

TITLE X - EFFECTIVE DATES

(b) References.--Reference herein to the "Act" are references to the Social Security Act except where otherwise provided.

TITLE I - JOBS

Sec.101. ENHANCED JOBS PROGRAM.

(a) State Plan Amendments.

(1) Limitation of Current Law.--Section 402(a)(19) of the Act is amended, in the matter preceding subparagraph (A), to read as follows:

"(19) provide, except with respect to individuals and families to whom paragraph (29) applies --".

(2) Establishment of New Requirements.--Section 402 of the Act is amended by inserting immediately after paragraph (28) the following new paragraph:

"(29) provide--

"(A) that the requirements and conditions of this paragraph will be applicable to each applicant for or recipient of aid to families with dependent children who --

"(i)(I) was born after 1971, or

"(II) is married to and living with an individual born after 1971 (or was married to and living with such

an individual during any month in which they received aid under this part);

"(ii) is the parent of a dependent child, and

"(iii) is working fewer than 30 hours a week;

"(B) that the State has in effect and operation both a program that meets the requirement of part F (with respect to individuals to whom this paragraph applies) and a program that meets the requirements of part G (with respect to such individuals);

"(C) that the State will, except as otherwise provided in this paragraph or part F --

"(i) require all individuals to whom this paragraph applies to participate in the program under part F, and

"(ii) allow individuals to whom subparagraph (D) applies to participate in such program, (and to be considered to be an individual to whom this subparagraph applies), except that such individual shall, in a month in which he or she meets a condition of subparagraph D, be permitted to cease participation in such program, and be subject to the provisions of subparagraph (D) (for so long as they remain applicable);

"(D) that in lieu of participation in the program under part F (other than section 481(), relating to employability plans), the State will [may?] require participation in appropriate cases in one or more types of activities designed as preparation for participation in the program under part F, (hereafter referred to as 'JOBS-Prep' activities), in the case of any parent described in

subparagraph (A) who --

"(i) is the custodial parent of a child --

"(I) born less than one year earlier, or,

"(II) (in the case of either a child

conceived during a month in which such parent

received aid under this part or a child whose

custodial parent is under age of 20 and has not

attained a high school education) born more

recently than the number of weeks specified in

section 102(a)(1) of the Family and Medical Leave

Act of 1993 (establishing the period of leave to

which certain employees are entitled following the

birth of a child);

"(ii) is a woman in the third trimester of pregnancy;

"(iii) is ill, incapacitated, or of advanced age [does "advanced age" make any sense in the context of people born after 1971?];

"(iv) is needed in the home because of the illness or incapacity of another member of the household;

"(v) resides in an area of the State where the program under part F is not available; or

"(vi) meets such other criteria consistent with the objectives of this title, as the State may specify, in its plan approved under this part except that the total number of individuals to whom this clause is applied for any month [alternatively: average total number of individuals to whom this clause is applied for months in any fiscal year] shall not exceed 5 percent of the [average] total number of individuals to whom this paragraph applies [for months in such fiscal year] [Note: as drafted, the denominator is only those adult recipients and minor custodial parents in the "phased-in" population, but does not include 30-hour workers.];

"(E) that the State will promptly advise each applicant described in subparagraph (A) of the participation requirements under this paragraph and of

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the limitation on the number of months eligibility for benefits under this part that may be applied (as required by the provisions of section 417) to such applicant;

"(F) that --

"(i) in the case of a custodial parent who has not attained 20 years of age, has not successfully completed a high school education (or its equivalent), and is required to participate in the program under part F, the State will require such parent to participate in an educational activity; and

"(ii) [review E(ii) and (F) of 402(a)(19) -- to we want similar provisions here?]; and

"(G) that the provisions of subparagraph (G) (pertaining to sanctions) other than clause (iv)(i), and subparagraph H (pertaining to protections against loss of income by reason of accepting a job), of paragraph (19) will apply to an individual to whom this paragraph applies to the same extent and in the same manner as they do to an individual to where paragraph (19) applies.

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(3) Amendments to Current JOBS Sanction Provisions
Applicable to Unemployed Parent Cases.--Section

402(a)(19)(G)(i) of the Act is amended --

(A) by repealing subclause (II),

(B) by striking out the dash preceding subclause (I) and (after striking "(I)", and "and" following the semicolon at the end of such subclause) inserting in lieu thereof the text of subclause (I). [Do we wish to retain the requirement for protective payments?]

(b) Amendments to Establish Enhanced JOBS Program under
Part F.

