the moneys to another party in
11 order to satisfy a legal obligation of the individual
12 to provide child support or make alimony payments.".
13 (b) CONFORMING AMENDMENTS.—
14 (1) TO PART D OF TITLE IV.—Sections 461 and 462 (42
15 U.S.C. 661 and 662) are repealed.
16 (2) TO TITLE 5, UNITED STATES CODE.--Section 5520a of
17 title 5, United States Code, is amended, in subsections
18 (h)(2) and (i), by striking "sections 459, 461, and 462 of
19 the Social Security Act (42 U.S.C. 659, 661, and 662)" and
20 inserting "section 459 of the Social Security Act (42 U.S.C.
21 659)".
22 (c) MILITARY RETIRED AND RETAINER PAY.—
23 (1) DEFINITION OF COURT.—Section 1408(a)(1) of title
24 10, United States Code, is amended—
25 (A) by striking "and" at the end of subparagraph
26 (B);

1 (B) by striking the period at the end of
2 subparagraph (C) and inserting "; and"; and
3 (C) by adding after subparagraph (C) the
4 following: new subparagraph:
5 "(D) any administrative or judicial tribunal of a
6 State competent to enter orders for support or
7 maintenance (including a State agency administering a
8 program under a State plan approved under part D of
9 title IV of the Social Security Act), and, for purposes
10 of this subparagraph, the term 'State' includes the
11 District of Columbia, the Commonwealth of Puerto Rico,
12 the Virgin Islands, Guam, and American Samoa.".
13 (2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of
14 such title is amended—
15 (A) by inserting "or a support order, as defined
16 in section 453(p) of the Social Security Act (42 U.S.C.
17 653(p))," before "which—";
18 (B) in subparagraph (B)(i), by striking "(as
19 defined in section 462(b) of the Social Security Act
20 (42 U.S.C. 662(b)))" and inserting "(as defined in
21 section 459(i)(2) of the Social Security Act (42 U.S.C.
22 662(i)(2)))"; and
23 (C) in subparagraph (B)(ii), by striking "(as
24 defined in section 462(c) of the Social Security Act
25 (42 U.S.C. 662(c)))" and inserting "(as defined in
26 section 459(i)(3) of the Social Security Act (42 U.S.C.
27 662(i)(3)))".

1 (3) PUBLIC PAYEE.—Section 1408(d) of such title is
2 amended—
3 (A) in the heading, by inserting "(OR FOR BENEFIT
4 OF)" before "SPOUSE OR"; and
5 (B) in paragraph (1), in the 1st sentence, by
6 inserting "(or for the benefit of such spouse or former
7 spouse to a State disbursement unit established
8 pursuant to section 454B of the Social Security Act or
9 other public payee designated by a State, in accordance
10 with part D of title IV of the Social Security Act, as
11 directed by court order, or as otherwise directed in
12 accordance with such part D)" before "in an amount
13 sufficient".
14 (4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408
15 of such title is amended by adding at the end the following
16 new subsection:
17 "(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an
18 order providing for payment of child support (as defined in
19 section 459(i)(2) of the Social Security Act) by a member who has
20 never been married to the other parent of the child, the
21 provisions of this section shall not apply, and the case shall be
22 subject to the provisions of section 459 of such Act.".
23 (d) EFFECTIVE DATE.—The amendments made by this section
24 become effective 6 months after the date of the enactment of this
25 Act.
26 **SEC. 263. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS**
27 **OF THE ARMED FORCES.**

1 (a) AVAILABILITY OF LOCATOR INFORMATION.—

2 (1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary
3 of Defense shall establish a centralized personnel locator
4 service that includes the address of each member of the
5 Armed Forces under the jurisdiction of the Secretary. Upon
6 request of the Secretary of Transportation, addresses for
7 members of the Coast Guard shall be included in the
8 centralized personnel locator service.

9 (2) TYPE OF ADDRESS.—

10 (A) RESIDENTIAL ADDRESS.—Except as provided in
11 subparagraph (B), the address for a member of the Armed
12 Forces shown in the locator service shall be the
13 residential address of that member.

14 (B) DUTY ADDRESS.—The address for a member of the
15 Armed Forces shown in the locator service shall be the
16 duty address of that member in the case of a member—

17 (i) who is permanently assigned overseas, to
18 a vessel, or to a routinely deployable unit; or

19 (ii) with respect to whom the Secretary
20 concerned makes a determination that the member's
21 residential address should not be disclosed due to
22 national security or safety concerns.

23 (3) UPDATING OF LOCATOR INFORMATION.—Within 30 days
24 after a member listed in the locator service establishes a
25 new residential address (or a new duty address, in the case
26 of a member covered by paragraph (2)(B)), the Secretary

1 concerned shall update the locator service to indicate the
2 new address of the member.
3 (4) AVAILABILITY OF INFORMATION.—The Secretary of
4 Defense shall make information regarding the address of a
5 member of the Armed Forces listed in the locator service
6 available, on request, to the Federal Parent Locator Service
7 established under section 453 of the Social Security Act.
8 (b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT
9 HEARINGS.—
10 (1) REGULATIONS.—The Secretary of each military
11 department, and the Secretary of Transportation with respect
12 to the Coast Guard when it is not operating as a service in
13 the Navy, shall prescribe regulations to facilitate the
14 granting of leave to a member of the Armed Forces under the
15 jurisdiction of that Secretary in a case in which—
16 (A) the leave is needed for the member to attend a
17 hearing described in paragraph (2);
18 (B) the member is not serving in or with a unit
19 deployed in a contingency operation (as defined in
20 section 101 of title 10, United States Code); and
21 (C) the exigencies of military service (as
22 determined by the Secretary concerned) do not otherwise
23 require that such leave not be granted.
24 (2) COVERED HEARINGS.—Paragraph (1) applies to a
25 hearing that is conducted by a court or pursuant to an
26 administrative process established under State law, in
27 connection with a civil action—

1 (A) to determine whether a member of the Armed
2 Forces is a natural parent of a child; or
3 (B) to determine an obligation of a member of the
4 Armed Forces to provide child support.
5 (3) DEFINITIONS.—For purposes of this subsection—
6 (A) The term "court" has the meaning given that
7 term in section 1408(a) of title 10, United States
8 Code.
9 (B) The term "child support" has the meaning given
10 such term in section 459(i) of the Social Security Act
11 (42 U.S.C. 659(i)).
12 (c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD
13 SUPPORT ORDERS.—
14 (1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408
15 of title 10, United States Code, as amended by section
16 262(c)(4) of this Act, is amended—
17 (A) by redesignating subsections (i) and (j) as
18 subsections (j) and (k), respectively; and
19 (B) by inserting after subsection (h) the
20 following new subsection:
21 "(i) CERTIFICATION DATE.—It is not necessary that the date
22 of a certification of the authenticity or completeness of a copy
23 of a court order for child support received by the Secretary
24 concerned for the purposes of this section be recent in relation
25 to the date of receipt by the Secretary.".
26 (2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO
27 STATES.—Section 1408(d)(1) of such title is amended by

1 inserting after the 1st sentence the following new sentence:
2 "In the case of a spouse or former spouse who, pursuant to
3 section 402(a)(2) of the Social Security Act (42 U.S.C.
4 602(a)(2)), assigns to a State the rights of the spouse or
5 former spouse to receive support, the Secretary concerned
6 may make the child support payments referred to in the
7 preceding sentence to that State in amounts consistent with
8 that assignment of rights.".
9 (3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED
10 SERVICES.—Section 1408(d) of such title is amended by
11 adding at the end the following new paragraph:
12 "(6) In the case of a court order for which effective
13 service is made on the Secretary concerned on or after the
14 date of the enactment of this paragraph and which provides
15 for payments from the disposable retired pay of a member to
16 satisfy the amount of child support set forth in the order,
17 the authority provided in paragraph (1) to make payments
18 from the disposable retired pay of a member to satisfy the
19 amount of child support set forth in a court order shall
20 apply to payment of any amount of child support arrearages
21 set forth in that order as well as to amounts of child
22 support that currently become due.".
23 (4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall
24 begin payroll deductions within 30 days after receiving
25 notice of withholding, or for the 1st pay period that begins
26 after such 30-day period.
27 **SEC. 264. VOIDING OF FRAUDULENT TRANSFERS.**

1 Section 466 (42 U.S.C. 666), as amended by section 221 of
2 this Act, is amended by adding at the end the following new
3 subsection:
4 "(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy
5 section 454(20)(A), each State must have in effect—
6 "(1)(A) the Uniform Fraudulent Conveyance Act of 1981;
7 "(B) the Uniform Fraudulent Transfer Act of 1984; or
8 "(C) another law, specifying indicia of fraud which
9 create a prima facie case that a debtor transferred income
10 or property to avoid payment to a child support creditor,
11 which the Secretary finds affords comparable rights to child
12 support creditors; and
13 "(2) procedures under which, in any case in which the
14 State knows of a transfer by a child support debtor with
15 respect to which such a prima facie case is established, the
16 State must—
17 "(A) seek to void such transfer; or
18 "(B) obtain a settlement in the best interests of
19 the child support creditor.".
20 **SEC. 265. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD**
21 **SUPPORT.**
22 (a) IN GENERAL.—Section 466(a) of the Social Security Act
23 (42 U.S.C. 666(a)), as amended by sections 215, 217(a), and 223
24 of this Act, is amended by adding at the end the following new
25 paragraph:
26 "(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE
27 SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

1 "(A) IN GENERAL.—Procedures under which the State
2 has the authority, in any case in which an individual
3 owes past-due support with respect to a child receiving
4 assistance under a State program funded under part A,
5 to seek a court order that requires the individual to—
6 "(i) pay such support in accordance with a
7 plan approved by the court, or, at the option of
8 the State, a plan approved by the State agency
9 administering the State program under this part;
10 or
11 "(ii) if the individual is subject to such a
12 plan and is not incapacitated, participate in such
13 work activities (as defined in section 407(d)) as
14 the court, or, at the option of the State, the
15 State agency administering the State program under
16 this part, deems appropriate.
17 "(B) PAST-DUE SUPPORT DEFINED.—For purposes of
18 subparagraph (A), the term 'past-due support' means the
19 amount whose payment is overdue as determined under a
20 court order, or an order of an administrative process
21 established under State law, for support and
22 maintenance of a child, or of a child and the parent
23 with whom the child is living.".
24 (b) CONFORMING AMENDMENT.—The flush paragraph at the end of
25 section 466(a) (42 U.S.C.666(a)) is amended by striking "and (7)"
26 and inserting "(7), and (15)".
27 **SEC. 266. DEFINITION OF SUPPORT ORDER.**

1 Section 453 (42 U.S.C. 653) as amended by sections 216 and
2 246(b) of this Act, is amended by adding at the end the following
3 new subsection:
4 "(p) SUPPORT ORDER DEFINED.—As used in this part, the term
5 'support order' means a judgment, decree, or order, whether
6 temporary, final, or subject to modification, issued by a court
7 or an administrative agency of competent jurisdiction, for the
8 support and maintenance of a child, including a child who has
9 attained the age of majority under the law of the issuing State,
10 or a child and the parent with whom the child is living, which
11 provides for monetary support, health care, arrearages, or
12 reimbursement, and which may include related costs and fees,
13 interest and penalties, income withholding, attorneys' fees, and
14 other relief.".
15 **SEC. 267. REPORTING ARREARAGES TO CREDIT BUREAUS.**
16 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read
17 as follows:
18 "(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—
19 "(A) IN GENERAL.—Procedures (subject to
20 safeguards pursuant to subparagraph (B)) requiring the
21 State to report periodically to consumer reporting
22 agencies (as defined in section 603(f) of the Fair
23 Credit Reporting Act (15 U.S.C. 1681a(f)) the name of
24 any noncustodial parent who is delinquent in the
25 payment of support, and the amount of overdue support
26 owed by such parent.

1 "(B) SAFEGUARDS.—Procedures ensuring that, in
2 carrying out subparagraph (A), information with respect
3 to a noncustodial parent is reported—
4 "(i) only after such parent has been afforded
5 all due process required under State law,
6 including notice and a reasonable opportunity to
7 contest the accuracy of such information; and
8 "(ii) only to an entity that has furnished
9 evidence satisfactory to the State that the entity
10 is a consumer reporting agency (as so defined).".
11 **SEC. 268. LIENS.**
12 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read
13 as follows:
14 "(4) LIENS.—Procedures under which—
15 "(A) liens arise by operation of law against real
16 and personal property for amounts of overdue support
17 owed by a noncustodial parent who resides or owns
18 property in the State; and
19 "(B) the State accords full faith and credit to
20 liens described in subparagraph (A) arising in another
21 State, without registration of the underlying order.".
22 **SEC. 269. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.**
23 Section 466(a) (42 U.S.C. 666(a)), as amended by sections
24 215, 217(a), 223, and 265 of this Act, is amended by adding at
25 the end the following:
26 "(16) AUTHORITY TO WITHHOLD OR SUSPEND
27 LICENSES.—Procedures under which the State has (and uses in

1 appropriate cases) authority to withhold or suspend, or to
2 restrict the use of, driver's licenses, professional and
3 occupational licenses, and recreational licenses of
4 individuals owing overdue support or failing, after
5 receiving appropriate notice, to comply with subpoenas or
6 warrants relating to paternity or child support
7 proceedings.".
8 **SEC. 270. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.**
9 (a) HHS CERTIFICATION PROCEDURE.—
10 (1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C.
11 652), as amended by section 246 of this Act, is amended by
12 adding at the end the following new subsection:
13 "(k)(1) If the Secretary receives a certification by a State
14 agency in accordance with the requirements of section 454(31)
15 that an individual owes arrearages of child support in an amount
16 exceeding $5,000, the Secretary shall transmit such certification
17 to the Secretary of State for action (with respect to denial,
18 revocation, or limitation of passports) pursuant to section
19 270(b) of the Work First and Personal Responsibility Act of 1996.
20 "(2) The Secretary shall not be liable to an individual for
21 any action with respect to a certification by a State agency
22 under this section.".
23 (2) STATE AGENCY RESPONSIBILITY.—Section 454 (42
24 U.S.C. 654), as amended by sections 201(b), 203(a), 212(b),
25 213(a), 233, and 244(b) of this Act, is amended—
26 (A) by striking "and" at the end of paragraph
27 (29);

1 (B) by striking the period at the end of paragraph
2 (30) and inserting "; and"; and
3 (C) by adding after paragraph (30) the following
4 new paragraph:
5 "(31) provide that the State agency will have in effect
6 a procedure for certifying to the Secretary, for purposes of
7 the procedure under section 452(k), determinations that
8 individuals owe arrearages of child support in an amount
9 exceeding $5,000, under which procedure—
10 "(A) each individual concerned is afforded notice
11 of such determination and the consequences thereof, and
12 an opportunity to contest the determination; and
13 "(B) the certification by the State agency is
14 furnished to the Secretary in such format, and
15 accompanied by such supporting documentation, as the
16 Secretary may require.".
17 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—
18 (1) IN GENERAL.—The Secretary of State shall, upon
19 certification by the Secretary of Health and Human Services
20 transmitted under section 452(k) of the Social Security Act,
21 refuse to issue a passport to such individual, and may
22 revoke, restrict, or limit a passport issued previously to
23 such individual.
24 (2) LIMIT ON LIABILITY.—The Secretary of State shall
25 not be liable to an individual for any action with respect
26 to a certification by a State agency under this section.

1 (c) EFFECTIVE DATE.—This section and the amendments made by
2 this section become effective October 1, 1996.
3 **SEC. 271. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.**
4 (a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title
5 IV, as amended by section 262(a) of this Act, is amended by
6 adding after section 459 the following new section:
7 "SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.
8 "(a) AUTHORITY FOR DECLARATIONS.—
9 "(1) DECLARATION.—The Secretary of State, with the
10 concurrence of the Secretary of Health and Human Services,
11 is authorized to declare any foreign country (or a political
12 subdivision thereof) to be a foreign reciprocating country
13 if the foreign country has established, or undertakes to
14 establish, procedures for the establishment and enforcement
15 of duties of support owed to obligees who are residents of
16 the United States, and such procedures are substantially in
17 conformity with the standards prescribed under subsection
18 (b).
19 "(2) REVOCATION.—A declaration with respect to a
20 foreign country made pursuant to paragraph (1) may be
21 revoked if the Secretaries of State and Health and Human
22 Services determine that—
23 "(A) the procedures established by the foreign
24 nation regarding the establishment and enforcement of
25 duties of support have been so changed, or the foreign
26 nation's implementation of such procedures is so

1 unsatisfactory, that such procedures do not meet the
2 criteria for such a declaration; or
3 "(B) continued operation of the declaration is not
4 consistent with the purposes of this part.
5 "(3) FORM OF DECLARATION.—A declaration under
6 paragraph (1) may be made in the form of an international
7 agreement, in connection with an international agreement or
8 corresponding foreign declaration, or on a unilateral basis.
9 "(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—
10 "(1) MANDATORY ELEMENTS.—Child support enforcement
11 procedures of a foreign country which may be the subject of
12 a declaration pursuant to subsection (a)(1) shall include
13 the following elements:
14 "(A) The foreign country (or political subdivision
15 thereof) has in effect procedures, available to
16 residents of the United States—
17 "(i) for establishment of paternity, and for
18 establishment of orders of support for children
19 and custodial parents; and
20 "(ii) for enforcement of orders to provide
21 support to children and custodial parents,
22 including procedures for collection and
23 appropriate distribution of support payments under
24 such orders.
25 "(B) The procedures described in subparagraph (A),
26 including legal and administrative assistance, are
27 provided to residents of the United States at no cost.

1 "(C) An agency of the foreign country is
2 designated as a Central Authority responsible for—
3 "(i) facilitating child support enforcement
4 in cases involving residents of the foreign nation
5 and residents of the United States; and
6 "(ii) ensuring compliance with the standards
7 established pursuant to this subsection.
8 "(2) ADDITIONAL ELEMENTS.—The Secretary of Health and
9 Human Services and the Secretary of State, in consultation
10 with the States, may establish such additional standards as
11 may be considered necessary to further the purposes of this
12 section.
13 "(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It
14 shall be the responsibility of the Secretary of Health and Human
15 Services to facilitate child support enforcement in cases
16 involving residents of the United States and residents of foreign
17 nations that are the subject of a declaration under this section,
18 by activities including—
19 "(1) development of uniform forms and procedures for
20 use in such cases;
21 "(2) notification of foreign reciprocating countries of
22 the State of residence of individuals sought for support
23 enforcement purposes, on the basis of information provided
24 by the Federal Parent Locator Service; and
25 "(3) such other oversight, assistance, and coordination
26 activities as the Secretary may find necessary and
27 appropriate.

1 "(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal
2 arrangements for the establishment and enforcement of child
3 support obligations with foreign countries that are not the
4 subject of a declaration pursuant to subsection (a), to the
5 extent consistent with Federal law.".
6 (b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as
7 amended by sections 201(b), 203(a), 212(b), 213(a), 233, 244(b),
8 and 270(a)(2) of this Act, is amended—
9 (1) by striking "and" at the end of paragraph (30);
10 (2) by striking the period at the end of paragraph (31)
11 and inserting "; and"; and
12 (3) by adding after paragraph (31) the following new
13 paragraph:
14 "(32)(A) provide that any request for services under
15 this part by a foreign reciprocating country or a foreign
16 country with which the State has an arrangement described in
17 section 459A(d)(2) shall be treated as a request by a State;
18 "(B) provide, at State option, notwithstanding
19 paragraph (4) or any other provision of this part, for
20 services under the plan for enforcement of a spousal support
21 order not described in paragraph (4)(B) entered by such a
22 country (or subdivision); and
23 "(C) provide that no applications will be required
24 from, and no costs will be assessed for such services
25 against, the foreign reciprocating country or foreign
26 obligee (but costs may at State option be assessed against
27 the obligor).".

1 **SEC. 272. FINANCIAL INSTITUTION DATA MATCHES.**

2 Section 466(a) (42 U.S.C. 666(a)), as amended by sections
3 215, 217(a), 223, 265, and 269 of this Act, is amended by adding
4 at the end the following new paragraph:

5 "(17) FINANCIAL INSTITUTION DATA MATCHES.—

6 "(A) IN GENERAL.—Procedures under which the State
7 agency shall enter into agreements with financial
8 institutions doing business in the State—

9 "(i) to develop and operate, in coordination
10 with such financial institutions, a data match
11 system, using automated data exchanges to the
12 maximum extent feasible, in which each such
13 financial institution is required to provide for
14 each calendar quarter the name, record address,
15 social security number or other taxpayer
16 identification number, and other identifying
17 information for each noncustodial parent who
18 maintains an account at such institution and who
19 owes past-due support, as identified by the State
20 by name and social security number or other
21 taxpayer identification number; and

22 "(ii) in response to a notice of lien or
23 levy, encumber or surrender, as the case may be,
24 assets held by such institution on behalf of any
25 noncustodial parent who is subject to a child
26 support lien pursuant to paragraph (4).

1 "(B) REASONABLE FEES.—The State agency may pay a
2 reasonable fee to a financial institution for
3 conducting the data match provided for in subparagraph
4 (A)(i), not to exceed the actual costs incurred by such
5 financial institution.
6 "(C) LIABILITY.—A financial institution shall not
7 be liable under any Federal or State law to any
8 person—
9 "(i) for any disclosure of information to the
10 State agency under subparagraph (A)(i);
11 "(ii) for encumbering or surrendering any
12 assets held by such financial institution in
13 response to a notice of lien or levy issued by the
14 State agency as provided for in subparagraph
15 (A)(ii); or
16 "(iii) for any other action taken in good
17 faith to comply with the requirements of
18 subparagraph (A).
19 "(D) DEFINITIONS.—For purposes of this paragraph—
20 "(i) FINANCIAL INSTITUTION.—The term
21 'financial institution' means any Federal or State
22 commercial savings bank, including savings
23 association or cooperative bank, Federal- or
24 State-chartered credit union, benefit association,
25 insurance company, safe deposit company,
26 money-market mutual fund, or any similar entity
27 authorized to do business in the State; and

1 "(ii) ACCOUNT.—The term 'account' means a
2 demand deposit account, checking or negotiable
3 withdrawal order account, savings account, time
4 deposit account, or money-market mutual fund
5 account.".

6 **SEC. 273. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL**
7 **GRANDPARENTS IN CASES OF MINOR PARENTS.**

8 Section 466(a) (42 U.S.C. 666(a)), as amended by sections
9 215, 217(a), 223, 265, 269, and 272 of this Act, is amended by
10 adding at the end the following new paragraph:

11 "(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR
12 MATERNAL GRANDPARENTS.—Procedures under which, at the
13 State's option, any child support order enforced under this
14 part with respect to a child of minor parents, if the
15 custodial parents of such child is receiving assistance
16 under the State program under part A, shall be enforceable,
17 jointly and severally, against the parents of the
18 noncustodial parents of such child.".

19 **SEC. 274. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS**
20 **FOR THE SUPPORT OF A CHILD.**

21 (a) AMENDMENT TO TITLE 11 OF THE UNITED STATES
22 CODE.—Section 523(a) of title 11, United States Code, is
23 amended—

24 (1) in paragraph (16) by striking the period at the end
25 and inserting "; or",

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

1 "(17) to a State or municipality for assistance
2 provided by such State or municipality under a State
3 program funded under part A of title IV of the Social
4 Security Act to the extent that such assistance is
5 provided for the support of a child of the debtor.",
6 and
7 (3) in paragraph (5), by striking "(26)" and inserting
8 "(2)".
9 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) of
10 the Social Security Act (42 U.S.C. 656(b)) is amended to read as
11 follows:
12 "(b) NONDISCHARGEABILITY.—A debt (as defined in section 101
13 of title 11 of the United States Code) to a State (as defined in
14 such section) or municipality (as defined in such section) for
15 assistance provided by such State or municipality under a State
16 program funded under part A of title IV is not dischargeable
17 under section 727, 1141, 1228(a), 1228(b), or 1328(b) of title 11
18 of the United States Code to the extent that such assistance is
19 provided for the support of a child of the debtor (as defined in
20 such section).".
21 (c) APPLICATION OF AMENDMENTS.—The amendments made by this
22 section apply only with respect to cases commenced under title 11
23 of the United States Code after the effective date of this
24 section.

25 ## Subtitle H—Medical Support

26 **SEC. 276. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD**

1 **SUPPORT ORDER.**

2 (a) IN GENERAL.—Section 609(a)(2)(B) of the Employee
3 Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B))
4 is amended—

5 (1) by striking "issued by a court of competent
6 jurisdiction";

7 (2) by striking the period at the end of clause (ii)
8 and inserting a comma; and

9 (3) by adding, after and below clause (ii), the
10 following:

11 "if such judgment, decree, or order (I) is issued
12 by a court of competent jurisdiction or (II) is issued
13 through an administrative process established under
14 State law and has the force and effect of law under
15 applicable State law.".

16 (b) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by this section
18 take effect on the date of the enactment of this Act.

19 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL JULY 1,
20 1996.—Any amendment to a plan required to be made by an
21 amendment made by this section shall not be required to be
22 made before the first plan year beginning on or after
23 July 1, 1996, if—

24 (A) during the period following the day before the
25 date of enactment of this Act and before the first plan
26 year, the plan is operated in accordance with the

1 requirements of the amendments made by this section;
2 and
3 (B) the plan amendment applies retroactively to
4 the period specified in subparagraph (A).
5 A plan shall not be treated as failing to be operated
6 in accordance with the provisions of the plan merely because
7 it operates in accordance with this paragraph.
8 **SEC. 277. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.**
9 Section 466(a) (42 U.S.C. 666(a)), as amended by sections
10 215, 217(a), 223, 265, 269, 272, and 273 of this Act, is amended
11 by adding at the end the following new paragraph:
12 "(19) HEALTH CARE COVERAGE.—Procedures under which all
13 child support orders established or modified pursuant to
14 this part shall include a provision for the health care
15 coverage of the child, and in the case in which a
16 noncustodial parent provides such coverage and changes
17 employment, and the new employer provides health care
18 coverage, the State agency shall transfer notice of the
19 provision to the employer, which notice shall operate to
20 enroll the child in the noncustodial parent's health plan,
21 unless the noncustodial parent contests the notice.".

22 **Subtitle I—Enhancing Responsibility and**
23 **Opportunity for Non-Residential Parents**

24 **SEC. 281. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

1 Part D of title IV (42 U.S.C. 651-669) is amended by adding
2 at the end the following:
3 "SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.
4 "(a) IN GENERAL.—The Secretary shall make grants under this
5 section to enable States to establish and administer programs to
6 support and facilitate noncustodial parents' access to and
7 visitation of their children, by means of activities including
8 mediation (both voluntary and mandatory), counseling, education,
9 development of parenting plans, visitation enforcement (including
10 monitoring, supervision and neutral drop-off and pickup), and
11 development of guidelines for visitation and alternative custody
12 arrangements.
13 "(b) AMOUNT OF GRANT.—The amount of the grant to be made to
14 a State under this section for a fiscal year shall be an amount
15 equal to the lesser of—
16 "(1) 90 percent of State expenditures during the fiscal
17 year for activities described in subsection (a); or
18 "(2) the allotment of the State under subsection (c)
19 for the fiscal year.
20 "(c) ALLOTMENTS TO STATES.—
21 "(1) IN GENERAL.—The allotment of a State for a fiscal
22 year is the amount that bears the same ratio to the amount
23 appropriated for grants under this section for the fiscal
24 year as the number of children in the State living with only
25 1 biological parent bears to the total number of such
26 children in all States.

1 "(2) MINIMUM ALLOTMENT.—The Administration for
2 Children and Families shall adjust allotments to States
3 under paragraph (1) as necessary to ensure that no State is
4 allotted less than—
5 "(A) $50,000 for fiscal year 1996 or 1997; or
6 "(B) $100,000 for any succeeding fiscal year.
7 "(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR
8 ACTIVITIES.—A State to which a grant is made under this section
9 may not use the grant to supplant expenditures by the State for
10 activities specified in subsection (a), but shall use the grant
11 to supplement such expenditures at a level at least equal to the
12 level of such expenditures for fiscal year 1995.
13 "(e) STATE ADMINISTRATION.—Each State to which a grant is
14 made under this section—
15 "(1) may administer State programs funded with the
16 grant, directly or through grants to or contracts with
17 courts, local public agencies, or non-profit private
18 entities;
19 "(2) shall not be required to operate such programs on
20 a statewide basis; and
21 "(3) shall monitor, evaluate, and report on such
22 programs in accordance with regulations prescribed by the
23 Secretary.".

24 ## Subtitle J—Effect of Enactment

25 **SEC. 291. EFFECTIVE DATES.**

1 (a) IN GENERAL.—Except as otherwise specifically provided
2 (but subject to subsections (b) and (c))—
3 (1) the provisions of this title requiring the
4 enactment or amendment of State laws under section 466 of
5 the Social Security Act, or revision of State plans under
6 section 454 of such Act, are effective with respect to
7 periods beginning on and after October 1, 1996; and
8 (2) all other provisions of this title are effective
9 upon the date of the enactment of this Act.
10 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of
11 this title shall become effective with respect to a State on the
12 later of—
13 (1) the date specified in this title, or
14 (2) the effective date of laws enacted by the
15 legislature of such State implementing such provisions,
16 but in no event later than the 1st day of the 1st calendar
17 quarter beginning after the close of the 1st regular session of
18 the State legislature that begins after the date of the enactment
19 of this Act. For purposes of the previous sentence, in the case
20 of a State that has a 2-year legislative session, each year of
21 such session shall be deemed to be a separate regular session of
22 the State legislature.
23 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A
24 State shall not be found out of compliance with any requirement
25 enacted by this title if the State is unable to so comply without
26 amending the State constitution until the earlier of—

1 (1) 1 year after the effective date of the necessary
2 State constitutional amendment; or
3 (2) 5 years after the date of the enactment of this
4 Act.

# 5 TITLE III—FOOD ASSISTANCE

## 6 Subtitle A—Food Stamps

7 **SEC. 301. SHORT TITLE.** This subtitle may be cited as "The Food
8 Stamp Act Amendments of 1996".

9 **PART 1—BUDGETARY PROPOSALS**

10 **SEC. 311. INCLUDE CHILDREN UNDER 22 YEARS OLD IN THEIR PARENTS'**
11 **HOUSEHOLDS.** Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C.
12 2012(i)) is amended by striking the first parenthetical phrase in
13 the second sentence.

14 **SEC. 312. USE THE COST OF THE THRIFTY FOOD PLAN FOR ALLOTMENT**
15 **ADJUSTMENTS.** Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C.
16 2012(o)) is amended—
17 (1) in clause (11), by inserting "until October 1,
18 1996," after "thereafter,"; and
19 (2) by adding a new third sentence at the end as
20 follows—
21 "On October 1, 1996, and each October 1
22 thereafter, adjust the cost of such diet to reflect the
23 cost of the thrifty food plan in the preceding June,
24 and round the result to the nearest lower dollar
25 increment for each household size.".

1 **SEC. 313. LOWER AGE FOR EXCLUDING STUDENTS' EARNINGS.** Section
2 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is
3 amended by striking "is 21 years of age or younger" and inserting
4 "has not reached the age of 18".
5 **SEC. 314. COUNT GOVERNMENTAL ENERGY ASSISTANCE AS INCOME.** (a)
6 Section 5(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d))
7 is amended to read as follows—
8 "(11) a 1-time payment or allowance made under a
9 Federal or State law for the costs of weatherization or
10 emergency repair or replacement of an unsafe or inoperative
11 furnace or other heating or cooling device,".
12 (b) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C.
13 2014(e)) is amended by striking "If a State agency elects" and
14 all that follows through "season for which it was provided.".
15 (c) Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C.
16 2014(k)) is amended by—
17 (1) striking, in paragraph (1)(B), ", not including
18 energy or utility-cost assistance,";
19 (2) striking paragraph (2)(C); and
20 (3) adding at the end the following—
21 "(4)(A) For purposes of subsection (d)(1), a
22 payment made under a Federal or State law to provide
23 energy assistance to a household shall be considered
24 money payable directly to the household.
25 "(B) For purposes of subsection (e), an expense
26 paid on behalf of a household under a Federal or State
27 law to provide energy assistance shall be considered an

1 out-of-pocket expense incurred and paid by the
2 household.".
3 (d) Section 2605(f) of the Low-Income Home Energy
4 Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended by—
5 (1) striking "(1) Notwithstanding any other provision
6 of law unless" and inserting "Notwithstanding any other
7 provision of law except the Food Stamp Act of 1977 (7 U.S.C.
8 2011 et seq.), and any";
9 (2) striking, in paragraph (1), "food stamps,"; and
10 (3) striking paragraph (2).
11 **SEC. 315. REDUCE THE STANDARD DEDUCTION.** Section 5(e) of the Food
12 Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking the
13 first two sentences and inserting—
14 "The Secretary shall allow a standard deduction for
15 each household in the 48 contiguous States and the District
16 of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of
17 the United States of—
18 "(i) for fiscal year 1996, $130, $222, $183, $260,
19 and $114, respectively;
20 "(ii) for fiscal years 1997 through 2000, $122,
21 $208, $171, $244, and $106, respectively; and
22 "(iii) on October 1, 2000, and each October 1
23 thereafter, the Secretary shall adjust the standard
24 deduction to the nearest lower dollar increment to
25 reflect changes in the Consumer Price Index for all
26 urban consumers published by the Bureau of Labor

1 Statistics, for items other than food, for the 12-month
2 period ending the preceding June 30.".
3 **SEC. 316. PROVIDE A STATE OPTION TO MANDATE USE OF STANDARD**
4 **UTILITY ALLOWANCES.** Section 5(e) of the Food Stamp Act of 1977 (7
5 U.S.C. 2014(e)) is amended by inserting before "No such allowance
6 may be used" the following new sentence—
7 "A State agency may make the use of a standard utility
8 allowance mandatory for all households with qualifying
9 utility costs if (1) the State agency has developed one or
10 more standards that include the cost of heating and cooling
11 and one or more standards that do not include the cost of
12 heating and cooling; and (2) the Secretary finds that the
13 standards will not result in increased program costs.".
14 **SEC. 317. REVISE INDEXATION OF VEHICLE ASSET LIMITATION.** The
15 first sentence of section 5(g)(2) of the Food Stamp Act of 1977
16 (7 U.S.C. 2014(g)(2)) is amended by striking "through
17 September 30, 1996" and all that follows through "such date and
18 on" and inserting "and shall be adjusted on October 1, 1996,
19 and".
20 **SEC. 318. COUNT VENDOR PAYMENTS FOR TRANSITIONAL HOUSING AS**
21 **INCOME.** Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C.
22 2014(k)(2)) is amended by—
23 (1) striking subparagraph (F); and
24 (2) redesignating subparagraphs (G) and (H) as
25 subparagraphs (F) and (G), respectively.
26 **SEC. 319. STRENGTHEN PENALTIES FOR NONCOMPLIANCE WITH WORK**
27 **REQUIREMENTS.** (a) Section 6(d) of the Food Stamp Act of 1977 (7

1 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise
2 exempted by the provisions" and all that follows through the end
3 of paragraph (1) and inserting the following—
4 "(d)(1)(A) No physically and mentally fit individual
5 over the age of 15 and under the age of 60 shall be eligible
6 to participate in the food stamp program if the individual—
7 "(i) refuses, at the time of application and every
8 12 months thereafter, to register for employment in a
9 manner prescribed by the Secretary;
10 "(ii) refuses without good cause to participate in
11 an employment and training program under paragraph (4),
12 to the extent required by the State agency;
13 "(iii) refuses without good cause to accept an
14 offer of employment, at a site or plant not subject to
15 a strike or lockout at the time of the refusal, at a
16 wage not less than the higher of—
17 "(I) the applicable Federal or State minimum
18 wage; or
19 "(II) 80 percent of the wage that would have
20 governed had the minimum hourly rate under section
21 6(a)(1) of the Fair Labor Standards Act of 1938
22 (29 U.S.C. 206(a)(1)) been applicable to the offer
23 of employment;
24 "(iv) refuses without good cause to provide a
25 State agency with sufficient information to allow the
26 State agency to determine the employment status or the
27 job availability of the individual;

1 "(v) voluntarily and without good cause—
2 "(I) quits a job; or
3 "(II) reduces work effort and, after the
4 reduction, the individual is working less than 30
5 hours per week; or
6 "(vi) fails to comply with section 20.
7 "(B) If an individual who is the head of a household
8 becomes ineligible to participate in the food stamp program
9 under subparagraph (A), the household shall, at the option
10 of the State agency, become ineligible to participate in the
11 food stamp program for a period, determined by the State
12 agency, that does not exceed the lesser of—
13 "(i) the duration of the ineligibility of the
14 individual determined under subparagraph (C); or
15 "(ii) 180 days.
16 "(C)(i) The first time that an individual becomes
17 ineligible to participate in the food stamp program under
18 subparagraph (A), the individual shall remain ineligible
19 until the later of—
20 "(I) the date the individual becomes eligible
21 under subparagraph (A);
22 "(II) the date that is 1 month after the date the
23 individual became ineligible; or
24 "(III) a date determined by the State agency that
25 is not later than 3 months after the date the
26 individual became ineligible.

1 "(ii) The second time that an individual becomes
2 ineligible to participate in the food stamp program under
3 subparagraph (A), the individual shall remain ineligible
4 until the later of—
5 "(I) the date the individual becomes eligible
6 under subparagraph (A);
7 "(II) the date that is 3 months after the date the
8 individual became ineligible; or
9 "(III) a date determined by the State agency that
10 is not later than 6 months after the date the
11 individual became ineligible.
12 "(iii) The third or subsequent time that an individual
13 becomes ineligible to participate in the food stamp program
14 under subparagraph (A), the individual shall remain
15 ineligible until the later of—
16 "(I) the date the individual becomes eligible
17 under subparagraph (A);
18 "(II) the date that is 6 months after the date the
19 individual became ineligible;
20 "(III) a date determined by the State agency; or
21 "(IV) at the option of the State agency,
22 permanently.
23 "(D)(i) The Secretary shall determine the meaning of 'good
24 cause' for the purpose of this paragraph.
25 "(ii) The Secretary shall determine the meaning of
26 'voluntarily quitting' and 'reduces work effort' for the
27 purpose of this paragraph.

1 "(iii)(I) Subject to subclause (II) and clauses (i) and
2 (ii), a State agency shall determine—
3 "(aa) the meaning of any term in subparagraph
4 (A);
5 "(bb) the procedures for determining whether
6 an individual is in compliance with a requirement
7 under subparagraph (A); and
8 "(cc) whether an individual is in compliance
9 with a requirement under subparagraph (A).
10 "(II) A State agency may not determine a meaning,
11 procedure, or determination under subclause (I) to be
12 less restrictive than a comparable meaning, procedure,
13 or determination under a State program funded under
14 part A of title IV of the Social Security Act (42
15 U.S.C. 601 et seq.).
16 "(iv) For the purpose of subparagraph (A)(v), an
17 employee of the Federal Government, a State, or a political
18 subdivision of a State, who is dismissed for participating
19 in a strike against the Federal Government, the State, or
20 the political subdivision of the State shall be considered
21 to have voluntarily quit without good cause.
22 "(v)(I) For the purpose of this paragraph, the State
23 agency shall allow the household to select any adult parent
24 of a child in the household as the head of the household if
25 all adult household members making application under the
26 food stamp program agree to the selection.