(1) Section 481 of the Act is amended by --

(A) redesignating such section as section 480;

(B) by amending the heading of such section to read:

"PURPOSE; REQUIREMENT TO ESTABLISH AND OPERATE PROGRAM;
DEFINITIONS";

(C) by redesignating subsection (b) as subsection (c);

(D)(i) by transferring section 482(a) to section 480, and redesignating it as subsection (b); and

(ii) by amending section 480(b) (as so redesignated) by --

(I) striking out "section 402(a)(19)" in paragraph (1)(A) and inserting in lieu thereof "paragraphs (19) and (29) of section 402(a)", and

(II) by striking out "Secretary of Labor" in paragraph (1)(C) and inserting in lieu thereof "Secretary of Labor and the Secretary of Education."

(2) Part F of title IV of the Act is amended by inserting after section 480 (as redesignated by the preceding paragraph) the following new section:

"OPERATION OF ENHANCED STATE PROGRAMS

"Sec. 481.(a) Applicability.--The requirements of this section shall be applicable to individuals to whom section 402(a)(29) applies. The requirements of the subsequent sections of this part shall be applicable to such individuals except to the extent inconsistent with, or duplicating the objective or purpose of, a provision of this section.

"(b) Required Elements of Enhanced JOBS Program.--

"(1) (A) Reciprocal Responsibility Agreement.--Such individual to whom Section 402(a)(29) applies and a representative of the State agency shall, at the time of application for aid under part A, sign a Reciprocal Responsibility Agreement. The purpose of the agreement to do set forth in clear, simple terms, understandable by all

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parties, an acknowledgement that aid under the State plan should be considered transitional in nature and that goal be both the individual and the State is to enable the individual to achieve maximum economic independence and self sufficiency. To this end, the individual will participate in appropriate activities, and the State will furnish necessary enabling services and assistance for a specified period of time.

"(B) The State may supplement the agreement with oral explanations, on an individual or group basis, either at the time of application or within the following 30 days period, to explain in greater detail the operation of the program, the opportunities that to affords the individuals and families participating in it, and the rights and responsibilities of the State and the individuals participating in the program.

"(2) Employability Plan.--

(A) The State agency shall, with respect to each individual to whom this section applies, conduct the assessment required under section 482(b)(1). On the basis of such assessment, the State agency and the individual shall jointly develop an employability plan for such individual that is reasonable in light of the individual's skills and needs, and the resources and opportunities for

employment within the community where the individual resides. The plan will detail the specific types of education, training, employment paraparatory, or employment activities in which the individual will be expected to engage, and for what periods of time and shall indicate the overall period of time that is expected to be necessary to achieve the individual's employability goals, taking into consideration the maximum remaining period of time for which aid may be paid to such individual under the plan approved under part A. The employability plan shall also describe the child care, and other social services and assistance which the State agency will provide in order to allow the individual to take full advantage of the activities under the JOBS program.

"(B) The State plan under this part must provide for a review mechanism that will be available should the individual and the State agency be unable to agree on the content of the employability plan. The review process shall, at the least, provide or prompt consideration by another employee (or designee) of the State agency with supervisory or greater responsibilities and training in medication or dispute resolution. If agreement still cannot be reached, the State agency shall, in accordance with regulations of the Secretary, afford the individual a more

formal review or hearing, or access to a team mediation process.

"(3) Employability Plan for Individuals in JOBs-Prep.

-The State agency and each individual for whom participation in JOBs-Prep activities has been found appropriate under section 402(a)(29)(D) shall jointly develop an employability plan. The plan shall place primary emphasis on the activities in which the individual is able to engage and the services which the State provide that will best prepare the individual for full participation in JOBs program. Plans under this paragraph are not subject to the procedures of paragraph (2).

"(4) JOB Search.--[To be supplied] 

"(5) Annual Assessment.--At such intervals as the State agency finds appropriate, but not less frequently than annually, the State agency shall conduct a review of the individual's employability plan and the progress that is being made to achieve the employability goals set in the plan. The State agency shall consider, in conducting the assessment, whether an individual participating in JOBs-Prep activities under section 402(a)(29)(D) has become ready to participate in the JOBs program under this part, and whether an individual required to participate under this part should instead be required to participate in JOBs-Prep activities,

and if it is concluded that there should be any such change in status, the employability plan shall be revised accordingly effective with the month following the month in which the revision is made. In the case of individuals participating in the program under this part, the annual assessment shall specifically address both the individuals participation and the State agency's delivery of services as agreed to in the employability plan. If it is found in the course of an annual assessment that there has been a significant failure to provide services to recipient in accordance with the employability plan, the plan (or some other State agency record) should document that finding, and the period during which the failure occurred.

"(6) Revision of Employability Plan.--the employability plan may be revised as necessary, upon the agreement of the individual and the State agency. If there is disagreement about the need for revision, or the aspects in which the plan will be revised or the new content of the plan, the procedures described in paragraph (2)(B) will be applicable.

"(c) Transition to WORK Program.--Not later than 45 days prior to the close of the twenty-fourth month of receipt of aid under part A (or at the option of the State at an earlier date after the twenty-first month of receipt of such aid, the

individual shall be required to engage in job search [together with; instead of?] any other activity that had previously be assigned under program. Engaging in job search for the period of time required by the State under the preceding sentence shall be a prerequisite to [registration in; receipt of a work assignment under?] the WORK program established and operated under part G. For purposes of this subparagraph, ' month of receipt of aid under part A' shall not include any month prior to the first month in which this subparagraph was in effect."

TITLE II - TIME LIMITED ASSISTANCE

SEC. 201. TWENTY-FOUR MONTH LIMIT ON RECEIPT OF AFDC.

Part A of title IV of the Social Security Act is amended by redesignating section 417 as section 419 and adding after and below section 416 the following new section:

"SEC. 417. TWENTY-FOUR MONTH LIMIT ON RECEIPT OF PAYMENTS

"(a) In General.--Notwithstanding any other provision of law, a State plan approved under this part must provide that, except as otherwise provided in this section, aid to families with dependent children will not be payable to an individual and his or her dependent child or children living in the same home with such individual for any month after the twenty-fourth month (whether or not such months are consecutive) for which such individual has, together with his or her dependent child or

children, received aid under the State's plan, or under the plan of any other State, approved under this part.

"(b) Notice to Individuals.--A State plan approved under this part shall provide that notice will be given, at the beginning of each month in which aid is paid under such plan, concerning the number of months of eligibility remaining for each member of the family to whom section 402(a)(29) is applicable.

"(c) Extension of Limit.--

"(1) Extension by Reason of Failure to Provide Services.--The State agency shall extend the twenty-four month limit referred to in subsection (a) in the case of an individual who has been unable to complete the education, training, or other activities intended to prepare such individual for employment by reason of the substantial failure of the State agency to provide or arrange for the provision of child care or any other service agreed upon in the individual's most recent employability plan. A finding of failure to provide services shall be based on the documentation made at the annual assessment (required by section 481(b)(5)), together with any reports or information either the individual or the State agency may have with respect to the period between the assessment and the close of the twenty-fourth month. The time limit shall be extended for so many months as are necessary to allow the

individual to complete the activities agreed upon in the employability plan, but in no event may such extension exceed 24 months.

"(2) Extension to Complete Course of Education.--

"(A) The State agency shall extend the twenty-four month limit referred to in subsection (a)--

"(i) in the case of a individual receiving services under the Individuals with Disabilities Act, for so long as necessary to permit such individual to attain a high school education (or the equivalent) or, if sooner, until such individual reaches age 21; and

"(ii) in the case of in individual in a structured learning program (as defined in paragraph (4)), including a program under the School-to-Work Opportunities Act of 1993, for so long as necessary to permit such individual to complete the program or, if sooner, until such individual reaches' age 22.

"(B) The State agency may extend the twenty-four month limit referred to in subsection (a)--

"(i) for no more than 12 additional months in order to allow an individual to complete high school (or an equivalent program of education), so long as the

individual is making satisfactory progress toward obtaining a high school diploma (or equivalent);

"(ii) for no more than 24 additional months in order to allow an individual to complete a course of post-secondary education or a certificate-granting training program or educational activity, so long as the individual is enrolled in a work-study program, or is employed at least part-time, and is making satisfactory progress toward obtaining a degree or completing a program; or [May the State grant an extension for a program which can't be completed in 24 months?]

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"(iii) for such additional number of months as it finds appropriate in any case, determined on an individual basis, where such extension is necessary to afford an individual with significant learning disabilities or other substantial barriers to employment additional time to obtain the remedial education, job skills training, or other services specified in the employability plan needed to enable the individual to secure employment.

"(3) Extension of Employability Plan.--The State agency shall extend, and if appropriate revise, the employability plan of each individual with respect to whom

an extension is provided under this subsection, and shall continue to furnish, through the months of the extension, the supportive services for which the extended plan provides.

"(4) As used in this subsection, a 'structured learning program' means one that begins at the secondary school level, continues into a post-secondary program, and is designed to lead to a degree or recognized skills certificate.

"(d) Applicability.--In applying subsection (a)--

"(1) the term 'parent' means the natural or adoptive parent of a dependent child who is living in the same home as and claiming aid under the plan together with such child;

"(2) the number of months for which an individual is considered to have previously been paid aid under a State plan approved under this part shall be reduced by one month for every four months throughout which no such aid, and no wages or supplemental benefits under the program under part G are paid (but such number shall never be reduced to less than zero); and

"(3) there shall not included, as a month in which an individual received aid is received under the plan, or wages or benefits paid under such program --

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"(A) any month prior to the month in which such individual attains age eighteen; or

"(B) any month during which section 402(a)(29)(D) was applicable to such individual.