1 "(II) A household may designate the head of the
2 household under subclause (I) each time the household
3 is certified for participation in the food stamp
4 program, but may not change the designation during a
5 certification period unless there is a change in the
6 composition of the household.
7 "(vi) If the head of a household leaves the household
8 during a period in which the household is ineligible to
9 participate in the food stamp program under subparagraph
10 (B)--
11 "(I) the household shall, if otherwise eligible,
12 become eligible to participate in the food stamp
13 program; and
14 "(II) if the head of the household becomes the
15 head of another household, the household that becomes
16 headed by the individual shall become ineligible to
17 participate in the food stamp program for the remaining
18 period of ineligibility.".
19 (b)(1) The second sentence of section 17(b)(2) of the Food
20 Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking
21 "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".
22 (2) Section 20 of the Food Stamp Act of 1977 (7 U.S.C.
23 2029) is amended by striking subsection (f) and inserting
24 the following—
25 "(f) An individual or a household may become
26 ineligible under section 6(d)(1) to participate in the

1 food stamp program for failing to comply with this
2 section.".
3 **SEC. 320. PROVIDE A STATE OPTION TO REQUIRE COOPERATION**
4 **WITH CHILD SUPPORT ENFORCEMENT AGENCIES.** (a) Section 6 of the
5 Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding new
6 subsections (i) and (j) at the end as follows—
7 "(i) At the option of the State, no natural or adoptive
8 parent or other individual who is living with and exercising
9 parental control over a child under the age of eighteen who
10 has an absent parent shall be eligible to participate in the
11 food stamp program unless the natural or adoptive parent or
12 individual cooperates with the State agency administering
13 the program under part D of title IV of the Social Security
14 Act (or is determined by such State agency to have good
15 cause not to cooperate) in (1) establishing the paternity of
16 such child (if born out of wedlock), and (2) obtaining
17 support for such child or for the parent or individual and
18 for such child. Notwithstanding any provision of part D of
19 title IV of the Social Security Act, no person required
20 under this subsection to cooperate with the State agency
21 administering the program under part D of title IV of the
22 Social Security Act may be required to pay a fee or other
23 costs for services provided under such program.
24 "(j)(1) At the option of a State agency, subject to
25 paragraphs (2) and (3), a putative or identified
26 non-custodial parent of a child under the age of 18
27 (referred to in this subsection as 'the individual') shall

1 not be eligible to participate in the food stamp program if
2 the individual refuses to cooperate with the State agency
3 administering the program established under part D of title
4 IV of the Social Security Act (42 U.S.C. 651 et seq.)—
5 "(A) in establishing the paternity of the child
6 (if the child is born out of wedlock); and
7 "(B) in providing support for the child.
8 "(2)(A) The Secretary, in consultation with the
9 Secretary of Health and Human Services, shall develop
10 guidelines on what constitutes a refusal to cooperate under
11 paragraph (1).
12 "(B) The State agency shall develop procedures,
13 using guidelines developed under subparagraph (A), for
14 determining whether an individual is refusing to
15 cooperate under paragraph (1).
16 "(3) Paragraph (1) shall not require the payment of a
17 fee or other cost for services provided under part D of
18 title IV of the Social Security Act (42 U.S.C. 651 et seq.).
19 "(4) The State agency shall have in effect, with
20 respect to information collected by the State agency
21 administering the program established under part D of title
22 IV of the Social Security Act (42 U.S.C. 651 et seq.)—
23 "(A) procedures for obtaining such information
24 which are compatible with procedures established under
25 and consistent with the requirements of that part; and
26 "(B) safeguards on the maintenance, disclosure,
27 and use of such information which comply with standards

1 and requirements of that part with respect to such
2 safeguards.".
3 **SEC. 321. PROVIDE FOR DISQUALIFICATION FOR RECEIPT OF MULTIPLE**
4 **FOOD STAMP BENEFITS.** Section 6 of the Food Stamp Act of 1977 (7
5 U.S.C. 2015), as amended by this Act, is further amended by
6 adding at the end the following new subsection—
7 "(k) An individual shall be ineligible to participate
8 in the food stamp program as a member of any household for a
9 10-year period if the individual is found by a State agency
10 to have made, or is convicted in Federal or State court of
11 having made, a fraudulent statement or representation with
12 respect to the identity or place of residence of the
13 individual in order to receive multiple benefits
14 simultaneously under the food stamp program.".
15 **SEC. 322. ESTABLISH ADDITIONAL WORK REQUIREMENT.** (a) Section 6 of
16 the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by this
17 Act, is further amended by adding at the end the following new
18 subsection—
19 "(l)(1) In this subsection, the term 'work program'
20 means—
21 "(A) a program under the Job Training Partnership
22 Act (29 U.S.C. 1501 et seq.);
23 "(B) a program under section 236 of the Trade Act
24 of 1974 (19 U.S.C. 2296); or
25 "(C) a program of employment or training operated
26 or supervised by a State or local government which

1 meets standards deemed appropriate by the Governor,
2 including a program under section 6(d)(4).
3 "(2) An individual is not eligible to participate in
4 the food stamp program as a member of any household if,
5 during the preceding 12 months, the individual received food
6 stamp benefits for not less than 6 months during which the
7 individual did not—
8 "(A) work 20 hours or more per week, averaged
9 monthly;
10 "(B) participate in a workfare program under
11 section 20 or a comparable State or local workfare
12 program;
13 "(C) participate in and comply with the
14 requirements of an approved employment and training
15 program under subsection (d)(4); or
16 "(D) participate in and comply with the
17 requirements of a work program for 20 hours or more per
18 week.
19 "(3) Paragraph (2) shall not apply to an individual if
20 the individual is—
21 "(A) under 18 or over 50 years of age;
22 "(B) medically certified as physically or mentally
23 unfit for employment;
24 "(C) a parent or other member of a household with
25 a dependent child under 18 years of age;
26 "(D) a pregnant woman;

1 "(E) unable to participate in an employment and
2 training program because the State in which the
3 individual resides does not provide sufficient
4 opportunities for participation in such programs; or
5 "(F) otherwise exempt under section 6(d)(2).
6 "(4)(A) The Secretary may waive the applicability of
7 paragraph (2) to any group of individuals in the State if
8 the Secretary makes a determination that the area in which
9 the individuals reside—
10 "(i) has an unemployment rate of over 7
11 percent; or
12 "(ii) does not have a sufficient number of
13 jobs to provide employment for the individuals.
14 "(B) The Secretary shall report the basis for a
15 waiver under subparagraph (A) to the Committee on
16 Agriculture of the House of Representatives and the
17 Committee on Agriculture, Nutrition, and Forestry of
18 the Senate.".
19 (b) Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C.
20 2025(h)) is amended by striking paragraph (1) and inserting the
21 following—
22 "(1)(A) To carry out employment and training programs,
23 the Secretary shall reserve for allocation to State agencies
24 from funds made available for each fiscal year under section
25 18(a)(1) the amount of—
26 "(i) for fiscal year 1996, $75,000,000;
27 "(ii) for fiscal year 1997, $80,000,000;

1 "(iii) for fiscal year 1998, $90,000,000;
2 "(iv) for fiscal year 1999, $95,000,000;
3 "(v) for fiscal year 2000, $95,000,000;
4 "(vi) for fiscal year 2001, $95,000,000; and
5 "(vii) for fiscal year 2002, $95,000,000.
6 "(B) A State agency shall not reduce non-federal
7 expenditures to carry out employment and training programs
8 during any fiscal year after fiscal year 1995 from the level
9 of State agency expenditures to carry out employment and
10 training programs in fiscal year 1995.
11 "(C) The Secretary shall allocate the amounts reserved
12 under subparagraph (A) among the State agencies using a
13 reasonable formula (as determined by the Secretary) that
14 considers the population in each State affected by section
15 6(d)(4)(O).
16 "(D)(i) A State agency promptly shall notify the
17 Secretary if the State agency determines that the State
18 agency will not expend all of the funds allocated to the
19 State agency under subparagraph (C).
20 "(ii) On notification under clause (i), the
21 Secretary shall reallocate the funds that the State
22 agency will not expend as the Secretary considers
23 appropriate and equitable.
24 "(E) Notwithstanding subparagraphs (A) through (D), the
25 Secretary shall ensure that each State agency operating an
26 employment and training program shall receive not less than
27 $50,000 in each fiscal year.".

1 (c) Section 16(h)(2) of the Food Stamp Act of 1977 (7 U.S.C.
2 2025(h)(2)) is amended by inserting before the period at the end
3 the following—
4 ", including the costs for case management and casework
5 to facilitate the transition from economic dependency to
6 self-sufficiency through work".
7 **SEC. 323. ESTABLISH COMPARABLE TREATMENT FOR DISQUALIFICATION.**
8 (a) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015),
9 as amended by this Act, is further amended by adding at the end
10 the following new subsection—
11 "(m)(1) If a disqualification is imposed on a member of
12 a household for a failure of the member to perform an action
13 required under a Federal, State, or local law relating to a
14 means tested public assistance program, the State agency may
15 impose the same disqualification on the member of the
16 household under the food stamp program.
17 "(2) If a disqualification is imposed under paragraph
18 (1) for a failure of an individual to perform an action
19 required under part A of title IV of the Social Security Act
20 (42 U.S.C. 601 et seq.), the State agency may use the rules
21 and procedures that apply under part A of title IV of the
22 Social Security Act (42 U.S.C. 601 et seq.) to impose the
23 same disqualification under the food stamp program.
24 "(3) A member of a household disqualified under
25 paragraph (1) may, after the disqualification period has
26 expired, apply for benefits under this Act and shall be
27 treated as a new applicant, except that a prior

1 disqualification under subsection (d) shall be considered in
2 determining eligibility.".
3 (b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C.
4 2020(e)) is amended—
5 (1) in paragraph (24), by striking "and" at the end;
6 (2) in paragraph (25), by striking the period at the
7 end and inserting a semicolon; and
8 (3) by adding at the end the following—
9 "(26) the guidelines the State agency uses in
10 carrying out section 6(m); and".
11 (c) Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7
12 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable
13 to a requirement of paragraph (1)".
14 **SEC. 324. REPEAL MINIMUM BENEFIT ADJUSTMENTS.** Section 8(a) of the
15 Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking
16 in the proviso ", and shall be adjusted" and all that follows
17 through "$5".
18 **SEC. 325. PRORATE BENEFITS ON RECERTIFICATION.** Section 8(c)(2)(B)
19 of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended
20 by striking "of more than one month".
21 **SEC. 326. PROHIBIT ALLOTMENT INCREASES FOR PENALTIES UNDER OTHER**
22 **WELFARE AND PUBLIC ASSISTANCE PROGRAMS.** Section 8 of the Food
23 Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking
24 subsection (d) and inserting the following—
25 "(d) If the benefits of a household are reduced under a
26 Federal, State, or local law relating to a welfare or public
27 assistance program because of a penalty or for the failure

1 to perform an action required under the law or program, for
2 the duration of the reduction the household may not receive
3 an increased allotment as the result of a decrease in the
4 income of the household to the extent that the decrease is
5 the result of the reduction. The State agency may reduce
6 the allotment of the household by not more than 25
7 percent.".
8 **SEC. 327. PERMIT STATES TO DETERMINE MOST USEFUL AND RELIABLE**
9 **MEANS OF VERIFICATION.** Section 11 of the Food Stamp Act of 1977
10 (7 U.S.C. 2020) is amended by—
11 (1) striking in subsection (e)(3) all that follows ",
12 and that the State agency shall" through "(E)";
13 (2) inserting after the paragraph designation (19) of
14 subsection (e) "at the option of the State agency,"; and
15 (3) adding at the end the following new subsection—
16 "(p) Notwithstanding any other provision of law,
17 State agencies (described in section 3(n)(1) of this
18 Act) shall not be required to use an income and
19 eligibility verification system established under
20 section 1137 of the Social Security Act (42 U.S.C.
21 1320b-7) or the immigration status verification system
22 established under section 1137(d) of the Social
23 Security Act (42 U.S.C. 1320b-7Id))."
24 **SEC. 328. EXPAND CLAIMS COLLECTION METHODS.** (a) Section 13 of the
25 Food Stamp Act of 1977 (7 U.S.C. 2022) is amended by—
26 (1) striking subsection (b) and inserting the
27 following—

1 "(b)(1) Except as otherwise provided in this
2 subsection, a State agency shall collect any
3 overissuance of coupons issued to a household by—
4 "(A) reducing the allotment of the household;
5 "(B) withholding amounts from unemployment
6 compensation from a member of the household under
7 subsection (c);
8 "(C) recovering from Federal pay or a Federal
9 income tax refund under subsection (d); or
10 "(D) any other means.
11 "(2) Paragraph (1) shall not apply if the State
12 agency demonstrates to the satisfaction of the
13 Secretary that all of the means referred to in
14 paragraph (1) are not cost effective.
15 "(3) If a household received an overissuance of
16 coupons without any member of the household being found
17 ineligible to participate in the program under section
18 6(b)(1) and a State agency elects to reduce the
19 allotment of the household under paragraph (1)(A), the
20 State agency shall reduce the monthly allotment of the
21 household under paragraph (1)(A) by the greater of—
22 "(A) 10 percent of the monthly allotment of
23 the household; or
24 "(B) $10.
25 "(4) A State agency shall collect an overissuance
26 of coupons issued to a household under paragraph (1) in
27 accordance with requirements established by the State

1 agency for providing notice, electing a means of
2 payment, and establishing a time schedule for
3 payment."; and
4 (2) in subsection (d) by—
5 (A) striking "as determined under subsection (b)
6 and except for claims arising from an error of the
7 State agency," and inserting ", as determined under
8 subsection (b)(1),"; and
9 (B) inserting before the period at the end the
10 following—
11 "or a Federal income tax refund as authorized
12 by section 3720A of title 31, United States Code".
13 (b) Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C.
14 2020(e)(8)) is amended by—
15 (1) striking "and excluding claims" and all that
16 follows through "such section"; and
17 (2) inserting before the semicolon at the end the
18 following—
19 "or a Federal income tax refund as authorized by
20 section 3720A of title 31, United States Code".
21 (c) Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C.
22 2025(a)) is amended by striking "25 percent during the period
23 beginning October 1, 1990" and all that follows through "error of
24 a State agency" and inserting the following—
25 "25 percent of the overissuances collected by the State
26 agency under section 13, except those overissuances arising
27 from an error of the State agency".

1 (d) Section 6402(d) of the Internal Revenue Code (26 U.S.C.
2 6402(d)) is amended by—
3 (1) inserting in paragraph (1) after "any Federal
4 agency" the following—
5 "(or any State agency that has the responsibility
6 for the administration of the food stamp program
7 operated pursuant to the Food Stamp Act of 1977)"; and
8 (2) inserting in the second sentence of paragraph (2)
9 after "a Federal agency" the following—
10 "(or a State agency that has the responsibility
11 for the administration of the food stamp program
12 operated pursuant to the Food Stamp Act of 1977)".
13 **SEC. 329. AUTHORIZE STATES TO OPERATE SIMPLIFIED FOOD STAMP**
14 **PROGRAMS.** (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)
15 is amended by adding the following new section 24—
16 "SIMPLIFIED FOOD STAMP PROGRAM
17 "SEC. 24. (a) In this section, the term 'Federal costs' does not
18 include any Federal costs incurred under section 17.
19 "(b) Subject to subsection (d), a State may elect to carry
20 out a Simplified Food Stamp Program (referred to in this section
21 as 'Simplified Program') for households described in paragraph
22 (c)(1), statewide or in a political subdivision of the state, in
23 accordance with this section.
24 "(c) If a State elects to carry out a Simplified Program,
25 within the State or a political subdivision of the State—
26 "(1) only households in which all members receive
27 assistance under a State program funded under part A of

1 title IV of the Social Security Act (42 U.S.C. 601 et seq.)
2 shall receive benefits under this section. Such households
3 shall be eligible automatically to participate in the
4 Simplified Program; and
5 "(2) subject to subsection (f), benefits under the
6 Simplified Program shall be determined under rules and
7 procedures established by the State under—
8 "(A) a State program funded under part A of title
9 IV of the Social Security Act (42 U.S.C. 601 et seq.);
10 "(B) the food stamp program; or
11 "(C) a combination of a State program funded under
12 part A of title IV of the Social Security Act (42
13 U.S.C. 601 et seq.) and the food stamp program.
14 "(d)(1) A State agency may not operate a Simplified Program
15 unless the Secretary approves a State plan for the operation of
16 the Simplified Program under paragraph (2).
17 "(2) The Secretary may approve any State plan to carry
18 out a Simplified Program if the Secretary determines that
19 the plan—
20 "(A) simplifies program administration while
21 fulfilling the goals of the food stamp program to
22 permit low-income households to obtain a more
23 nutritious diet;"
24 "(B) complies with this section;
25 "(C) would not increase Federal costs for any
26 fiscal year; and

1 "(D) would not substantially alter, as determined
2 by the Secretary, the appropriate distribution of
3 benefits according to household need.
4 "(e)(1) During each fiscal year and not later than 90 days
5 after the end of each fiscal year, the Secretary shall determine,
6 using data provided by the State agency and which the Secretary
7 considers appropriate, whether a Simplified Program being carried
8 out by a State agency is increasing Federal costs under this Act
9 above what the costs would have been for the same population had
10 they been subject to the rules of the Food Stamp Program.
11 "(2) If the Secretary determines that the Simplified
12 Program has increased Federal costs under this Act for any
13 fiscal year or any portion of any fiscal year, the Secretary
14 shall notify the State not later than 30 days after the
15 Secretary makes the determination under paragraph (1).
16 "(3)(A) Not later than 90 days after the date of a
17 notification under paragraph (2), the State shall submit a
18 plan for approval by the Secretary for prompt corrective
19 action that is designed to prevent the Simplified Program
20 from increasing Federal costs under this Act.
21 "(B) If the State does not submit a plan under
22 subparagraph (A) or carry out a plan approved by the
23 Secretary, the Secretary shall terminate the approval
24 of the State agency operating the Simplified Program
25 and the State agency shall be ineligible to operate a
26 future Simplified Program.

1 "(f)(1) In operating a Simplified Program, a State or
2 political subdivision of a State may follow the rules and
3 procedures established by the State or political subdivision
4 under a State program funded part A of title IV of the Social
5 Security Act (42 U.S.C. 601 et seq.) or under the food stamp
6 program.
7 "(2) In operating a Simplified Program, a State or
8 political subdivision shall comply with the requirements
9 of—
10 "(A) subsection 5(e) to the extent that it
11 requires an excess shelter expense deduction;
12 "(B) section 7(a) through (g);
13 "(C) section 8(a) (except that the income of a
14 household may be determined under a State program
15 funded under part A of title IV of the Social Security
16 Act (42 U.S.C. 601 et seq.));
17 "(D) section 8(b) and (d);
18 "(E) section 11(a), (c), (d), and (n);
19 "(F) section 11(e) (8), (9), (12), (15), (17),
20 (19), (23), and (24);
21 "(G) section 11(e)(2), to the extent that it
22 requires the State agency to provide an application to
23 households on the first day they contact a food stamp
24 office in person during office hours to make what
25 reasonably may be interpreted as an oral or written
26 request for food stamp assistance and to allow those
27 households to file the application on the same day.