"(e) Exception for transition to unsubsidized employment.--The State may, at its option, provide for continuing the payment of aid to an individual (and his or her dependent children children) under the State plan, even though inconsistent with the general requirement of subsection (a), in any case where such continued payment is necessary to assist the individual who is about to commence a position of employment (other than as a participant in the program under part G) until receipt of the first payment of wages. The State plan shall describe the evidence of employment that the State will require and the maximum period (not to exceed _____) for which payments may be continued under this subsection."

"(f) Limitation on Average Monthly Number of Extensions.-- For the limitation on the average monthly number of extension that may be approved by the State agency under subsection (c)(1)(B) without affecting the rate of Federal financial participation, see section 403 ().".

TITLE III - WORK

[TO BE DRAFTED.]

TITLE IV-CHILD CARE

SEC. 401. GUARANTEE OF CHILD CARE FOR WORK PROGRAM PARTICIPANTS

Section 402(g)(1)(A)(i)(II) of the Social Security Act is amended by striking our "part F" and inserting in lieu thereof "part F or part G".

SEC. 402. CONSOLIDATION OF STATE RESPONSIBILITY FOR CHILD CARE QUALITY AND STANDARDS

(a) Single Responsible Agency.-- Section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) In order to provide the child care which must be guaranteed pursuant to subsection (g) or which may be furnished pursuant to subsection (i), the State agency shall enter into an agreement with the lead agency designated under section 658D of the Child Care and Development Block Grant Act of 1990 (referred to in this subsection as the 'CCDBG Act') under which--

"(A) the State agency will refer to the lead agency each family with respect to whom child care must be guaranteed pursuant to subsection (g) or is to be furnished pursuant to subsection (i) (and identify which subsection is applicable to the family and for what period of time);

"(B) subject to paragraph (2), the State agency will pay (either in advance or as reimbursement) the lead agency for the cost of providing child care for any child with respect to whom care must be guaranteed under subsection (g) or is to be furnished under subsection (i), and the lead agency agrees that care for all such children will only be paid for from such reimbursement;

"(C) that (i) all child care provided by the lead agency under the agreement, whether directly or by contractual or other arrangements, will be subject to the same requirements, standards, and other criteria as are applicable to child care funded under the CCDBG Act, (ii) parents and children to whom such care is provided will be offered all the same protections and procedural safeguards as are applicable to child care furnished under the CCDBG Act, and (iii) no distinction between or identification of children will be made that reflects the source of funding for the child care provided; and

"(D) child care furnished under the agreement will meet all health and safety standards established by the lead agency which standards shall, in addition to any other requirements imposed pursuant to the CCDBG Act, specify that (i) if payment is made under this part for child care provided at a particular location, all children being cared

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for at such location will be required to have received all immunizations, at the appropriate times, as currently recommended by the Advisory Committee on Immunization Practices (an advisory committee established by the Secretary, acting through the director of the Centers for Disease Control and Prevention) as specified on the pediatric vaccines list referred to in section 1928(e), and (ii) child care providers used under the agreement must take steps to assure that toxic substances, weapons, and any other items at the location where the child care is provided that could be harmful to young children, will be secured and unobtainable by the children."

"(2) The State agency may, at its option, authorize the provision of child care (and if it exercises this option, shall so advise the lead agency) to a child whose family has been referred pursuant to paragraph (1)(A) for such periods of time as are necessary to assure continuity of care or the benefits of the child development program, even though, for such periods, the individual whose employment or whose participation in the program under part F or part G is enabled by the child care may not have to be away from the home.

"(3) Limits of Reimbursement.--The State agency shall not pay the lead agency for care provided to a child any amount (A) less than the minimum permitted under subsection (g)(1)(C)(i)(II)

and specified by the State for fiscal year 1994 in its plan approved under this part nor (B) in excess of the amount described in subsection (g)(1)(C) or (i)(3)(B), whichever may be applicable to the child involved, and, with respect to children to whom subsection (i)(3)(B) applies, the State agency shall be obligated to pay the lead agency for child care furnished in a fiscal year only to the extent of appropriations available for such purpose for such fiscal year. Within the range defined by the minimum amount referred to in clause (A) and the maximum amount referred to in clause (B) of the preceding sentence, the State may establish greater minimums for one or more geographic areas in the State that are related to child care cost variations in such areas.

"(4) Single State Agency.-- Nothing in this subsection shall be construed as precluding the designation of the agency established or designated under section 402(a)(3) as the lead agency for purposes of the CCDBG Act. No agreement shall be necessary in the case where the same agency is designated under both the CCDBG Act and this Act, but the agency shall, as lead agency, comply with all the provisions of this subsection."