1 "(H) section 11(e)(3), to the extent that it
2 requires the State agency to complete certification of
3 an eligible household and provide an allotment
4 retroactive to the period of application to an eligible
5 household not later than 30 days following the filing
6 of an application;
7 "(I) section 11(e)(10) (or a comparable
8 requirement established by the State under a State
9 program funded under part A of title IV of the Social
10 Security Act (42 U.S.C. 601 et seq.)); and
11 "(J) section 16.
12 "(3) Notwithstanding any other provision of this
13 section, a household may not receive benefits under this
14 section as a result of the eligibility of the household
15 under a State program funded under part A of title IV of the
16 Social Security Act (42 U.S.C. 601 et seq.), unless the
17 Secretary determines that any household with income above
18 130 percent of the poverty guidelines is not eligible for
19 the Program.".
20 (b) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017),
21 as amended by this Act, is further amended by striking subsection
22 (e) and redesignating subsection (f) as subsection (e).
23 (c) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C.
24 2020(e)), as amended by this Act, is further amended by adding
25 after paragraph (26), as added by section 323(b) of this Act, the
26 following new paragraph—

1 "(27) if a State elects to carry out a Simplified Food
2 Stamp Program under section 24, the plans of the State
3 agency for operating the Simplified Program, including—
4 "(A) the rules and procedures to be followed by
5 the State to determine food stamp benefits; and
6 "(B) a description of the method by which the
7 State will carry out a quality control system under
8 section 16(c).".
9 (d) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026)
10 is amended by—
11 (1) striking subsection (i); and
12 (2) redesignating subsections (j) through (l) as
13 subsections (i) through (k), respectively.
14
15 **SEC. 330. REAUTHORIZE APPROPRIATIONS FOR THE FOOD STAMP PROGRAM.**
16 The first sentence of section 18(a)(1) of the Food Stamp Act
17 of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1997" and
18 inserting "2002".
19 **PART 2—NONBUDGETARY PROPOSALS**
20 **SEC. 341. EXPAND DEFINITION OF COUPON.** Section 3(d) of the Food
21 Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or
22 type of certificate" and inserting "type of certificate,
23 authorization card, cash or check issued in lieu of a coupon, or
24 an access device, including an electronic benefits transfer card
25 or a personal identification number,".
26 **SEC. 342. CLARIFY DEFINITION OF HOMELESS INDIVIDUAL.** Section
27 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C))

1 is amended by inserting "for not more than 90 days" after
2 "temporary accommodation".
3 **SEC. 343. PROVIDE STATE OPTION FOR ELIGIBILITY STANDARDS.** Section
4 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended
5 by striking "(b) The Secretary" and inserting the following—
6 "(b) Except as otherwise provided in this Act, the
7 Secretary".
8 **SEC. 344. DOUBLE PENALTIES FOR VIOLATING FOOD STAMP PROGRAM**
9 **REQUIREMENTS.** Section 6(b)(1) of the Food Stamp Act of 1977 (7
10 U.S.C. 2015(b)(1)) is amended—
11 (1) in clause (i), by striking "six months upon" and
12 inserting "1 year on"; and
13 (2) in clause (ii), by striking "1 year" and inserting
14 "2 years".
15 **SEC. 345. PROVIDE STATE OPTION TO LOWER AGE OF CARETAKER**
16 **EXEMPTION.** Section 6(d)(2) of the Food Stamp Act of 1977 (7
17 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and
18 inserting the following—
19 "(B) a parent or other member of a household with
20 responsibility for the care of (i) a dependent child under
21 the age of 6 or any lower age designated by the State agency
22 that is not under the age of 1 if adequate child care is not
23 available, or (ii) an incapacitated person;".
24 **SEC. 346. REVISE EMPLOYMENT AND TRAINING.** (a) IN
25 GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C.
26 2015(d)(4)) is amended—
27 (1) in subparagraph (A)—

(A) by striking "Not later than April 1, 1987, each" and inserting "Each";

(B) by inserting "work," after "skills, training,"; and

(C) by adding at the end the following—

"Each component of an employment and training program carried out under this paragraph may be delivered through a statewide workforce development system, unless the component is not available locally through the statewide workforce development system.";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following—

", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

1 (A) in clause (i), by striking "to which the
2 application" and all that follows through "30 days or
3 less";
4 (B) in clause (ii), by striking "but with respect"
5 and all that follows through "child care"; and
6 (C) in clause (iii), by striking ", on the basis
7 of" and all that follows through "clause (ii)" and
8 inserting "the exemption continues to be valid";
9 (4) in subparagraph (E), by striking the third
10 sentence;
11 (5) in subparagraph (G)—
12 (A) by striking "(G)(i) The State" and inserting
13 "(G) The State"; and
14 (B) by striking clause (ii);
15 (6) in subparagraph (H), by striking "(H)(i) The
16 Secretary" and all that follows through "(ii) Federal funds"
17 and inserting "(H) Federal funds";
18 (7)(A) by striking subparagraphs (K) and (L) and
19 inserting the following—
20 "(K) Notwithstanding any other provision of this
21 paragraph, the amount of funds a State agency uses to
22 carry out this paragraph (including under subparagraph
23 (I)) for participants who are receiving benefits under
24 a State program funded under part A of title IV of the
25 Social Security Act (42 U.S.C. 601 et seq.) shall not
26 exceed the amount of funds the State agency used in
27 fiscal year 1995 to carry out this paragraph for

1 participants who were receiving benefits in fiscal year
2 1995 under a State program funded under part A of title
3 IV of the Social Security Act (42 U.S.C. 601 et
4 seq.)."; and
5 (B) by redesignating subparagraphs (M) and (N) as
6 subparagraphs (L) and (M), respectively; and
7 (8) in subparagraph (L) (as redesignated by paragraph
8 (8)(B))—
9 (A) by striking "(L)(i) The Secretary" and
10 inserting "(L) The Secretary"; and
11 (B) by striking clause (ii).
12 (b) Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C.
13 2025(h)) is amended—
14 (1) in paragraph (5)—
15 (A) by striking "(5)(A) The Secretary" and
16 inserting "(5) The Secretary"; and
17 (B) by striking subparagraph (B); and
18 (2) by striking paragraph (6).
19 **SEC. 347. DISQUALIFY FLEEING FELONS.** Section 6 of the Food Stamp
20 Act of 1977 (7 U.S.C. 2015), as amended by this Act, is further
21 amended by adding at the end the following new subsection—
22 "(k) No member of a household who is otherwise eligible
23 to participate in the food stamp program shall be eligible
24 to participate in the program as a member of that or any
25 other household during any period during which the
26 individual is—

1 "(1) fleeing to avoid prosecution, or custody or
2 confinement after conviction, under the law of the
3 place from which the individual is fleeing, for a
4 crime, or attempt to commit a crime, that is a felony
5 under the law of the place from which the individual
6 fleeing or that, in the case of New Jersey, is a high
7 misdemeanor under the law of New Jersey; or
8 "(2) violating a condition of probation or parole
9 imposed under Federal or State law.".
10
11 **SEC. 348. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.** (a)
12 Section 7(g) of the Food Stamp Act of 1977 (7 U.S.C. 2016(g)) is
13 amended by—
14 (1) striking "(1)";
15 (2) striking paragraph (2); and
16 (3) striking "(A)" and "(B)" and inserting in lieu
17 thereof "(1)" and "(2)", respectively.
18 (b) Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C.
19 2016(i) is amended by—
20 (1) striking paragraph (1) and inserting the
21 following—
22 "(1)(A) Each State agency shall implement an
23 electronic benefit transfer system in which household
24 benefits determined under section 8(a) or 24 are issued
25 from and stored in a central databank before October 1,
26 2002, unless the Secretary provides a waiver for a

1 State agency that faces unusual barriers to
2 implementing an electronic benefit transfer system.
3 "(B) Subject to paragraph (2), a State agency may
4 procure and implement an electronic benefit transfer
5 system under the terms, conditions, and design that the
6 State agency considers appropriate.
7 "(C) An electronic benefit transfer system should
8 take into account generally accepted standard operating
9 rules based on—
10 "(i) commercial electronic funds transfer
11 technology;
12 "(ii) the need to permit interstate operation
13 and law enforcement monitoring; and
14 "(iii) the need to permit monitoring and
15 investigations by authorized law enforcement
16 agencies.";
17 (2) striking subparagraph (2)(A) and redesignating
18 subparagraphs (B) through (H) as (A) through (G),
19 respectively; and
20 (3) adding at the end the following—
21 "(7) A State agency may collect a charge for
22 replacement of an electronic benefit transfer card by
23 reducing the monthly allotment of the household
24 receiving the replacement card.
25 "(8)(A) A State agency may require that an
26 electronic benefit card contain a photograph of 1 or
27 more members of a household.

1 "(B) If a State agency requires a photograph on an
2 electronic benefit card under subparagraph (A), the
3 State agency shall establish procedures to ensure that
4 any other appropriate member of the household or any
5 authorized representative of the household may utilize
6 the card."; and
7 (c) Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019)
8 is amended by inserting before the period at the end of the first
9 sentence the following—
10 "unless such centers, organizations, institutions,
11 shelters, group living arrangements, and establishments are
12 equipped with point-of-sale devices for the purpose of
13 participating in electronic benefit transfer delivery
14 systems".
15 **SEC. 349. AUTHORIZE EXCHANGE OF LAW ENFORCEMENT INFORMATION.**
16 Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C.
17 2020(e)(8)), as amended by this Act, is further amended as
18 follows—
19 (1) by striking "and" before "(C)"; and
20 (2) by adding at the end the following—
21 " and (D) notwithstanding any other law, the
22 address, social security number, and, if available,
23 photograph of any member of a household shall be made
24 available, on request, to any Federal, State, or local
25 law enforcement officer if the officer furnishes the
26 State agency with the name of the member and notifies
27 the agency that—

1 "(i) the member—
2 "(I) is fleeing to avoid prosecution, or
3 custody or confinement after conviction, for
4 a crime (or attempt to commit a crime) that,
5 under the law of the place the member is
6 fleeing, is a felony (or, in the case of New
7 Jersey, a high misdemeanor), or is violating
8 a condition of probation or parole imposed
9 under Federal or State law; or
10 "(II) has information that is necessary
11 for the officer to conduct an official duty
12 relayed to subclause (I);
13 "(ii) locating or apprehending the member is
14 an official duty; and
15 "(iii) the request is being made in the
16 proper exercise of an official duty; and
17 "(E) the safeguards shall not prevent compliance
18 with paragraph (16);".
19 **SEC. 350. SIMPLIFY ADMINISTRATION OF EXPEDITED SERVICE.** Section
20 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is
21 amended—
22 (1) in subparagraph (A)—
23 (A) by striking "five days" and inserting "7
24 days"; and
25 (B) by inserting "and" at the end;
26 (2) by striking subparagraphs (B) and (C);

1 (3) by redesignating subparagraph (D) as subparagraph
2 (B); and
3 (4) in subparagraph (B), as redesignated by paragraph
4 (3), by striking ", (B), or (C)".
5 **PART 3—ADMINISTRATIVE FLEXIBILITY PROPOSALS**
6 **SEC. 361. EXPAND STATE AUTHORITY TO DEFINE CERTIFICATION PERIOD.**
7 Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C.
8 2012(c)) is amended by striking "Except as provided" and all that
9 follows and inserting the following—
10 "The certification period shall not exceed 12 months,
11 except that the certification period may be up to 24 months
12 if all adult household members are elderly or disabled. A
13 State agency shall have at least 1 contact with each
14 certified household every 12 months.".
15 **SEC. 362. PROVIDE STATE OPTION TO COMBINE ALLOTMENTS FOR**
16 **EXPEDITED SERVICE HOUSEHOLDS.** Section 8(c) of the Food Stamp Act
17 of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3)
18 and inserting the following—
19 "(3) A State agency may provide to an eligible
20 household applying after the 15th day of a month, in lieu of
21 the initial allotment of the household and the regular
22 allotment of the household for the following month, an
23 allotment that is equal to the total amount of the initial
24 allotment and the first regular allotment. The allotment
25 shall be provided in accordance with section 11(e)(3) in the
26 case of a household that is not entitled to expedited
27 service and in accordance with paragraphs (3) and (9) of

1 section 11(e) in the case of a household that is entitled to
2 expedited service.".
3 **SEC. 363. REVISE TREATMENT OF ALLOTMENTS FOR HOUSEHOLDS RESIDING**
4 **IN CENTERS.** Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
5 2017) is amended by adding at the end the following—
6 "(f)(1) In the case of an individual who resides in a
7 center for the purpose of a drug or alcoholic treatment
8 program described in the last sentence of section 3(i), a
9 State agency may provide an allotment for the individual
10 to—
11 "(A) the center as an authorized representative of
12 the individual for a period that is less than 1 month;
13 and
14 "(B) the individual, if the individual leaves the
15 center.
16 "(2) A State agency may require an individual referred
17 to in paragraph (1) to designate the center in which the
18 individual resides as the authorized representative of the
19 individual for the purpose of receiving an allotment.".
20 **SEC. 364. IMPROVE OPERATION OF FOOD STAMP OFFICES.** Section 11 of
21 the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—
22 (1) in subsection (e)—
23 (A) by striking paragraph (2) and inserting the
24 following—
25 "(2)(A) that the State agency shall establish
26 procedures governing the operation of food stamp
27 offices that the State agency determines best

1 serve households in the State, including
2 households with special needs, such as households
3 with elderly or disabled members, households with
4 low-income members who reside in rural areas,
5 homeless individuals, households residing on
6 reservations, and households in which a
7 substantial number of members speak a language
8 other than English.
9 "(B) In carrying out subparagraph (A), a State
10 agency—
11 "(i) shall provide timely, accurate, and fair
12 service to applicants for, and participants in,
13 the food stamp program;
14 "(ii) shall develop an application containing
15 the information necessary to comply with this Act;
16 "(iii) shall permit an applicant household to
17 apply to participate in the program on the same
18 day that the household first contacts a food stamp
19 office in person during office hours;
20 "(iv) shall consider an application that
21 contains the name, address, and signature of the
22 applicant filed on the date the applicant submits
23 the application; and
24 "(v) shall require that an adult
25 representative of each applicant household certify
26 in writing, under penalty of perjury, that—

1 "(I) the information contained in the
2 application is true; and
3 "(II) all members of the household are
4 citizens or are aliens eligible to receive
5 food stamps under section 6(f);
6 "(vi) shall provide a method of certifying
7 and issuing coupons to eligible homeless
8 individuals, to ensure that participation in the
9 food stamp program is limited to eligible
10 households; and
11 "(vii) may establish operating procedures
12 that vary for local food stamp offices to reflect
13 regional and local differences within the State;";
14 "(C) Nothing in this Act shall prohibit the use of
15 signatures provided and maintained electronically,
16 storage of records using automated retrieval systems
17 only, or any other features of a State agency's
18 application system that does not rely exclusively on
19 the collection and retention of paper applications or
20 other records.
21 "(D) The signature of any adult under this
22 paragraph shall be sufficient to comply with any
23 provision of Federal law requiring a household member
24 to sign an application or statement.";
25 (B) in paragraph (3) by striking "and that the
26 State agency shall provide the household" and all that
27 follows through "representative of the State agency.";

1 (C) by striking paragraphs (14) and (25); and
2 (D)(i) by redesignating paragraphs (15) through
3 (27) as paragraphs (14) through (25), respectively; and
4 (2) in subsection (i)—
5 (A) by striking "(i) Notwithstanding" and all that
6 follows through "(2)" and inserting the following—
7 "(i)(1) Notwithstanding any other provision
8 of law,"; and
9 (B) by striking "; (3) households" and all that
10 follows through "title IV of the Social Security Act.
11 No" and inserting a period and the following—
12 "(2) Other than in a case of disqualification
13 as a penalty for failure to comply with a public
14 assistance program rule or regulation, no".
15 **SEC. 365. DELETE FEDERAL REQUIREMENT FOR STATE EMPLOYEE TRAINING.**
16 Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C.
17 2020(e)(6)) is amended by—
18 (1) inserting "and" at the end of subparagraph (B);
19 (2) striking in subparagraph (B), "United States Civil
20 Service Commission" and inserting "Office of Personnel
21 Management"; and
22 (3) striking subparagraphs (C) through (E).
23 **SEC. 366. AUTHORIZE ORAL WITHDRAWAL OF FAIR HEARING REQUESTS.**
24 Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C.
25 2020(e)(10)) is amended by inserting before the semicolon at the
26 end a period and the following—

1 " At the option of a State, at any time prior to a fair
2 hearing determination under this paragraph, a household may
3 withdraw, orally or in writing, a request by the household
4 for a fair hearing. If the withdrawal request is an oral
5 request, the State agency shall provide a written notice to
6 the household confirming the withdrawal request and
7 providing the household with an opportunity to request a
8 hearing".

9 **SEC. 367. DELETE REDUNDANT FEDERAL STANDARDS FOR ADMINISTRATION.**

10 (a) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025)
11 is amended by striking subsection (b).

12 (b) The first sentence of section 11(g) of the Food Stamp
13 Act of 1977 (7 U.S.C. 2020(g)) is amended by striking "the
14 Secretary's standards for the efficient and effective
15 administration of the program established under section 16(b)(1)
16 or".

17 (c) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7
18 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to
19 subsection (b)".

20 **PART 4—PROPOSALS FOR STRENGTHENING RETAILER MANAGEMENT**

21 **SEC. 371. PROVIDE AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.**

22 Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C.
23 2018(a)) is amended by adding at the end the following—

24 "(3) The Secretary shall establish specific time
25 periods during which authorization to accept and redeem
26 coupons or to redeem benefits through an electronic benefit

1 transfer system shall be valid under the food stamp
2 program.".
3 **SEC. 372. PROVIDE AUTHORITY TO REQUIRE INFORMATION FOR**
4 **VERIFYING ELIGIBILITY FOR AUTHORIZATION.** Section 9(c) of the Food
5 Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—
6 (1) in the first sentence, by inserting ", which may
7 include relevant income and sales tax filing documents,"
8 after "submit information"; and
9 (2) by inserting after the first sentence the
10 following—
11 "The regulations may require retail food stores
12 and wholesale food concerns to provide written
13 authorization for the Secretary to verify all relevant
14 tax filings with appropriate agencies and to obtain
15 corroborating documentation from other sources so that
16 the accuracy of information provided by the stores and
17 concerns may be verified.".
18 **SEC. 373. ESTABLISH WAITING PERIOD FOR STORES THAT INITIALLY FAIL**
19 **TO MEET AUTHORIZATION CRITERIA.** Section 9(d) of the Food Stamp
20 Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end
21 the following—
22 "A retail food store or wholesale food concern that is
23 denied approval to accept and redeem coupons because the store or
24 concern does not meet criteria for approval established by the
25 Secretary may not, for at least 6 months, submit a new
26 application to participate in the program. The Secretary may
27 establish a longer time period under the preceding sentence,

1 including permanent disqualification, that reflects the severity
2 of the basis of the denial.".
3 **SEC. 374. DISQUALIFY RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED**
4 **APPLICATIONS.** Section 12(b) of the Food Stamp Act of 1977 (7
5 U.S.C. 2021(b)) is amended by—
6 (1) striking at the end of paragraph (2) "and";
7 (2) striking in paragraph (3) the period at the end and
8 inserting ", and"; and
9 (3) adding at the end the following—
10 "(4) for a reasonable period of time to be
11 determined by the Secretary, including permanent
12 disqualification, on the knowing submission of an
13 application for the approval or reauthorization to
14 accept and redeem coupons that contains false
15 information about a substantive matter that was a part
16 of the application.".
17 **SEC. 375. DISQUALIFY RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC**
18 **PROGRAM.** Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021)
19 is amended by adding at the end the following—
20 "(g)(1) The Secretary shall issue regulations providing
21 criteria for the disqualification under this Act of an
22 approved retail food store and a wholesale food concern that
23 is disqualified from accepting benefits under the special
24 supplemental nutrition program for women, infants, and
25 children established under section 17 of the Child Nutrition
26 Act of 1966 (7 U.S.C. 1786).
27 "(2) A disqualification under paragraph (1)—

1 "(A) shall be for the same period as the
2 disqualification from the program referred to in
3 paragraph (1);
4 "(B) may begin at a later date than the
5 disqualification from the program referred to in
6 paragraph (1); and
7 "(C) notwithstanding section 14, shall not be
8 subject to judicial or administrative review.".
9 **SEC. 376. AUTHORIZE SUSPENSION OF STORES VIOLATING PROGRAM**
10 **REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.** Section
11 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended
12 by—
13 (1) redesignating the first through seventeenth
14 sentences as paragraphs (1) through (17), respectively; and
15 (2) adding at the end the following—
16 "(18) Notwithstanding any other provision of this
17 subsection, any permanent disqualification of a retail
18 food store or wholesale food concern under paragraph
19 (3) or (4) of section 12(b) shall be effective from the
20 date of receipt of the notice of disqualification. If
21 the disqualification is reversed through administrative
22 or judicial review, the Secretary shall not be liable
23 for the value of any sales lost during the
24 disqualification period.".
25 **SEC. 377. EXPAND CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS OF**
26 **THE FOOD STAMP ACT.** (a) The first sentence of section 15(g) of

1 the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by
2 striking "or intended to be furnished".
3 (b) Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024)
4 is amended by adding the following new subsections—
5 "(h) Civil forfeiture
6 "(1) Any property, real or personal,
7 "(A) constituting, derived from, or traceable
8 to any proceeds obtained directly or indirectly
9 from, or
10 "(B) used, or intended to be used, to commit
11 or to facilitate,
12 the commission of a violation (other than a
13 misdemeanor) of subsection (b) or (c) of this section,
14 shall be subject to forfeiture to the United States.
15 "(2) The provisions of chapter 46 of title 18,
16 relating to civil forfeitures shall extend to a seizure
17 or forfeiture under this subsection, insofar as
18 applicable and not inconsistent with the provisions of
19 this subsection, except that such duties as are imposed
20 upon the Secretary of the Treasury under chapter 46
21 shall be performed with respect to seizures and
22 forfeitures under this section by such officers,
23 agents, and other persons as designated for that
24 purpose by the Secretary, U.S. Department of
25 Agriculture.