SEC. 403. FUNDING FOR QUALITY IMPROVEMENT AND LICENSING ACTIVITIES BENEFITTING CHILDREN REFERRED BY AFDC AGENCY.

(a) Licensing and Monitoring Costs.--Section 402(g)(3) of the Act is amended by adding at the end thereof the following new subparagraph:

"(C) In determining the amount expended by a State for child care required to be guaranteed under this subsection, the Secretary shall allow the State to include an amount, determined in accordance with a formula prescribed by the Secretary, to reimburse the State for expenditures in connection with licensing, registration, monitoring or similar activities with respect to child care providers in the State. The formula adopted by the Secretary shall reflect the number of children for whom child care is reimbursed under section 403(a), the number of child care providers in the State furnishing such child care, or both, and any other factors which the Secretary determines it would be equitable to consider."

(b) Supply and Quality Improvement Activities.--Section 402(i) of the Social Security Act is amended by redesignating paragraph (6) as paragraph (7) and inserting after and below paragraph (5) the following:

"(6) Of the amount available to a State for any fiscal year under section 403(n), up to 10 percent of such amount may only be paid by the Secretary with respect to expenditures for those activities to improve the quality of child care in the State described in section 458G of the Child Care and Development Block Grant Act (referred to in this subsection as the 'CCDBG' Act) and to increase the availability of child care appropriate for infants and very young children in low-income communities.

Either the State agency administering the plan approved under this part or the lead agency designated under the CCDBG Act may conduct such activities (in which case the State agency shall pay to the lead agency the lesser of the amount provided by the Secretary for this purpose pursuant to the preceding sentence or the State expenditures for these activities.". [Note that paragraph (6) does not require a State to spend any of its "at risk money for child care; it only permits us to match any such expenditures it might choose to make, up to 10 percent of its allotment.]

(c) Secretarial Activities to Improve Quality.-- Section 403(n) is amended--

(1) in paragraph (2)(B)(v) by inserting before the period at the end "reduced by one-half of one percent of such amount"; and

(2) by redesignating paragraph (3) as paragraph (4) and adding after and below paragraph (2) the following:

"(3) There shall be available to the Secretary for any fiscal year one-half of one percent of the amount specified in paragraph (2)(B) for such year for grants, contracts, or cooperative agreements, as may be most appropriate, to provide technical assistance and training in the fields of child care and child development, and to conduct and evaluate projects

determined by the Secretary to be of national significance in such fields."

SEC. 404. RELATED AMENDMENTS.

(a) Child Care Participants in the JOBS or WORK Program, and Transitional Child Care.-- Section 402(g) of the Social Security Act is amended--

(1) by inserting before the period at the end of paragraph (1)(A)(ii) "or has ceased to be eligible to participate in the [WORK] program established under part G";

(2) by striking out, in paragraph (1)(A)(vii), "a sliding scale formula" and all that follows and inserting in lieu thereof "the sliding fee scale established by the lead agency designated under the Child Care and Development Block Grant Act (referred to as in this section the 'CCDBG lead agency') as required by section 658E(c)(5) of that Act.";

(3) by amending paragraph (1)(B) to read as follows:

"(B) The State agency shall provide the care guaranteed under this subsection by referral of the family involved to the CCDBG lead agency.";

(4) by amending paragraph (3)(B) by adding "and" after clause (i), striking out "applicable standards"

and all that follows in clause (ii) and inserting in lieu thereof "all requirements, standards, and criteria applicable to child care funded under the Child Care Development and Block Grant Act.", and by repealing clause (iii); and

(5) by repealing paragraphs (4) and (5).

(b) At-Risk Child Care.-- Section 402(i) of the Social Security Act is amended--

(1) in paragraph (2) to read as follows:

"(2) Child care that the State agency elects to provide under this section shall be provided by referral of the family involved to the lead agency designated under the CCDBG Act.";

(3) in paragraph (3)(A), by striking out "a sliding scale formula" and all that follows and inserting in lieu thereof "the sliding fee scale referred to in subsection (g)(1)(A)(vii).";

(4) in paragraph (5)(B), by striking out "applicable standards of State and local law;" and inserting in lieu thereof "all requirements, standards, and other criteria applicable to child care funded under the CCDBG Act; and;"

(5) by repealing subparagraphs (C) and (D) of paragraph (5); and

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(6) by amending paragraph (7) (as redesignated) to read as follows:

"(7)(A) In order to facilitate more accurate analysis of the supply and quality of child care and child development resources, the demand for such resources that cannot currently be satisfied, and the effectiveness and relationship of Federal programs providing support for child care and child development activities, the Secretary shall specify by regulation a core set of consistently defined data elements for child care and child development programs which must be used by each State with respect to all reports relating to child care or child development activities supported in whole or in part under this Act or under the CCDBG Act.

"(B) The State agency shall cooperate with the lead agency designated under the CCDBG Act in preparing the report required under section 658K(a) of that Act so that report includes, and, where relevant, identifies the numbers of children served and amounts of funding provided under subsection (g) and under this subsection. If the lead agency fails to prepare and submit to the Secretary the report for any year, the State agency administering the plan approved under this part shall promptly prepare a report detailing the numbers and ages of children served, income

levels of families to whom child care was provided, the types of settings in which care was provided, the methods of payments used, the fees charged, the efforts made to improve the quality of child care, including steps to improve licensing and monitoring, training, and resources for referrals, and such other information as the Secretary may request to determine that the guarantee of child care was appropriately met and the Federal funds were properly expended."

SEC. 405. FUNDING OF CHILD CARE FOR FAMILIES AT RISK OF WELFARE DEPENDENCY

(a) Deletion of Non-Federal Matching Requirement.--Section 403(n)(1)(A) of the Social Security Act is amended by striking out "the Federal medical assistance percentage (as defined in section 1905(b)) of".

(b) Increase in Limitation on Federal Funding.-- Section 403(n)(2)(B) is amended-- [To be Supplied]

SEC. 406. INCOME DISREGARD

[Specifications needed; note that it's possible to raise the income disregard amounts for recipients only and thus avoid bringing new people on by reason of the increase. If the decision is to amend the disregard, will it be for 1991 and order, or just 1972's?]

SEC. 407. NOTICE OF CHILD CARE OPTION.

Section 402(g)(1)(A)(i) of the Social Security Act is amended by striking out the period at the end thereof and adding after and below clause (II) the following: "and the State agency shall advise each such family and individual that they have the option to obtain their own child care and have the State agency apply the earned income disregard described in subsection (a)(8)(A)(iii) or to have the State agency refer them to the lead agency designated under the Child Care and Development Block Grant Act for the provision of the guaranteed child care."

TITLE V - PREVENTION OF DEPENDENCY

SEC. 501. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.

(1) Section 402(a)(43) of the Social Security Act is amended by striking out "at the option of the State,".

(2) Such section is further amended in subparagraph (A)(i) by striking out ", or reside in a foster home" and all that follows down to the semicolon.

(3) Such section is further amended in subparagraph (B) by striking out "subparagraph (A) does not apply", and by striking out the semicolon at the end of each numbered clause in such subparagraph and inserting in lieu thereof a comma, and by adding after and below clause (v) of such subparagraph the following:

"subparagraph (A) shall not be applicable, but the State agency shall assist the individual in locating an appropriate adult-supervised

supportive living arrangement and thereafter require that the individual (and child, if any) reside in such living arrangement as a condition of the continued receipt of aid under the plan or, if the State agency is unable, after making diligent efforts, to locate any such appropriate living arrangement, it shall provide for case management, monitoring, and other social services consistent with the best interests of the individual (and child) while living independently;".

(4) The amendments made by this section shall become effective _____.

SEC. 502. STATE OPTION TO LIMIT BENEFIT INCREASES FOR ADDITIONAL FAMILY MEMBERS.

(1) Section 402(a) of the Social Security Act is amended --

(A) by striking out "and" after paragraph (44);

(B) by striking out the period after paragraph (45) and inserting in lieu thereof ";and"; and

(C) by adding at the end thereof the following new paragraph:

"(46) at the option of the State, provide that --

"(A) subject to subparagraphs (B) (C), and (D), the amount of aid to families with dependent children paid to a

family under the plan will not be increased by reason of the birth of a child to an individual included in such family for purposes of making the determination under paragraph (7) and applying paragraph (8) if --

"(i) in the case where the individual is the relative receiving aid, the child is born more than 9 calendar months after the first month for which the individual received aid under the plan, or

"(ii) in the case where the individual is a dependent child, the individual is the parent of another child who is a member of the same family and whose needs are included for purposes of making such determination;

"(B) services have been provided under paragraph (15) to all appropriate family members;

"(C) there will be disregarded, in making the determination under paragraph (7) and before applying the provisions of paragraph (8), an amount of income, equal to any increase in aid that would have been paid but for subparagraph (A) that is derived from child support collected with respect to the child referred to in paragraph (A), earned income of a member of the family referred to in such subparagraph, or from any other source specified in the



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plan that the Secretary may approve as consistent with the objectives of this paragraph; and

"(D) the provisions of subparagraph (A) will not be applied in such cases as the State agency finds would violate standards of fairness and good conscience.".

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(2) The amendments made by this section shall become effective _____.