1 "(3) Forfeitures imposed under this subsection
2 shall be in addition to any criminal sanctions imposed
3 against the owner of the forfeited property.
4 "(i) Criminal forfeiture
5 "(1) In imposing sentence upon any person
6 convicted of a violation (other than a misdemeanor) of
7 subsection (b) or subsection (c) of this section, the
8 court shall order that the person forfeit to the United
9 States, irrespective of any State law—
10 "(A) any property, real or personal,
11 constituting, derived from, or traceable to any
12 proceeds such person obtained directly or
13 indirectly as a result of such violation; and
14 (B) any of such person's property used, or
15 intended to be used, to commit or to facilitate
16 the commission of such violation.
17 "(2) All property subject to forfeiture under this
18 subsection, any seizure and disposition thereof, and
19 any proceeding relating thereto, shall be governed by
20 section 413 of the Comprehensive Drug Abuse Prevention
21 and Control Act of 1970 (21 U.S.C. 853), with the
22 exception of section 413(d), insofar as applicable and
23 not inconsistent with the provisions of this
24 subsection.
25 "(3) Restraining orders available under section
26 413(e) of the Comprehensive Drug Abuse Prevention and
27 Control Act of 1970 (21 U.S.C. 853(e)) shall apply to

1 assets otherwise subject to forfeiture under section
2 413(p) of that Act (21 U.S.C. 853(p)), as incorporated
3 in this subsection.".
4 **SEC. 378. EXPAND AUTHORITY FOR SHARING INFORMATION PROVIDED BY**
5 **RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.** (a) Section
6 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C.
7 405(c)(2)(C)(iii)), as amended by section 316(a) of the Social
8 Security Administrative Reform Act of 1994 (P.L. 103-296; 108
9 Stat. 1464), is amended by—
10 (1) inserting in the first sentence of subclause (II)
11 after "instrumentality of the United States" the following—
12 ", or State government officers and employees with
13 law enforcement or investigative responsibilities, or
14 State agencies that have the responsibility for
15 administering the Special Supplemental Nutrition
16 Program for Women, Infants and Children (WIC)";
17 (2) inserting in the last sentence of subclause (II)
18 "or State" after "other Federal"; and
19 (3) inserting in subclause (III) "or a State" after
20 "United States".
21 (b) Section 6109(f)(2) of the Internal Revenue Code of 1986
22 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social
23 Security Administrative Reform Act of 1994 (P.L. 103-296; 108
24 Stat. 1464)) is amended by—
25 (1) inserting in subparagraph (A) after
26 "instrumentality of the United States" the following—

1 ", or State government officers and employees with
2 law enforcement or investigative responsibilities, or
3 State agencies that have the responsibility for
4 administering the Special Supplemental Nutrition
5 Program for Women, Infants and Children (WIC)";
6 (2) inserting in the last sentence of subparagraph (A)
7 "or State" after "other Federal"; and
8 (3) inserting in subparagraph (B) "or a State" after
9 "United States".
10 **PART 5—CONFORMING AMENDMENTS AND EFFECTIVE DATES**
11 **SEC. 381. CONFORMING AMENDMENTS.** (a) Section 5(k)(1)(A) of the
12 Food Stamp Act of 1977 (7 U.S.C. 2014(k)(1)(A)) is amended by
13 striking "for aid to families with dependent children".
14 (b) Section 6(e)(6) of the Food Stamp Act of 1977 (7 U.S.C.
15 2015(e)(6)) is amended by striking "aid to families with
16 dependent children" and inserting "assistance".
17 (c) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020)
18 is amended by—
19 (1) striking in the first complete sentence of
20 subsection (e)(2) "aid to families with dependent children";
21 and
22 (2) striking in subsection (i) "aid to families with
23 dependent children".
24 (d) Section 16(g) of the Food Stamp Act of 1977 (7 U.S.C.
25 2025(g)) is amended in item (4) by striking "Aid to Families with
26 Dependent Children Program" and inserting "program".

1 (e) Section 17(b) of the Food Stamp Act of 1977 (7 U.S.C.
2 2026(b)) is amended by—
3 (1) striking in the first sentence of paragraph (1)(A)
4 "aid to families with dependent children" and inserting
5 "assistance";
6 (2) striking in paragraph (3)(B) "for recipients of aid
7 to families with dependent children";
8 (3) inserting before the period at the end of the first
9 sentence in paragraph (3)(B) the following—
10 "for recipients of assistance under part A of
11 title IV of the Social Security Act (42 U.S.C. 601
12 et seq.)"; and
13 (4) striking in paragraph (3)(C) "'aid to families with
14 dependent children'" and inserting the following—
15 "assistance under part A of title IV of the Social
16 Security Act (42 U.S.C. 601 et seq.)".
17 **SEC. 382. EFFECTIVE DATES.** Except as otherwise provided in this
18 subtitle, the provisions of this subtitle become effective on the
19 first day of the second month after the month of enactment.
20 **Subtitle B—Child Nutrition**
21 **SEC. 391. FAMILY OR GROUP DAY CARE HOMES.** (a) RESTRUCTURED DAY
22 CARE HOME REIMBURSEMENTS.—
23 Section 17(f)(3) of the National School Lunch Act (42 U.S.C.
24 1766(f)(3)) is amended by striking "(3)(A) Institutions" and all
25 that follows through the end of subparagraph (A) and inserting
26 the following—

1 "(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME
2 SPONSORING ORGANIZATIONS.—
3 "(A) REIMBURSEMENT FACTOR.—
4 "(i) IN GENERAL.—An institution that
5 participates in the program under this section as
6 a family or group day care home sponsoring
7 organization shall be provided, for payment to a
8 home sponsored by the organization, reimbursement
9 factors in accordance with this subparagraph for
10 the cost of obtaining and preparing food and
11 prescribed labor costs involved in providing meals
12 under this section.
13 "(ii) TIER I FAMILY OR GROUP DAY CARE
14 HOMES.—
15 "(I) DEFINITION.—In this paragraph, the
16 term 'tier I family or group day care home'
17 means—
18 "(aa) a family or group day care
19 home that is located in a geographic
20 area, as defined by the Secretary based
21 on census data, in which at least 50
22 percent of the children residing in the
23 area are members of households whose
24 incomes meet the income eligibility
25 guidelines for free or reduced price
26 meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the eligibility requirements for free or reduced price meals under section 9 and whose eligibility is verified by the sponsoring organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as

1 a family or group day care home provider
2 unless the children meet the eligibility
3 requirements for free or reduced price meals
4 under section 9.
5 "(III) FACTORS.—Except as provided in
6 subclause (IV), the reimbursement factors
7 applied to a home referred to in subclause
8 (II) shall be the factors in effect on the
9 date of enactment of this subclause.
10 "(IV) ADJUSTMENTS.—The reimbursement
11 factors under this subparagraph shall be
12 adjusted on October 1, 1996, July 1, 1997,
13 and each July 1 thereafter, to reflect
14 changes in the Consumer Price Index for food
15 at home for the most recent 12-month period
16 for which the data are available. The
17 reimbursement factors under this subparagraph
18 shall be rounded to the nearest lower cent
19 increment and based on the unrounded
20 adjustment in effect on June 30 of the
21 preceding school year.
22 "(iii) TIER II FAMILY OR GROUP DAY CARE
23 HOMES.—
24 "(I) IN GENERAL.—
25 "(aa) FACTORS.—Except as provided
26 in subclause (II), with respect to meals
27 or supplements served under this clause

1 by a family or group day care home that
2 does not meet the criteria set forth in
3 clause (ii)(I), the reimbursement
4 factors shall be $1 for lunches and
5 suppers, 30 cents for breakfasts, and 15
6 cents for supplements.
7 "(bb) ADJUSTMENTS.—The factors
8 shall be adjusted on July 1, 1997, and
9 each July 1 thereafter, to reflect
10 changes in the Consumer Price Index for
11 food at home for the most recent
12 12-month period for which the data are
13 available. The reimbursement factors
14 under this item shall be rounded down to
15 the nearest lower cent increment and
16 based on the unrounded adjustment for
17 the preceding 12-month period.
18 "(cc) REIMBURSEMENT.—A family or
19 group day care home shall be provided
20 reimbursement factors under this
21 subclause without a requirement for
22 documentation of the costs described in
23 clause (i), except that reimbursement
24 shall not be provided under this
25 subclause for meals or supplements
26 served to the children of a person
27 acting as a family or group day care

1 home provider unless the children meet
2 the eligibility requirements for free or
3 reduced price meals under section 9.
4 "(II) OTHER FACTORS.—A family or group
5 day care home that does not meet the criteria
6 set forth in clause (ii)(I) may elect to be
7 provided reimbursement factors determined in
8 accordance with the following requirements:
9 "(aa) CHILDREN ELIGIBLE FOR FREE OR
10 REDUCED PRICE MEALS.—In the case of
11 meals or supplements served under this
12 subsection to children who meet the
13 eligibility requirements for free or
14 reduced price meals under section 9, the
15 family or group day care home shall be
16 provided reimbursement factors set by
17 the Secretary in accordance with clause
18 (ii)(III).
19 "(bb) INELIGIBLE CHILDREN.—In the
20 case of meals or supplements served
21 under this subsection to children who do
22 not meet the eligibility requirements
23 for free or reduced price meals under
24 section 9, the family or group day care
25 home shall be provided reimbursement
26 factors in accordance with subclause
27 (I).

1 "(III) INFORMATION AND DETERMINATIONS.—
2 "(aa) IN GENERAL.—If a family or
3 group day care home elects to claim the
4 factors described in subclause (II), the
5 family or group day care home sponsoring
6 organization serving the home shall
7 collect the necessary eligibility
8 information, as determined by the
9 Secretary, from any parent or other
10 caretaker to make the determinations
11 specified in subclause (II) and shall
12 make the determinations in accordance
13 with rules prescribed by the Secretary.
14 "(bb) CATEGORICAL ELIGIBILITY.—In
15 making a determination under item (aa),
16 a family or group day care home
17 sponsoring organization may consider a
18 child participating in or subsidized
19 under, or a child with a parent
20 participating in or subsidized under, a
21 federally or State supported child care
22 or other benefit program with an income
23 eligibility limit that does not exceed
24 the income eligibility guidelines
25 standard for free or reduced price meals
26 under section 9 to be a child who is

1 eligible for free or reduced price meals
2 under section 9.
3 "(cc) FACTORS FOR CHILDREN ONLY.—A
4 family or group day care home may elect
5 to receive the reimbursement factors
6 prescribed under clause (ii)(III) solely
7 for the children participating in a
8 program referred to in item (bb) if the
9 home elects not to have eligibility
10 information collected from parents or
11 other caretakers.".
12 (b) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR
13 GROUP DAY CARE HOMES.—Section 17(f)(3) of the National School
14 Lunch Act (42 U.S.C. 1766(f)(3)) is amended by adding at the end
15 the following—
16 "(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY
17 OR GROUP DAY CARE HOMES.—
18 "(i) IN GENERAL.—
19 "(I) RESERVATION.—The Secretary shall
20 reserve $5,000,000 of the amount made available to
21 carry out this section for fiscal year 1996.
22 "(II) PURPOSE.—The Secretary shall use the
23 funds made available under subclause (I) to
24 provide grants to States for the purpose of
25 providing—
26 "(aa) assistance, including grants, to
27 family and day care home sponsoring

1 organizations and other appropriate
2 organizations, in securing and providing
3 training, materials, automated data
4 processing assistance, and other assistance
5 for the staff of the sponsoring
6 organizations; and
7 "(bb) training and other assistance to
8 family and group day care homes in the
9 implementation of the amendments to
10 subparagraph (A) made by section 391(a) of
11 the Work First and Personal Responsibility
12 Act of 1996.
13 "(ii) ALLOCATION.—The Secretary shall allocate
14 from the funds reserved under clause (i)(I)—
15 "(I) $30,000 in base funding to each State;
16 and
17 "(II) any remaining amount among the States,
18 based on the number of family day care homes
19 participating in the program in a State during
20 fiscal year 1994 as a percentage of the number of
21 all family day care homes participating in the
22 program during fiscal year 1994.
23 "(iii) RETENTION OF FUNDS.—Of the amount of funds
24 made available to a State for fiscal year 1996 under
25 clause (i), the State may retain not to exceed 30
26 percent of the amount to carry out this subparagraph.

1 "(iv) ADDITIONAL PAYMENTS.—Any payments received
2 under this subparagraph shall be in addition to
3 payments that a State receives under subparagraph (A)
4 (as amended by section 391(a) of the Work First and
5 Personal Responsibility Act of 1996).".
6 (c) PROVISION OF DATA.—Section 17(f)(3) of the National
7 School Lunch Act (42 U.S.C. 1766(f)(3)), as amended by subsection
8 (b), is further amended by adding at the end the following—
9 "(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME
10 SPONSORING ORGANIZATIONS.—
11 "(i) CENSUS DATA.—The Secretary shall provide to
12 each State agency administering a child and adult care
13 food program under this section data from the most
14 recent decennial census survey or other appropriate
15 census survey for which the data are available showing
16 which areas in the State meet the requirements of
17 subparagraph (A)(ii)(I)(aa). The State agency shall
18 provide the data to family or group day care home
19 sponsoring organizations located in the State.
20 "(ii) SCHOOL DATA.—
21 "(I) IN GENERAL.—A State agency
22 administering the school lunch program under this
23 Act or the school breakfast program under the
24 Child Nutrition Act of 1966 (42 U.S.C. 1771 et
25 seq.) shall provide data for each elementary
26 school in the State, or shall direct each school
27 within the State to provide data for the school,

1 to approved family or group day care home
2 sponsoring organizations that request the data, on
3 the percentage of enrolled children who are
4 certified eligible for free or reduced price
5 meals.
6 "(II) USE OF DATA FROM PRECEDING SCHOOL
7 YEAR.—In determining for a fiscal year or other
8 annual period whether a home qualifies as a tier I
9 family or group day care home under subparagraph
10 (A)(ii)(I), the State agency administering the
11 program under this section, and a family or group
12 day care home sponsoring organization, shall use
13 the most current available data at the time of the
14 determination.
15 "(iii) DURATION OF DETERMINATION.—For purposes of
16 this section, a determination that a family or group
17 day care home is located in an area that qualifies the
18 home as a tier I family or group day care home (as the
19 term is defined in subparagraph (A)(ii)(I)), shall be
20 in effect for 3 years (unless the determination is made
21 on the basis of census data, in which case the
22 determination shall remain in effect until more recent
23 census data are available) unless the State agency
24 determines that the area in which the home is located
25 no longer qualifies the home as a tier I family or
26 group day care home.".
27 (d) CONFORMING AMENDMENTS.—Section 17(c) of the National

1 School Lunch Act is amended by inserting "except as provided in
2 subsection (f)(3)," after "For purposes of this section," each
3 place it appears in paragraphs (1), (2), and (3).
4 (e) EFFECTIVE DATE.—
5 (1) IN GENERAL.—Except as provided in paragraph (2),
6 the amendments made by this section become effective on the
7 date of enactment of this subtitle.
8 (2) IMPROVED TARGETING OF DAY CARE HOME
9 REIMBURSEMENTS.—The amendments made by subsections (a),
10 (c), and (d) become effective on October 1, 1996.
11 **SEC. 392. REIMBURSEMENT RATE ADJUSTMENTS.**
12 (a) IN GENERAL.—
13 (1) COMMODITY RATE.—Section 6(e)(1)(B) of the National
14 School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by
15 striking "1/4 cent" and inserting "lower cent increment".
16 (2) LUNCH, BREAKFAST, AND SUPPLEMENT RATES.—Section
17 11(a)(3)(B) of the National School Lunch Act (42 U.S.C.
18 1759a(a)(3)(B)) is amended by striking "one fourth cent" and
19 inserting "lower cent increment".
20 (3) SUMMER PROGRAM RATES.—Section 13(b)(1) of the
21 National School Lunch Act (42 U.S.C. 1761(b)(1)) is amended
22 by striking "one-fourth cent" and inserting "lower cent
23 increment".
24 (4) SPECIAL MILK PROGRAM RATES.—Section 3(a)(8) of the
25 Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(8)) is
26 amended by striking "one-fourth cent" and inserting "lower
27 cent increment".

1 (5) REDUCED PRICE BREAKFAST RATES.—Section 4(b)(1)(B)
2 of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B))
3 is amended by striking "one fourth cent" and inserting
4 "lower cent increment".
5 (6) SEVERE NEED RATES.—Section 4(b)(2)(B)(ii) of the
6 Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(2)(B)(ii)) is
7 amended by striking "one-fourth cent" and inserting "lower
8 cent increment".
9 (b) EFFECTIVE DATES.—The amendments made by subsection (a)
10 become effective on July 1, 1996.
11 **SEC. 393. ELIMINATION OF START-UP AND EXPANSION GRANTS.—**
12 (a) Section 4 of the Child Nutrition Act of 1996 (42 U.S.C.
13 1773) is amended by striking subsection (g).
14 (b) The amendment made by this subsection (a) becomes
15 effective on October 1, 1996.
16 **SEC. 394. AUTHORIZATION OF APPROPRIATIONS.**—Section 19(i) of the
17 Child Nutrition Act (42 U.S.C. 1788(i)) is amended—
18 (a) in the first sentence of paragraph (2)(A), by striking
19 "and each succeeding fiscal Year";
20 (b) by redesignating paragraphs (3) and (4) as paragraphs
21 (4) and (5), respectively; and
22 (c) by inserting after paragraph (2) the following:
23 "(3) FISCAL YEARS 1997 THROUGH 2002—
24 "(A) IN GENERAL.—There are authorized to be
25 appropriated to carry out this section $10,000,000 for
26 each of the fiscal years 1997 through 2002.
27 "(B) GRANTS.—

1 "(i) IN GENERAL.—Grants to each State from
2 the amounts made available under subparagraph (A)
3 shall be based on a rate of 50 cents for each
4 child enrolled in schools or institutions within
5 the State, except that no State shall receive an
6 amount less than $75,000 per fiscal year.
7 "(ii) INSUFFICIENT FUNDS.—If an amount made
8 available for any fiscal year is insufficient to
9 pay the amount to which each State is entitled
10 under clause (i), the amount of each grant,
11 including minimum grants, shall be ratably
12 reduced.".
13 **SEC. 395. DIRECT FEDERAL EXPENDITURES.**
14 (a) COMMODITY ASSISTANCE.—Section 6(g) of the National
15 School Lunch Act (42 U.S.C. 1755(g)) is amended by striking "12
16 percent" and inserting "8 percent".
17 (b) The amendment made by this section becomes effective on
18 July 1, 1996.