COMMENTS

This applies to a father as well as to a mother if the father is the custodial parent. Subparagraph (A)(i) measures the time from "the first month which the individual received" AFDC. Should this be in a period of consecutive months? If the parent has been on AFDC and then goes off for a few months and comes back (indeed if the parent-to-be voluntarily interrupts a period of months), does the 10-month clock start running again; if not, should we restrict it after lengthy period off the program? How long?

No

I don't know what we have in mind regarding the "fairness and good conscience exception". Should we require Secretarial promulgation of Federal standards or approval of State standards?

Finally, where the specifications require the State to assure access to family planning services, I have cross referenced existing section 402(a)(15). Should that be updated, modified? There is currently no AFDC matching for services that can be provided under title XX. Any change required?

SEC. 503. CASE MANAGEMENT FOR CUSTODIAL PARENTS UNDER AGE 20.

Section 402(a)(44) of the Social Security Act is amended--

(1) by striking out ",and" after subparagraph (A) and inserting in lieu thereof a semicolon, and

(2) adding after and below subparagraph (B) the following:

"(C) (i) assign a case manager to each parent who is under age 20, living with his or her dependent child, and receiving aid under this part;

"(ii) provide that the case manager will be responsible for

"(I) assisting such parent in obtaining appropriate services, including parenting education, family planning services, and education and vocational training

"(II) making the determinations required to implement the provision of paragraph (43),

"(III) monitoring such parent's compliance with are program requirements, and, where appropriate, providing incentives and applying sanction, an

"(IV) providing general guidance, encouragement and support to such parent to achieve economic self-sufficiency; and

"(iii) ensure that each case manager assigned to such parents will have any special training necessary (as recommended by appropriate professional organization) to enable them to carry out successfully the responsibilities set out in

clause (ii) and will be assigned a caseload the size of which permits successful case management;".

SEC. 504. IMPROVED ACCESS TO FAMILY PLANNING SERVICES.

(a) Plan Requirement.-- Section 402(a)(15) of the Social Security Act is amended by striking out all after "and otherwise strengthening family life," and inserting in lieu thereof: "(B) for providing all counseling, referral, and follow-up services necessary to assure that a range of family planning services are offered to each such recipient (including a parent under age 20, and the parent of a dependent children with respect to whom paragraph (46)(A) is applicable; "(C) for the provision of initial counseling services within 30 days of initially determining eligibility (in the case of a recipient whose dependent child was born prior to applying for aid under the plan) or, in all other cases, within 30 days of developing the program referred to in subparagraph (A), (D) a description of the steps that have been taken and will continue in order to achieve maximum coordination with providers of family planning services to whom recipients may be referred, and (E) assurance that family planning services will be furnished (through arrangements with a variety of providers) promptly upon request by the recipient, while also assuring the such request and acceptance of services will be voluntary [and shall not be a prerequisite to eligibility

for or the receipt of any other service under the plan (This is current law; do we retain?)]

YES

(b) Federal Matching.--Section 403(a)(3) is amended by striking out "section 402(g) and inserting in lieu thereof "subsection (a)(15) or (g) of section 402".

TITLE VI--CHILD SUPPORT ENFORCEMENT

Eligibility and Other Matters Concerning
Title IV-D Program Clients

(Page numbers in bill indicated in parentheses)

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TITLE VI - CHILD SUPPORT ENFORCEMENT

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Eligibility and Other Matters Concerning

Title IV-D Program Clients

SEC. ____. EXPANDED ELIGIBILITY FOR PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) State Law Requirements.--Section 466(a) is amended by adding at the end the following new paragraph:

"(12) Use of Central Registry.--Procedures under which every child support order established or modified in the State on or after October 1, 199_ shall be recorded in the central State case registry established in accordance with section 454A(d).

(b) State Plan Requirements.--Section 454 is amended--

(1) in paragraph (4), to read as follows:

"(4) provide that such State will undertake--

"(A) to provide appropriate services under this part to--

"(i) each child with respect to whom an assignment is effective under section 402(a)(26), 471(a)(17), or 1912 (except in cases where the State agency determines that it is against the best interests of the child to do so); and

"(ii) each child not described in clause (i) with respect to whom an individual applies for such services, or with respect to whom a support order is recorded in the central State case registry established under section 454A; and

"(B) to enforce the support obligation established with respect to the custodial parent of a child described in subparagraph (A).";

(2) in paragraph (6)--

(A) by striking all that precedes subparagraph (C) and inserting the following:

"(6) provide that--

"(A) services under the State plan shall be made available to non-residents on the same terms as to residents;

"(B) no fees or costs shall be imposed on any absent or custodial parent or other individual--

"(i) for application for child support enforcement services under this part;

"(ii) for inclusion in the central State registry maintained pursuant to section 454A; or

"(iii) for child support collection services provided by the clearinghouse operated pursuant to section 454B;";