19 # TITLE D—TREATMENT OF ALIENS

20 **SEC. 401. UNIFORM ALIEN ELIGIBILITY CRITERIA FOR PUBLIC**
21 **ASSISTANCE PROGRAMS.**
22 (a) FEDERAL AND FEDERALLY-ASSISTED PROGRAMS.—
23 (1) PROGRAM ELIGIBILITY CRITERIA.—
24 (A) TEMPORARY EMPLOYMENT ASSISTANCE.—Section
25 402(c), as amended by sections 101(a) and 112 of this

1 Act, is further amended by adding at the end the
2 following paragraph:
3 "(9) RESTRICTION OF ELIGIBILITY TO CITIZENS
4 AND LEGAL IMMIGRANTS.—The State plan shall
5 provide that, in order to be eligible for
6 assistance under the State plan, an individual
7 must be either—
8 "(A) a citizen or national of the United
9 States, or
10 "(B) a qualified alien (as defined in
11 section 1145(a)), provided that such alien is
12 not disqualified from receiving assistance
13 under a State plan approved under this part
14 by or pursuant to section 210(f) or 245A(h)
15 of the Immigration and Nationality Act or any
16 other provision of law;".
17 (B) SUPPLEMENTAL SECURITY INCOME.—Section
18 1614(a)(1)(B)(i) is amended to read as follows:
19 "(B)(i) is a resident of the United States,
20 and is either (I) a citizen or national of the
21 United States, or (II) a qualified alien (as
22 defined in section 1145(a)), or".
23 (C) MEDICAID.—
24 (i) Section 1903(v)(1) is amended to read as
25 follows:
26 "(v)(1) Notwithstanding the preceding
27 provisions of this section—

1 "(A) no payment may be made to a
2 State under this section for medical
3 assistance furnished to an individual
4 who is disqualified from receiving such
5 assistance by or pursuant to section
6 210(f) or 245A(h) of the Immigration and
7 Nationality Act or any other provision
8 of law, and
9 "(B) except as provided in
10 paragraph (2), no such payment may be
11 made for medical assistance furnished to
12 an individual who is not—
13 "(i) a citizen or national of
14 the United States, or
15 "(ii) a qualified alien (as
16 defined in section 1145(a)).".
17 (ii) Section 1903(v)(2) is amended—
18 (I) by striking "paragraph (1)" and
19 inserting "paragraph (1)(B)"; and
20 (II) by striking "alien" each place it
21 appears and inserting "individual".
22 (iii) Section 1902(a) is amended in the last
23 sentence by striking "alien" and all that follows
24 and inserting "individual who is not (A) a citizen
25 or national of the United States, or (B) a
26 qualified alien (as defined in section 1145(a))
27 only in accordance with section 1903(v).".

1 (iv) Section 1902(b)(3) is amended by
2 inserting "or national" after "citizen".
3 (2) DEFINITION OF "QUALIFIED ALIEN".—Title XI is
4 amended by adding at the end the following new section:
5 "UNIFORM ALIEN ELIGIBILITY CRITERIA FOR
6 PUBLIC ASSISTANCE PROGRAMS
7 "SEC. 1145. (a) DEFINITIONS.—For purposes of the programs
8 under part A of title IV and titles XVI and XIX of this Act—
9 "(1) QUALIFIED ALIEN.—the term 'qualified alien' means
10 an alien—
11 "(A) who is lawfully admitted for permanent
12 residence within the meaning of section 101(a)(20) of
13 the Immigration and Nationality Act;
14 "(B) who is admitted as a refugee pursuant to
15 section 207 of such Act;
16 "(C) who is granted asylum pursuant to section 208
17 of such Act;
18 "(D) who is a Cuban or Haitian entrant, as defined
19 in section 501(e) of the Refugee Education Assistance
20 Act of 1980 (Public Law 96-422);
21 "(E) whose deportation is withheld pursuant to
22 section 243(h) of the Immigration and Nationality Act;
23 "(F) whose deportation is suspended pursuant to
24 section 244 of such Act;
25 "(G) who is granted conditional entry pursuant to
26 section 203(a)(7) of such Act as in effect prior to
27 April 1, 1980;

1 "(H) who is lawfully admitted for temporary
2 residence pursuant to section 210 or 245A of such Act;
3 "(I) who is paroled into the United States under
4 section 212(d)(5) of such Act for a period of at least
5 one year;
6 "(J) who is within a class of aliens lawfully
7 present within the United States pursuant to any other
8 provision of such Act, provided that—
9 "(i) the Attorney General determines (and
10 such determination shall not be judicially
11 reviewable) that the continued presence of such
12 class of aliens serves a humanitarian or other
13 compelling public interest, and
14 "(ii) the Secretary of Health and Human
15 Services and the Commissioner of Social Security
16 determine (and such determination shall not be
17 judicially reviewable) that such interest would be
18 further served by treating each alien within such
19 class as a 'qualified alien' for purposes of this
20 Act; or
21 "(K) who is the spouse or unmarried child under 21
22 years of age of a citizen of the United States, or the
23 parent of such a citizen if the citizen is 21 years of
24 age or older, and with respect to whom an application
25 for adjustment to lawful permanent residence is
26 pending;
27 such status not having changed.

1 "(2) SPONSOR.—The term 'sponsor' means, with respect
2 to a qualified alien, an individual who—
3 "(A) is a citizen or national of the United States
4 or an alien who is lawfully admitted to the United
5 States for permanent residence;
6 "(B) is 18 years of age or over;
7 "(C) is domiciled in any State, the District of
8 Columbia, or any territory or possession of the United
9 States; and
10 "(D) has executed an affidavit of support for such
11 alien in accordance with section 213 of the Immigration
12 and Nationality Act.".
13 (3) CONFORMING AMENDMENT.—Section 244A(f)(1) of the
14 Immigration and Nationality Act is amended by inserting "and
15 shall not be considered to be a 'qualified alien' within the
16 meaning of section 1145(a) of the Social Security Act"
17 immediately before the semicolon.
18 (b) STATE AND LOCAL PROGRAMS.—A State, or a political
19 subdivision of a State, may provide that an alien is not eligible
20 for any program of cash assistance(other than assistance related
21 to pre-school, elementary, or secondary education) or medical
22 assistance (other than emergency medical assistance) based on
23 need that is furnished by such State or political subdivision
24 unless such alien is a "qualified alien" within the meaning of
25 section 1145(a) of the Social Security Act (as added by
26 subsection (a)(2) of this section).

1 (c) EFFECTIVE DATE.—The amendments made by this section are
2 effective with respect to benefits furnished on the basis of any
3 application filed after the date of enactment of this Act.
4 **SEC. 402. DEEMING OF SPONSOR'S INCOME AND RESOURCES TO ALIEN**
5 **UNDER TEA, SSI, AND FOOD STAMP PROGRAMS.**
6 (a) EXTENSION OF DEEMING PERIOD TO DATE OF NATURALIZED
7 CITIZENSHIP.—Section 1145 of the Social Security Act, as added
8 by section 401 of this Act, is amended by adding at the end the
9 following new subsection:
10 "(b) DEEMING OF INCOME TO SPONSORED ALIEN UNTIL
11 NATURALIZATION FOR PURPOSES OF CERTAIN ASSISTANCE
12 PROGRAMS.—
13 "(1) IN GENERAL.—Except as otherwise provided in
14 this subsection, for purposes of the programs under
15 titles IV-A and XVI and the program under the Food
16 Stamp Act of 1977, the income and resources of the
17 sponsor of a qualified alien, and of the sponsor's
18 spouse, shall be deemed to be available to such alien,
19 in accordance with the applicable provisions of each
20 such program, until the date on which the alien
21 achieves United States citizenship through
22 naturalization pursuant to the Immigration and
23 Nationality Act.
24 "(2) EXCEPTIONS.—The income and resources of a
25 sponsor shall not be deemed available to a qualified
26 alien in the following circumstances:

1 "(A) ELDERLY ALIEN AFTER 5 YEARS'
2 RESIDENCE.—The alien has been lawfully admitted
3 to the United States for permanent residence, has
4 attained 75 years of age, and has resided in the
5 United States for at least 5 years.
6 "(B) ALIEN A VETERAN.—The alien—
7 "(i) is a veteran (as defined in section
8 101 of title 38, United States Code) with a
9 discharge characterized as an honorable
10 discharge,
11 "(ii) is on active duty (other than
12 active duty for training) in the Armed Forces
13 of the United States, or
14 "(iii) is the spouse(other than a
15 divorced spouse), surviving spouse, or
16 unmarried minor dependent child of an
17 individual described in clause (i) or (ii).
18 "(C) ALIEN A TAXPAYER.—(i) Taxes have been
19 paid (as determined in accordance with clause
20 (ii)) under chapter 2 or chapter 21 of the
21 Internal Revenue Code of 1986 for each of 20
22 different calendar quarters with respect to the
23 self-employment income or employment of the alien,
24 or spouse of the alien, or parent of the alien (in
25 the case of an alien under age 25).
26 "(ii) For purposes of clause (i), the
27 taxes described in such clause shall, in the

1 absence of any evidence to the contrary, be
2 assumed to have been paid with respect to any
3 wages and self-employment income for which
4 such alien, parent, or spouse has been
5 credited in the records maintained by the
6 Commissioner of Social Security for purposes
7 of the administration of the Federal Old-Age,
8 Survivors, and Disability Insurance program
9 authorized by title II of this Act.
10 (iii) The Social Security
11 Administration, by regulation, shall provide
12 a simplified method for assigning an
13 individual's annual earnings in a year to a
14 given calendar quarter. Earnings assigned to
15 a given calendar quarter are considered to be
16 acquired as of the first day of that quarter.
17 "(D) ALIEN WHOSE SPONSOR RECEIVES TEA OR SSI
18 BENEFITS.—The provisions of paragraph (1) shall
19 not apply to any alien for any month for which
20 such alien's sponsor receives any of the following
21 benefits—
22 "(i) temporary employment assistance
23 under part A of title IV;
24 "(ii) supplemental security income under
25 title XVI; or
26 "(iii) federally administered State
27 supplementary payments pursuant to section

1616(a) of this Act or to section 212(b) of Public Law 93-66.

"(E) FOOD STAMPS EXEMPTION FOR BLIND OR DISABLED ALIEN.—The provisions of paragraph (1) shall not apply to the program under the Food Stamp Act of 1977 with respect to an alien for any month for which such alien receives supplemental security income under title XVI by reason of blindness (as determined under section 1614(a)(2)) or disability (as determined under section 1614(a)(3)), provided that such blindness or disability commenced after the date of such individual's admission into the United States for permanent residence.

"(3) REGULATIONS PROVIDING FOR HARDSHIP EXCEPTIONS.—The Secretary of Health and Human Services, the Commissioner of Social Security, and the Secretary of Agriculture, after consultation together, may each promulgate regulations providing for alteration or suspension of the application of paragraph (1) in cases (including cases in which the sponsored alien is the subject of domestic violence or other abuse by the sponsor) where such application to a qualified alien, for purposes of determining eligibility for a program administered by such official, would be inequitable in the circumstances.

1 "(4) INAPPLICABILITY TO MEDICAID.—The provisions
2 of paragraph (1) shall be inapplicable to the
3 determination of the eligibility of a qualified alien
4 for benefits under title XIX.".
5 (b) AMENDMENTS TO PROGRAM STATUTES.—
6 (1) TEMPORARY EMPLOYMENT ASSISTANCE.—Section 415 of
7 the Social Security Act is redesignated as section 407, and
8 is amended—
9 (A) in subsection (a)—
10 (i) by striking "an alien described in clause
11 (B) of section 402(a)(33)" and inserting "a
12 qualified alien (as defined in section 1145(a))";
13 and
14 (ii) by striking "for a period of three years
15 after the individual's entry into the United
16 States" and inserting ", subject to the exceptions
17 in subsection (f), during the period (if any)
18 determined pursuant to section 1145(b) with
19 respect to such alien";
20 (B) in subsection (b)—
21 (i) in paragraph (1)(B)(ii), by striking
22 "section 402(a)(7)" and inserting "section
23 402(d)";
24 (ii) in paragraph (2)(A), by striking "aid"
25 and inserting "assistance"; and
26 (iii) in paragraph (2)(B), by striking
27 "$1,500" and inserting "$2,000"; and

1 (C) in subsection (c)(1), in the first and second
2 sentences, and in subsection (d)—
3 (i) by striking "aid" each place it appears
4 and inserting "assistance"; and
5 (ii) by striking "during the period of three
6 years after his or her entry into the United
7 States" and inserting "during the period (if any)
8 determined pursuant to section 1145(b) with
9 respect to such alien".
10 (2) SUPPLEMENTAL SECURITY INCOME.—
11 (A) Section 1621(a) of the Social Security Act is
12 amended by striking "for a period of 5 years after the
13 individual's entry into the United States" and
14 inserting "during the period (if any) determined
15 pursuant to section 1145(b) with respect to such
16 alien".
17 (B) Section 1621(c) of the Social Security Act is
18 amended by striking "during the period of 5 years after
19 such alien's entry into the United States" and
20 inserting "during the period (if any) determined
21 pursuant to section 1145 with respect to such alien".
22 (C) Section 1621(d) of the Social Security Act is
23 amended by striking "during the period of 5 years after
24 entry into the United States" and inserting "during the
25 period (if any) determined pursuant to section 1145(b)
26 with respect to such alien".

1 (D) Section 1621(e) of the Social Security Act is
2 amended by striking "during the period of 5 years after
3 such alien's entry into the United States" and
4 inserting "during the period (if any) determined
5 pursuant to section 1145(b) with respect to such
6 alien".
7 (3) FOOD STAMPS.—Section 5(i) of the Food Stamp Act of
8 1977 is amended—
9 (A) in paragraph (1), by striking "for a period of
10 three years after the individual's entry into the
11 United States" and inserting "for the period (if any)
12 determined pursuant to section 1145(b) of the Social
13 Security Act with respect to such alien";
14 (B) in paragraph (2)(B)(ii), by striking "$1,500"
15 and inserting "$2,000";
16 (C) in paragraph (2)(C), by striking "during the
17 period of three years after entry into the United
18 States" and inserting "during the period (if any)
19 determined pursuant to section 1145(b) of the Social
20 Security Act with respect to such alien"; and
21 (D) in paragraph (2)(D), by striking "during the
22 period of three years after such alien's entry into the
23 United States" and inserting "during the period (if
24 any) determined pursuant to section 1145(b) of the
25 Social Security Act with respect to such alien".
26 (c) STATE AND LOCAL PROGRAMS.—A State, or a political
27 subdivision of a State, may provide that an alien is not eligible

1 for any program of cash assistance (other than assistance related
2 to pre-school, elementary, or secondary education) based on need
3 that is furnished by such State or political subdivision for any
4 month if such alien has been determined to be ineligible for such
5 month for benefits under—
6 (1) the program of temporary employment assistance
7 under part A of title IV of the Social Security Act, as a
8 result of the application of section 407 of such Act;
9 (2) the program of supplemental security income under
10 title XVI of the Social Security Act, as a result of the
11 application of section 1611(e)(4) or 1621 of such Act; or
12 (3) the Food Stamp Act of 1977, as a result of the
13 application of section 5(i) or 6(i) of such Act.
14 (d) EFFECTIVE DATE.—
15 (1) The amendments made by this section are effective
16 with respect to benefits under the program of temporary
17 employment assistance authorized by part A of title IV of
18 the Social Security Act, the program of supplemental
19 security income authorized by title XVI of the Social
20 Security Act, and the program authorized by the Food Stamp
21 Act of 1977, payable for months beginning on or after the
22 date 60 days after enactment of this Act, on the basis of--
23 (A) an application filed after such date, or
24 (B) an application filed on or before such date by
25 or on behalf of an individual subject to the provisions
26 of section 1621(a) or section 415 (which is renumbered
27 as section 407 by subsection (b) of this section and

1 section 102 of this Act, effective as of October 1,
2 1996) of the Social Security Act or section 5(i)(1) of
3 the Food Stamp Act of 1977 (as the case may be), on such
4 date.

5 **SEC. 403. CONTINUED LIABILITY OF ALIEN AND SPONSOR FOR**
6 **OVERPAYMENTS.**

7 (a) TEMPORARY EMPLOYMENT ASSISTANCE.—Section 407(d) (as
8 redesignated and amended by section 402(b) of this Act) is
9 amended by adding at the end the following sentence: "If an
10 individual who is an alien subject to this subsection is
11 naturalized as a citizen of the United States, such
12 naturalization shall have no effect upon the continued
13 application of this subsection to such individual or to such
14 individual's sponsor.".

15 (b) SUPPLEMENTAL SECURITY INCOME.—Section 1621(e) is
16 amended by adding at the end the following sentence: "If an
17 individual who is an alien subject to this subsection is
18 naturalized as a citizen of the United States, such
19 naturalization shall have no effect upon the continued
20 application of this subsection to such individual or to such
21 individual's sponsor.".

22 (c) FOOD STAMPS.—Section 5(i)(2)(D) of the Food Stamp Act
23 of 1977 is amended by adding at the end the following sentence:
24 "If an individual who is an alien subject to this subsection is
25 naturalized as a citizen of the United States, such
26 naturalization shall have no effect upon the continued

1 application of this subsection to such individual or to such
2 individual's sponsor.".
3 **SEC. 404. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.**
4 (a) SPONSOR'S AFFIDAVIT OF SUPPORT.—Section 213 of the
5 Immigration and Nationality Act (8 U.S.C. 1183) is amended—
6 (1) in the heading, by striking "ON GIVING BOND" and
7 inserting "UPON PROVISION OF BOND OR GUARANTEE OF FINANCIAL
8 RESPONSIBILITY";
9 (2) by designating the existing matter as subsection
10 (a); and
11 (3) by adding at the end a new subsection as follows:
12 "(b)(1) ATTORNEY GENERAL'S DISCRETION TO ADMIT ALIEN.—An
13 alien excludable under paragraph (4) of section 212(a) may, if
14 otherwise admissible, be admitted in the discretion of the
15 Attorney General upon a finding by the Attorney General that—
16 "(A) the alien has received a guarantee of
17 financial responsibility in such form as may be
18 prescribed pursuant to paragraph (4) and meeting the
19 conditions described in paragraph (2); and
20 "(B) taking into consideration all relevant
21 circumstances, it is reasonable to expect that the
22 sponsor has the financial capacity to meet the
23 obligations of the guarantee."
24 "(2) SUBSTANCE OF GUARANTEE OF SUPPORT.—A guarantee of
25 financial responsibility for an alien must—
26 "(A) be signed in the presence of an immigration
27 officer or consular officer (or in the presence of a

1 notary public) by an individual (referred to in this
2 subsection as the 'sponsor') who is 18 years of age or
3 older, is of good moral character, and is a citizen or
4 national of the United States or an alien lawfully
5 admitted for permanent residence domiciled in any of
6 the several States of the United States, the District
7 of Columbia, or any territory or possession of the
8 United States; and
9 "(B) provide that the sponsor enters into a
10 legally binding commitment to furnish to or on behalf
11 of the alien financial support sufficient to meet the
12 alien's basic subsistence needs until the alien
13 achieves United States citizenship through
14 naturalization pursuant to the Immigration and
15 Nationality Act.
16 "(3) ENFORCEABILITY OF GUARANTEE OF SUPPORT.—Any
17 guarantee of financial support executed on behalf of an
18 alien pursuant to this subsection must be enforceable
19 against the sponsor and may be enforced against the sponsor
20 in a civil suit brought by the sponsored alien or by the
21 Federal government, any State, district, territory, or
22 possession of the United States (or any subdivision of such
23 State, district, territory, or possession of the United
24 States) which provides benefits to the alien in any court of
25 competent jurisdiction, except that no action may be brought
26 against a sponsor if the sponsor is receiving cash or food
27 stamp benefits (as defined in paragraph (7)).

1 "(4) FORM OF GUARANTEE OF SUPPORT.—Not later than 90
2 days after the date of enactment of this section, the
3 Secretary of State, the Attorney General, the Secretary of
4 Health and Human Services, the Secretary of Agriculture, and
5 the Commissioner of Social Security shall jointly establish
6 the form of the guarantee of financial support described in
7 this section.
8 "(5) LIMITATION OF LIABILITY.—The guarantee of
9 financial support established pursuant to this section shall
10 only apply with respect to cash or food stamp benefits (as
11 defined in paragraph (7)) provided to an alien before the
12 earliest of the following:
13 "(A) CITIZENSHIP.—The date the alien becomes a
14 citizen of the United States.
15 "(B) VETERAN.—The first date the alien is
16 described in section 1145(b)(2)(B) of the Social
17 Security Act.
18 "(C) PAYMENT OF SOCIAL SECURITY TAXES.—The first
19 date as of which the condition described in section
20 1145(b)(2)(C) of the Social Security Act is met with
21 respect to the alien.
22 "(D) ELDERLY ALIEN.—The first date the alien is
23 described in section 1145(b)(2)(A) of the Social
24 Security Act.
25 "(6) NONAPPLICATION DURING CERTAIN PERIODS.—The
26 contract established by this section shall not apply with
27 respect to cash or food stamp benefits (as defined in

1 paragraph (7)) provided to an alien during any period in
2 which the sponsor is receiving such benefits.
3 "(7) DEFINITION OF CASH OR FOOD STAMP BENEFITS.—For
4 the purposes of this section the term 'cash or food stamp
5 benefits' means Federal assistance provided under title IV-A
6 or XVI of the Social Security Act, under the Food Stamp Act
7 of 1977, or under similar programs of a State or a political
8 subdivision of a State that provides direct cash (or cash
9 equivalent) assistance for the purpose of income maintenance
10 and in which the eligibility of an individual, household, or
11 family unit for such benefits under the program, or the
12 amount of such benefits, or both, are determined on the
13 basis of income, resources, or financial need of the
14 individual, household, or unit. Such term does not include
15 any program insofar as it provides medical, housing,
16 education, job training, food, or in-kind assistance or
17 social services.".
18 (b) EFFECTIVE DATE.—The amendments made by this section
19 apply to affidavits of support executed on or after the date 90
20 days after the date of establishment of the form for such
21 affidavits under section 213(b)(4) of the Immigration and
22 Nationality Act, as added by this section.

23 # TITLE V—SUPPLEMENTAL SECURITY

24 # INCOME REFORMS

1 **SEC. 501. DEFINITION AND ELIGIBILITY RULES.**

2 (a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3)
3 (42 U.S.C. 1382c(a)(3)) is amended—

4 (1) in subparagraph (A), by striking "An individual"
5 and inserting "Except as provided in subparagraph (C), an
6 individual";

7 (2) in subparagraph (A), by striking "(or, in the case
8 of an individual under the age of 18, if he suffers from any
9 medically determinable physical or mental impairment of
10 comparable severity)";

11 (3) by redesignating subparagraphs (C) through (H) as
12 subparagraphs (D) through (I), respectively;

13 (4) by inserting after subparagraph (B) the following
14 new subparagraph:

15 "(C) An individual under the age of 18 shall be considered
16 disabled for the purposes of this title if that individual has a
17 medically determinable physical or mental impairment, which
18 results in marked and severe functional limitations, and which
19 can be expected to result in death or which has lasted or can be
20 expected to last for a continuous period of not less than 12
21 months. Notwithstanding the preceding sentence, no individual
22 under the age of 18 who engages in substantial gainful activity
23 (determined in accordance with regulations prescribed pursuant to
24 subparagraph (E)) may be considered to be disabled."; and

25 (5) in subparagraph (F), as so redesignated by
26 paragraph (3) of this subsection, by striking "(D)" and
27 inserting "(E)".

1 (b) CHANGES RESPECTING CHILDHOOD SSI REGULATIONS.—

2 (1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF
3 MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social
4 Security shall modify sections 112.00C.2. and
5 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of
6 title 20, Code of Federal Regulations, to eliminate
7 references to maladaptive behavior in the domain of
8 personal/behavioral function.

9 (2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL
10 ASSESSMENT.—The Commissioner of Social Security shall
11 discontinue the individualized functional assessment for
12 children set forth in sections 416.924d and 416.924e of
13 title 20, Code of Federal Regulations.

14 (c) CONFORMING AMENDMENT TO MEDICAL IMPROVEMENT REVIEW
15 STANDARD AS IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—

16 (1) In General.—Section 1614(a)(4) (42 U.S.C.
17 1382c(a)(4)) is amended—

18 (A) by redesignating subclauses (I) and (II) of
19 clauses (i) and (ii) of subparagraph (B) as subclauses
20 (aa) and (bb), respectively;

21 (B) by redesignating clauses (i) and (ii) of
22 subparagraphs (A) and (B) as subclauses (I) and (II),
23 respectively;

24 (C) by redesignating subparagraphs (A) through (D)
25 as clauses (i) through (iv), respectively, and by
26 moving their left hand margin 2 ems to the right;

1 (D) by inserting before clause (i) (as
2 redesignated by subparagraph (C)) the following:
3 "(A) in the case of an individual who is age 18 or
4 older—";
5 (E) at the end of subparagraph (A)(iv) (as
6 redesignated by subparagraphs (C) and (D)), by striking
7 the period and inserting "; or";
8 (F) by inserting after and below subparagraph
9 (A)(iv) (as so redesignated) the following:
10 "(B) in the case of an individual who is under the
11 age of 18—
12 "(i) substantial evidence which demonstrates
13 that there has been any medical improvement in the
14 individual's impairment or combination of
15 impairments, and that such impairment or
16 combination of impairments no longer results in
17 marked and severe functional limitations; or
18 "(ii) substantial evidence which demonstrates
19 that, as determined on the basis of new or
20 improved diagnostic techniques or evaluations, the
21 individual's impairment or combination of
22 impairments is not as disabling as it was
23 considered to be at the time of the most recent
24 prior decision that he or she was under a
25 disability or continued to be under a disability,
26 and such impairment or combination of impairments

1 does not result in marked and severe functional
2 limitations; or
3 "(iii) substantial evidence (which may be
4 evidence on the record at the time any prior
5 determination of eligibility for benefits based on
6 disability was made, or newly obtained evidence
7 which relates to that determination) which
8 demonstrates that a prior determination was in
9 error."; and
10 (G) in the first sentence following subparagraph
11 (B) (as added by subparagraph (F)), by—
12 (i) inserting "(i)" before "to restore"; and
13 (ii) inserting ", or (ii) in the case of an
14 individual under the age of 18, to eliminate or
15 improve the individual's impairment or combination
16 of impairments so that it no longer results in
17 marked and severe functional limitations" before
18 the period.
19 (2) Effective Date.—The amendments made by this
20 subsection are effective upon enactment.
21 (d) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT
22 RECIPIENTS.—
23 (1) IN GENERAL.—Except where otherwise specified,
24 subsections (a) and (b) apply to applications filed on or
25 after the date of the enactment of this Act, without regard
26 to whether implementing regulations have been issued.

1 (2) REGULATIONS-The Commissioner of Social Security
2 shall issue regulations implementing subsections (a), (b),
3 and (c).
4 (3) APPLICATION TO CURRENT RECIPIENTS.—
5 (A) ELIGIBILITY DETERMINATIONS.—Beginning on
6 January 1, 1997, and ending not later than January 1,
7 1998, the Commissioner of Social Security shall
8 redetermine the eligibility of any individual under age
9 18 who is eligible for supplemental security income
10 benefits based on a disability under title XVI of the
11 Social Security Act as of the date of the enactment of
12 this Act and whose eligibility for such benefits may
13 terminate by reason of subsections (a) or (b) of this
14 section. With respect to any redetermination under
15 this subparagraph—
16 (i) section 1614(a)(4) of the Social Security
17 Act (42 U.S.C. 1382c(a)(4)) shall not apply;
18 (ii) the Commissioner of Social Security
19 shall apply the eligibility criteria for new
20 applicants for benefits under title XVI of such
21 Act ;
22 (iii) the Commissioner shall give such
23 redetermination priority over all continuing
24 eligibility reviews and other reviews under such
25 title; and
26 (iv) such redetermination shall be counted as
27 a review or redetermination otherwise required to

1 be made under section 208 of the Social Security
2 Independence and Program Improvements Act of 1994
3 or any other provision of title XVI of the Social
4 Security Act.
5 (B) GRANDFATHER PROVISION. — Subsections (a) and
6 (b) of this section and the redetermination under
7 subparagraph (A) of this paragraph only apply with
8 respect to the benefits of an individual described in
9 subparagraph (A) for months beginning on or after
10 January 1, 1998.
11 (C) NOTICE.—Not later than January 1, 1997, the
12 Commissioner of Social Security shall notify an
13 individual described in subparagraph (A) of the
14 provisions of this paragraph.
15 **SEC. 502. ELIGIBILITY REDETERMINATIONS AND CONTINUING**
16 **DISABILITY REVIEWS.**
17 (a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN
18 CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as
19 so redesignated by section 501(a)(3) of this Act, is amended—
20 (1) by inserting "(i)" after "(H)"; and
21 (2) by adding at the end the following new clause:
22 "(ii)(I) Not less frequently than once every 3 years, the
23 Commissioner shall review in accordance with paragraph (4) the
24 continued eligibility for benefits under this title of each
25 individual who has not attained 18 years of age and is eligible
26 for such benefits by reason of an impairment (or combination of

1 impairments) which may improve (or, which is unlikely to improve,
2 at the option of the Commissioner).
3 "(II) A parent or guardian of a recipient whose case is
4 reviewed under this clause shall present, at the time of review,
5 evidence demonstrating that the recipient is, and has been,
6 receiving treatment, to the extent considered medically necessary
7 and available, of the condition which was the basis for providing
8 benefits under this title.".
9 (b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI
10 RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—
11 (1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C.
12 1382c(a)(3)(H)), as so redesignated by section 501(a)(3) of
13 this Act and as amended by subsection (a) of this section,
14 is amended by adding at the end the following new clause:
15 "(iii) If an individual is eligible for benefits under this
16 title by reason of disability for the month preceding the month
17 in which the individual attains the age of 18 years, the
18 Commissioner shall redetermine such eligibility—
19 "(I) during the 1-year period beginning on the
20 individual's 18th birthday; and
21 "(II) by applying the criteria used in determining the
22 initial eligibility for applicants who have attained the age
23 of 18 years.
24 With respect to a redetermination under this clause, paragraph
25 (4) shall not apply and such redetermination shall be considered
26 a substitute for a review or redetermination otherwise required

1 under any other provision of this subparagraph during that 1-year
2 period.".
3 (2) CONFORMING REPEAL.—Section 207 of the Social
4 Security Independence and Program Improvements Act of 1994
5 (42 U.S.C. 1382 note; 108 Stat. 1516) is repealed.
6 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH
7 WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)),
8 as so redesignated by section 501(a)(3) of this Act and as
9 amended by subsections (a) and (b) of this section, is amended by
10 adding at the end the following new clause:
11 "(iv)(I) Not later than 12 months after the first month
12 of eligibility based on an application of an individual for
13 benefits under this title, the Commissioner shall review in
14 accordance with paragraph (4) the continuing eligibility for
15 benefits by reason of disability of such individual whose
16 low birth weight is a contributing factor material to the
17 Commissioner's determination that the individual is
18 disabled.
19 "(II) A review under subclause (I) shall be considered
20 a substitute for a review otherwise required under any other
21 provision of this subparagraph during that 12-month period.
22 "(III) A parent or guardian of a recipient whose case
23 is reviewed under this clause shall present, at the time of
24 review, evidence demonstrating that the recipient is, and
25 has been, receiving treatment, to the extent considered
26 medically necessary and available, for the condition which
27 was the basis for providing benefits under this title.".

1 (d) EFFECTIVE DATE.—The amendments made by this section
2 apply to benefits for months beginning on or after the date of
3 the enactment of this Act, without regard to whether regulations
4 have been issued to implement such amendments.
5 **SEC. 503. DEDICATED SAVINGS ACCOUNTS.**
6 (a) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C.
7 1383(a)(2)(B)) is amended by adding at the end the following:
8 "(xiv) A representative payee may pay any lump sum payment
9 equal to or greater than 6 times the Federal benefit rate for the
10 benefit of a child into a dedicated savings account that must
11 only be used to purchase for such child, or an individual for
12 whom such an account was established prior to his attainment of
13 age 18,—
14 "(I) education and job skills training;
15 "(II) special equipment or housing modifications or
16 both specifically related to, and required by the nature of,
17 the child's disability; and
18 "(III) appropriate therapy and rehabilitation.".
19 (b) EXCLUSION OF DEDICATED SAVINGS ACCOUNTS.—
20 (1) Section 1613(a) (42 U.S.C. 1382b(a)) is amended—
21 (A) by striking "and" at the end of paragraph
22 (10),
23 (B) by striking the period at the end of paragraph
24 (11) and inserting "; and", and
25 (C) by inserting after paragraph (11) the
26 following:

1 "(12) the initial and any subsequent lump sum
2 payment deposited in, or interest credited to, a
3 dedicated savings account described in section
4 1631(a)(2)(B)(xiv), so long as such monies are being
5 used for a purpose listed in that section.".
6 (2) Section 1612(b) (42 U.S.C. 1382a(b)) is amended:
7 (A) by striking "and" at the end of paragraph
8 (19),
9 (B) by striking the period at the end of paragraph
10 (20) and inserting thereafter "and,", and
11 (C) by inserting after paragraph (20) the
12 following new paragraph:
13 "(21) interest earned on a dedicated savings
14 account as described in section 1631(a)(2)(B)(xiv)
15 so long as monies in such account are used for a
16 purpose listed in such section.".
17 (c) PENALTIES FOR MISUSE OF FUNDS.—Knowing and willful use
18 of funds in a dedicated savings account by the representative
19 payee for any purpose other than those listed in subsection (a)
20 constitutes fraud and is subject to penalties under section 1632.
21 (d) EFFECTIVE DATE.—The amendments made by this section
22 apply to payments made after the date of enactment of this Act.
23 **SEC. 504. DENIAL OF SSI BENEFITS BY REASON OF DISABILITY TO DRUG**
24 **ADDICTS AND ALCOHOLICS.**
25 (a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)),
26 as amended by section 501(a)(3) of this Act, is amended by adding
27 at the end the following:

1 "(J) Notwithstanding subparagraph (A), an individual shall
2 not be considered to be disabled for purposes of this title if
3 alcoholism or drug addiction would (but for this subparagraph) be
4 a contributing factor material to the Commissioner's
5 determination that the individual is disabled.".
6 (b) CONFORMING AMENDMENTS.—
7 (1) Section 1611(e) (42 U.S.C. 1382(e)) is amended by
8 striking paragraph (3).
9 (2) Section 1631(a)(2)(A)(ii) (42 U.S.C.
10 1383(a)(2)(A)(ii)) is amended—
11 (A) by striking "(I)"; and
12 (B) by striking subclause (II).
13 (3) Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is
14 amended—
15 (A) by striking clause (vii);
16 (B) in clause (viii), by striking "(ix)" and
17 inserting "(viii)";
18 (C) in clause (ix)—
19 (i) in subclause (I), by striking "(viii)"
20 and inserting "(vii)"; and
21 (ii) in subclause (II),
22 (I) by striking the comma after
23 "incompetent" and inserting "or"; and
24 (II) by striking all that follows "15
25 years" and inserting a period;
26 (D) in clause (xiii)—

1 (i) by striking "(xii)" and inserting "(xi)";
2 and
3 (ii) by striking "(xi)" and inserting "(x)";
4 and
5 (E) by redesignating clauses (viii) through (xiv)
6 as clauses (vii) through (xiii), respectively.
7 (4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C.
8 1383(a)(2)(D)(i)(II)) is amended by striking all that
9 follows "$25.00 per month" and inserting a period.
10 (5) Section 1634 (42 U.S.C. 1383c) is amended by
11 striking subsection (e).
12 (6) Section 201(c)(1) of the Social Security
13 Independence and Program Improvements Act of 1994 (42 U.S.C.
14 425 note) is amended—
15 (A) by striking "—" and all that follows through
16 "(A)" the 1st place such term appears;
17 (B) by striking "and" the 3rd place such term
18 appears;
19 (C) by striking subparagraph (B);
20 (D) by striking "either subparagraph (A) or
21 subparagraph (B)" and inserting "the preceding
22 sentence"; and
23 (E) by striking "subparagraph (A) or (B)" and
24 inserting "the preceding sentence".
25 (c) EFFECTIVE DATE.—(1) The amendments made by this section
26 apply to applications filed on or after the date of the enactment

1 of this Act, without regard to whether regulations have been
2 issued to implement such amendments.
3 (2) APPLICATION AND NOTICE TO CURRENT RECIPIENTS.—
4 Notwithstanding any other provision of law, in the case of an
5 individual who is eligible for supplemental security income
6 benefits under title XVI of the Social Security Act as of the
7 date of the enactment of this Act and whose eligibility for such
8 benefits would terminate by reason of the amendments made by this
9 section, such amendments shall apply with respect to the benefits
10 of such individual for months beginning on or after January 1,
11 1997, and the Commissioner of Social Security shall so notify the
12 individual not later than 90 days after the date of the enactment
13 of this Act. As used in the preceding sentence, the phrase
14 "supplemental security income benefits under title XVI" includes
15 supplementary payments pursuant to an agreement for federal
16 administration under section 1616(a) of the Social Security Act
17 and payments pursuant to an agreement for federal administration
18 under section 212(b) of Public Law 93-66.
19 (d) SUPPLEMENTAL FUNDING FOR ALCOHOL AND SUBSTANCE ABUSE
20 TREATMENT PROGRAMS.—
21 (1) IN GENERAL.—Out of any money in the Treasury not
22 otherwise appropriated, there are hereby appropriated to
23 supplement State and Tribal programs funded under section
24 1933 of the Public Health Service Act (42 U.S.C. 300x-33),
25 $50,000,000 for each of the fiscal years 1997 and 1998.
26 (2) ADDITIONAL FUNDS.—Amounts appropriated under
27 paragraph (1) shall be in addition to any funds otherwise

1 appropriated for allotments under section 1933 of the Public
2 Health Service Act (42 U.S.C. 300x-33) and shall be
3 allocated pursuant to that section.
4 (3) USE OF FUNDS —A State or Tribal government
5 receiving an allotment under this subsection shall consider
6 as priorities, for purposes of expending funds allotted
7 under this subsection, activities relating to the treatment
8 of the abuse of alcohol and other drugs.
9 **SEC. 505. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS**
10 **FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO**
11 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.**
12 Section 1632 (42 U.S.C. 1383a) is amended by adding at the
13 end the following:
14 "(c)(1) If any individual is convicted of fraudulently
15 misrepresenting residence in order to obtain benefits
16 simultaneously in two or more States, then the court may, in
17 addition to all other penalties provided by law, impose a penalty
18 that an individual shall not be considered an eligible individual
19 for purposes of this title during the 10-year period beginning on
20 the date the individual is found by a State to have made, or is
21 convicted in Federal or State court of having made, a fraudulent
22 statement or representation with respect to the place of
23 residence of the individual in order to receive benefits
24 simultaneously from 2 or more States under programs that are
25 funded under part A of title IV, or title XIX of this Act, the
26 consolidated program of food assistance under title III of the
27 Work First and Personal Responsibility Act of 1996, or the Food

1 Stamp Act of 1977 (as in effect before the effective date of
2 title III of the Work First and Personal Responsibility Act of
3 1996), or benefits in 2 or more States under the supplemental
4 security income program under title XVI of this Act.
5 "(2) As soon as practicable after an additional penalty has,
6 pursuant to paragraph (1), been imposed with respect to any
7 individual, an official of a court making such imposition shall
8 notify the Commissioner of such imposition.
9 "(3) If any individual with respect to whom an additional
10 penalty has been imposed pursuant to paragraph (1) is granted a
11 pardon by the President of the United States, such additional
12 penalty shall not apply for any month beginning after the date on
13 which such pardon was granted.".
14 **SEC. 506. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND**
15 **PROBATION AND PAROLE VIOLATORS.**
16 (a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as
17 amended by section 504(b)(1) of this Act, is amended by inserting
18 after paragraph (2) the following:
19 "(3) A court of law may, in addition to all other
20 penalties provided by law, impose on the individual
21 ineligibility for benefits under this title with respect to
22 any month if, throughout the month, the person is—
23 "(A) fleeing custody or confinement after
24 conviction, under the laws of the place from which the
25 person flees, for a crime which is a felony under the
26 laws of the place from which the person flees, or

1 which, in the case of the State of New Jersey, is a
2 high misdemeanor under the laws of such State; or
3 "(B) violating a condition of probation or parole
4 imposed under Federal or State law.
5 "(4) As soon as practicable after the additional
6 penalty has been imposed pursuant to paragraph (3) with
7 respect to any individual, an official of the court making
8 such imposition shall notify the Commissioner of such
9 imposition.".
10 (b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—
11 Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after
12 paragraph (3) the following:
13 "(4) Notwithstanding any other provision of law (other
14 than section 6103 of the Internal Revenue Code of 1986), the
15 Commissioner shall furnish any Federal, State, or local law
16 enforcement agency, upon the written request of the head of
17 the agency, with the current address of any recipient of
18 benefits under this title, if the agency furnishes the
19 Commissioner with the name of the recipient, and other
20 identifying information as required by the Commissioner
21 reasonably to establish the unique identity of the
22 recipient, and a statement from a court of competent
23 jurisdiction and notifies the Commissioner that the
24 recipient—
25 "(A) has been found by a court of competent
26 jurisdiction to be fleeing to avoid prosecution, or
27 custody or confinement after conviction, under the laws

of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) has been found by a court of competent jurisdiction to be violating a condition of probation or parole imposed for a crime as in (A) above under Federal or State law.".

**SEC. 507. ALLOWANCE UNDER THE DISCRETIONARY SPENDING LIMITS FOR INCREASED EXPENDITURES FOR CONTINUING DISABILITY REVIEWS AND DISABILITY ELIGIBILITY REDETERMINATIONS.**

(a) Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding the following new subparagraph:

"(H) CONTINUING DISABILITY REVIEWS AND DISABILITY ELIGIBILITY REDETERMINATIONS.—(i) When an appropriations Act is enacted for fiscal year 1996, 1997, 1998, 1999, 2000, 2001, or 2002 that specifies, under the heading "Limitation on Administrative Expenses" for the Social Security Administration, an amount for expenses for continuing disability reviews or disability eligibility redeterminations conducted pursuant to section 221(i) of the Social Security Act (42 U.S.C. 421(i)), section 1614(a)(3)(H) of the Social Security Act (42 U.S.C. 1382c(a)(3)(H)), section 1633 of the Social Security Act (42

1 U.S.C. 1383b), or section 208 of the Social Security
2 Independence and Program Improvements Act of 1994 (Public
3 Law 103-296), to the extent that appropriations are enacted
4 that provide new budget authority, provide additional
5 obligations limitation, or result in additional outlays, the
6 discretionary spending limits for that fiscal year under
7 section 601(a)(2) of the Congressional Budget Act of 1974
8 shall be adjusted by the new budget authority and the
9 additional outlays for that purpose, but shall not exceed
10 the amounts set forth below—
11 "(I) for fiscal year 1996, $60,000,000 in new
12 budget authority and additional obligations limitation
13 and $60,000,000 in additional outlays;
14 "(II) for fiscal year 1997, $260,000,000 in new
15 budget authority and additional obligations limitation
16 and $250,000,000 in additional outlays;
17 "(III) for fiscal year 1998, $475,000,000 in new
18 budget authority and additional obligations limitation
19 and $460,000,000 in additional outlays;
20 "(IV) for fiscal year 1999, $715,000,000 in new
21 budget authority and additional obligations limitation
22 and $700,000,000 in additional outlays;
23 "(V) for fiscal year 2000, $760,000,000 in new
24 budget authority and additional obligations limitation
25 and $760,000,000 in outlays;

1 "(VI) for fiscal year 2001, $715,000,000 in new
2 budget authority and additional obligations limitation
3 and $715,000,000 in outlays;
4 "(VII) for fiscal year 2002, $665,000,000 in new
5 budget authority and additional obligations limitation
6 and $665,000,000 in outlays;
7 "(ii) As used in this subparagraph—
8 "(I) the term "new budget authority" shall mean
9 budget authority, in any fiscal year, in excess of $100
10 million;
11 "(II) the term "additional obligations limitation"
12 shall mean obligations limitation, in any fiscal year,
13 in excess of $100 million; and
14 "(III) the term "additional outlays" shall mean
15 outlays, in any fiscal year, in excess of $200
16 million.".
17 (b) Section 606 of the Congressional Budget and Impoundment
18 Control Act of 1974 is amended by adding the following new
19 subsection:
20 "(e) DISABILITY REVIEW AND ELIGIBILITY REDETERMINATION
21 ADJUSTMENT.—(1) For purposes of points of order under this Act
22 and concurrent resolutions on the budget, when the Appropriations
23 Committee reports an appropriations measure for fiscal year 1996,
24 1997, 1998, 1999, 2000, 2001, or 2002 that specifies, under the
25 heading "Limitation on Administrative Expenses" for the Social
26 Security Administration, an amount for expenses for continuing
27 disability reviews or disability eligibility redeterminations

1 pursuant to section 221(i) of the Social Security Act (42 U.S.C.
2 421(i)), section 1614(a)(3)(H) of the Social Security Act (42
3 U.S.C. 1382c(a)(3)(H)), section 1633 of the Social Security Act
4 (42 U.S.C. 1383b), or section 208 of the Social Security
5 Independence and Program Improvements Act of 1994 (Public Law
6 103-296), or when a conference committee submits a conference
7 report thereon,—
8 "(A) the discretionary spending limits for that fiscal
9 year—
10 "(i) under section 601(a)(2), or
11 "(ii) as set forth in the most recently adopted
12 concurrent resolution on the budget;
13 "(B) the allocations to the Committee on Appropriations
14 of the Senate and the House for that fiscal year under
15 sections 302(a) and 602(a); and
16 "(C) the appropriate budgetary aggregates for that
17 fiscal year in the most recently adopted concurrent
18 resolution on the budget
19 shall be adjusted in accordance with paragraph (2).
20 "(2) ADJUSTMENT OF BUDGETARY LEVELS.—The adjustments
21 required by paragraph (1) shall be made by the Chairman of the
22 Committee on the Budget of the Senate or the House of
23 Representatives (as the case may be) and shall reflect the new
24 budget authority and the additional outlays for continuing
25 disability reviews and disability eligibility redeterminations
26 provided in that measure or conference report, but shall not
27 exceed the levels set forth in section 251(b)(2)(H) of the

1 Balanced Budget and Emergency Deficit Control Act of 1985, for
2 any year. These adjusted discretionary spending limits,
3 allocations, and aggregates shall be considered the appropriate
4 limits, allocations, and aggregates for purposes of congressional
5 enforcement of this Act and concurrent budget resolutions under
6 this Act.
7 "(3) REPORTING REVISED SUBALLOCATIONS.—Following the
8 adjustments made under paragraph (2), the Committees on
9 Appropriations of the Senate and the House of Representatives may
10 report appropriately revised suballocations pursuant to sections
11 302(b) and 602(b) of this Act to carry out this subsection.
12 "(4) ADDITIONAL AMOUNTS.—As used in this section, the term
13 "new budget authority" shall mean budget authority for a fiscal
14 year in excess of $100 million, and the term "additional outlays"
15 shall mean outlays for a fiscal year in excess of $200 million.".
16 **SEC. 508. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL**
17 **SECURITY INCOME BENEFITS.**
18 (a) In General.—Section 1631(a) is amended by adding at the
19 end a new paragraph as follows:
20 "(10)(A) If an individual is eligible for past-due monthly
21 benefits under this title (which includes, for purposes of this
22 paragraph, State supplementary payments made by the Commissioner
23 pursuant to an agreement under section 1616 (a) of this title or
24 section 212(b) of Public Law 93-66) in an amount that (after any
25 withholding for reimbursement to a State for interim assistance
26 under subsection (g)) equals or exceeds the product of—
27 "(i) twelve, and

1 "(ii) the maximum monthly benefit payable under this
2 title to an eligible individual (or, if appropriate, to an
3 eligible individual and eligible spouse),
4 then the payment of such past-due benefits (after any such
5 reimbursement to a State) shall be made in installments as
6 provided in subparagraph (B).
7 "(B)(i) The payment of past-due benefits subject to this
8 subparagraph shall be made in not to exceed three installments
9 that are made at six-month intervals.
10 "(ii) Except as provided in clause (iii), the amount of each
11 of the first and second installments may not exceed an amount
12 equal to the product of clauses (i) and (ii) of subparagraph (A).
13 "(iii) In the case of an individual who has—
14 "(I) outstanding debt attributable to—
15 "(aa) food,
16 "(bb) clothing,
17 "(cc) shelter, or
18 "(dd) medically necessary services, supplies or
19 equipment, or medicine; or
20 "(II) current expenses or expenses anticipated in the
21 near term attributable to—
22 "(aa) medically necessary services, supplies or
23 equipment, or medicine, or
24 "(bb) the purchase of a home, and
25 such debt or expenses are not subject to reimbursement by a
26 public assistance program, the Secretary of Health and Human
27 Services under title XVIII, a State plan approved under title

1 XIX, or any private entity legally liable to provide payment
2 pursuant to an insurance policy, pre-paid plan, or other
3 arrangement, the limitation specified in clause (ii) may be
4 exceeded by an amount equal to the total of such debt and
5 expenses.
6 "(C) This paragraph shall not apply to any individual who,
7 at the time of the Commissioner's determination that such
8 individual is eligible for the payment of past-due monthly
9 benefits under this title—
10 "(i) is afflicted with a medically determinable
11 impairment that is expected to result in death within twelve
12 months; or
13 "(ii) is ineligible for benefits under this title and
14 the Commissioner determines that such individual is likely
15 to remain ineligible for the next 12 months.".
16 (b) Conforming Amendment.—Section 1631(a)(1) is amended by
17 inserting "(subject to paragraph (10))" before "in such
18 installments".
19 (c) Effective Date.—The amendments made by this section are
20 effective with respect to past-due benefits payable under title
21 XVI of the Social Security Act (including State supplementary
22 payments made by the Commissioner of Social Security pursuant to
23 an agreement under section 1616 (a) of such Act or section 212(b)
24 of Public Law 93-66) after the third month following the month in
25 which this Act is enacted.
26 **SEC. 509. RECOVERY OF SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS**
27 **FROM SOCIAL SECURITY BENEFITS.**

1 (a) In General.—Title XI is amended by adding after section
2 1145 (as added by section 401 and amended by section 402 of this
3 Act) a new section as follows:
4 "SEC. 1146. RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY
5 BENEFITS.
6 "(a) In General.—Whenever the Commissioner of Social
7 Security determines that more than the correct amount of any
8 payment has been made to any person under the supplemental
9 security income program authorized by title XVI of this Act
10 (which includes, for purposes of this section, State
11 supplementary payments which are made by the Commissioner under
12 an agreement pursuant to section 1616(a) of this Act or section
13 212(b) of Public Law 93-66), and the Commissioner is unable to
14 make proper adjustment or recovery of the amount so incorrectly
15 paid as provided in section 1631(b) of this Act, the Commissioner
16 (notwithstanding section 207 of this Act) may recover the amount
17 incorrectly paid by decreasing any amount which is payable under
18 the Federal Old-Age and Survivors Insurance program or the
19 Federal Disability Insurance program authorized by title II of
20 this Act to that person or his estate.
21 "(b) No Effect on SSI Benefit Eligibility or Amount.—
22 Notwithstanding sections 1611(a) and (b) of this Act, in any case
23 in which the Commissioner takes action in accordance with
24 subsection (a) to recover an overpayment from any person, neither
25 that person, nor any individual whose eligibility or benefit
26 amount is determined by considering any part of that person's
27 income, shall, as a result of such action—

1 "(1) become eligible under the program of supplemental
2 security income benefits under title XVI of this Act, or
3 "(2) if such person or individual is already so
4 eligible, become eligible for increased benefits
5 thereunder.".
6 (b) Conforming Changes.—
7 (1) Section 204 is amended by adding at the end a new
8 subsection as follows:
9 "(g) For payments which are adjusted or withheld to recover
10 an overpayment of supplemental security income benefits paid
11 under title XVI of this Act (including State supplementary
12 payments which were paid under an agreement pursuant to section
13 1616(a) of this Act or section 212(b) of Public Law 93-66), see
14 section 1146.".
15 (2) Section 1631(b) is amended by adding at the end a
16 new paragraph as follows:
17 "(5) For the recovery of overpayments of benefits under this
18 title from benefits payable under title II, see section 1146.".
19 (c) Effective date.—The amendments made by this section
20 take effect upon the date of the enactment of this Act and shall
21 apply to overpayments outstanding on or after such date.
22 **SEC. 510. ALLOWANCE UNDER THE DISCRETIONARY SPENDING LIMITS FOR**
23 **ADMINISTRATIVE EXPENSES TO IMPLEMENT CHANGES TO SUPPLEMENTAL**
24 **SECURITY INCOME PROGRAM.**
25 (a) Section 251(b)(2) of the Balanced Budget and Emergency
26 Deficit Control Act of 1985, as amended by section 507 of this

1 Act, is further amended by adding at the end the following new
2 subparagraph:
3 "(I) ADMINISTRATIVE EXPENSES TO IMPLEMENT REFORMS TO
4 SUPPLEMENTAL SECURITY INCOME PROGRAM MADE BY THE WORK FIRST
5 AND PERSONAL RESPONSIBILITY ACT OF 1996.— When an
6 appropriations Act is enacted for fiscal year 1996, 1997, or
7 1998 that specifies, under the heading "Limitation on
8 Administrative Expenses" for the Social Security
9 Administration, an amount for expenses to implement reforms
10 to the supplemental security income program made by the Work
11 First and Personal Responsibility Act of 1996, to the extent
12 that appropriations are enacted that provide budget
13 authority and result in outlays, the discretionary spending
14 limits for that fiscal year under section 601(a)(2) of the
15 Congressional Budget Act of 1974 shall be adjusted by the
16 budget authority and the outlays for that purpose, but shall
17 not exceed the amounts set forth below—
18 "(I) for fiscal year 1996, $50,000,000 in budget
19 authority and $47,000,000 in outlays;
20 "(II) for fiscal year 1997, $250,000,000 in budget
21 authority and $238,000,000 in outlays;
22 "(III) for fiscal year 1998, $0 in budget
23 authority and $15,000,000 in outlays.".
24 (b) Section 606 of the Congressional Budget and Impoundment
25 Control Act of 1974 is amended by adding the following new
26 subsection:

1 "(f) ADMINISTRATIVE EXPENSES TO IMPLEMENT REFORMS TO
2 SUPPLEMENTAL SECURITY INCOME PROGRAM ADJUSTMENT.—(1) For
3 purposes of points of order under this Act and concurrent
4 resolutions on the budget, when the Appropriations Committee
5 reports an appropriations measure for fiscal year 1996, 1997, or
6 1998 that specifies, under the heading "Limitation on
7 Administrative Expenses" for the Social Security Administration,
8 an amount for expenses to implement reforms to the supplemental
9 security income program made by the Work First and Personal
10 Responsibility Act of 1996, or when a conference committee
11 submits a conference report thereon,—
12 "(A) the discretionary spending limits for that fiscal
13 year—
14 "(i) under section 601(a)(2), or
15 "(ii) as set forth in the most recently adopted
16 concurrent resolution on the budget;
17 "(B) the allocations to the Committee on Appropriations
18 of the Senate and the House for that fiscal year under
19 sections 302(a) and 602(a); and
20 "(C) the appropriate budgetary aggregates for that
21 fiscal year in the most recently adopted concurrent
22 resolution on the budget
23 shall be adjusted in accordance with paragraph (2).
24 "(2) ADJUSTMENT OF BUDGETARY LEVELS.—The adjustments
25 required by paragraph (1) shall be made by the Chairman of the
26 Committee on the Budget of the Senate or the House of
27 Representatives (as the case may be) and shall reflect the budget

1 authority and the outlays for expenses to implement reforms to
2 the supplemental security income program made by the Work First
3 and Personal Responsibility Act of 1996 provided in that measure
4 or conference report, but shall not exceed the levels set forth
5 in section 251(b)(2)(I) of the Balanced Budget and Emergency
6 Deficit Control Act of 1985, for any year. These adjusted
7 discretionary spending limits, allocations, and aggregates shall
8 be considered the appropriate limits, allocations, and aggregates
9 for purposes of congressional enforcement of this Act and
10 concurrent budget resolutions under this Act.
11 "(3) REPORTING REVISED SUBALLOCATIONS.—Following the
12 adjustments made under paragraph (2), the Committees on
13 Appropriations of the Senate and the House of Representatives may
14 report appropriately revised suballocations pursuant to sections
15 302(b) and 602(b) of this Act to carry out this subsection.".
16 **SEC. 511. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED**
17 **INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.**
18 (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.
19 1382(e)(1)(B)) is amended—
20 (1) by striking "or" after "XIX,"; and
21 (2) by inserting "or, in the case of an eligible
22 individual under the age of 18 receiving payments (with
23 respect to such individual) under any health insurance
24 policy issued by a private provider of such insurance" after
25 "section 1614(f)(2)(B),".
26 (b) EFFECTIVE DATE.—The amendments made by this section
27 apply to benefits for months beginning 90 or more days after the

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

# 3 TITLE F—SOCIAL SERVICES BLOCK

# 4 GRANTS

5 **SEC. 601. REDUCTION IN TITLE XX BLOCK GRANTS TO STATES FOR SOCIAL**
6 **SERVICES.**

7 Section 2003(c) of the Social Security Act (42 U.S.C.
8 1397b(c)) is amended—

9 (1) by striking "and" at the end of paragraph (4);

10 (2) in paragraph (5), by striking "fiscal year after
11 fiscal year 1989." and inserting "of fiscal years 1990
12 through 1995;"; and

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

14 "(6) $2,730,000,000 for fiscal year 1996; and
15 (7) $2,520,000,000 for fiscal year 1997 and
16 each succeeding fiscal year.".