(B) in subparagraph (E)--

(i) in clause (ii), by inserting "(other than an individual who (or whose child) is receiving aid under part A or E or assistance under title XIX)" after "from the individual" the first time it appears;

(ii) by redesignating clauses (i) and (ii) as subclauses (I) and (II);

(iii) by striking "(E)" and inserting "(E)(i) subject to clause (ii),"; and

(iv) by inserting at the end the following new clause:

"(ii) the State may exercise the option afforded by subclause (I) or (II) of clause (i) only if the State exercised such option under its plan for fiscal year 1994;"

(C) in each of subparagraphs (C) through (E)--

(i) by indenting such subparagraph two ems from the left margin of such paragraph (6); and

(ii) by striking the final comma and inserting a semicolon.

(b) Conforming Amendments.--

[Revise references to 454(4) and 454(6) throughout statute]

(c) Effective Date.--The amendments made by this section shall become effective October 1, 1995.

SEC. ____ . COOPERATION REQUIREMENT AND GOOD CAUSE EXCEPTION.

(a) Child Support Enforcement Requirements.--Section 454 is amended--

(1) in paragraph (4), as amended by section ____, in the matter preceding subparagraph (A), by inserting ", in accordance with paragraph (25)," after "determines";

(2) by striking "and" at the end of paragraph (23);

(3) by striking the period at the end of paragraph (24) and inserting "; and"; and

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

"(25) provide, effective on and after October 1, 1995, that the State agency administering the plan under this part--

"(A) will make the determination specified under paragraph (4), as to whether an individual is cooperating with efforts to establish paternity and secure support (or has good cause not to cooperate with such efforts) for purposes of the requirements of sections 402(a)(26) and 1912;

"(B) will take the best interests of the child into consideration in making the determination whether such individual has good cause not to cooperate with such efforts;

"(C)(i) will make the initial determination described in subparagraph (A) with respect to an

individual within 10 days after such individual is referred to such State agency by the State agency administering the program under part A or title XIX;

"(ii) will make redeterminations as to cooperation or good cause at appropriate intervals; and

"(iii) will promptly notify the individual, and the State agencies administering such programs, of each such determination and redetermination;

"(D) with respect to any child born on or after the date 10 months after enactment of this provision, shall not determine (or redetermine) the mother of such child to be cooperating with efforts to establish paternity unless she furnishes--

"(i) the name of the putative father (or fathers); and

"(ii) sufficient additional information to enable the State agency, if reasonable efforts were made, to verify the identity of the person named as the putative father (including, as necessary in a particular case, such information as the putative father's present address, telephone number, date of birth, past or present place of employment, school previously or currently attended, and names and addresses of parents, friends, or relatives able to provide

location information, and any additional information that the Secretary may specify).".

(b) AFDC Amendments.--Section 402(a)(26) is amended--

(1) in each of subparagraphs (B) and (C), by inserting "(to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(25))" after "to cooperate with the State";

(2) in subparagraph (B), by striking "to have good cause" and all that follows through "is claimed" and inserting "by such State agency to have good cause for refusing to cooperate";

(3) in subparagraph (C), by striking "has good cause" and all that follows through "individuals involved" and inserting "is determined by such State agency to have good cause for refusing to cooperate"; and

(4) by adding, after and below subparagraph (C), flush with the left paragraph margin, the following:

"and provide that an applicant (other than an individual eligible for emergency assistance as defined in section 406(e)) shall not be entitled to any aid under this part until such applicant (i) has furnished to the agency administering the State plan under part D of title IV the information specified in section 454(25)(D) or (ii) has been determined by such agency to have good cause not to cooperate (except that, if such agency has not, within [30] [NOTE: should be number of days after application that State

IV-A agency can delay before providing AFDC] days after such individual was referred to such agency, provided the notification required by section 454(25)(C)(iii), this provision shall not apply until such notification is received);".

(c) Medicaid Amendments.--(1) Section 1912(a)(1)(B) is amended--

(A) by inserting "(to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(25))" after "to cooperate with the State"; and

(B) by striking all that follows "is found" and inserting "by such State agency to have good cause for refusing to cooperate; and".

(2) Section 1912(a)(1)(C) is amended by striking all that follows "refusing to cooperate" and inserting "as determined, in accordance with standards prescribed by the Secretary which take into consideration the best interests of the individuals involved--

"(i) in any case involving a dependent child, by the State agency administering the program under part D of title IV; and

"(ii) in any other case, by the State agency administering the program under this title;".

(3) Section 1912(a) is further amended--

(A) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(B) by adding, after and below paragraph (2), flush with the left margin, the following:

"and provide that, in any case involving a dependent child, an applicant shall not be entitled to any medical assistance under this part until such applicant (i) has furnished to the agency administering the State plan under part D the information specified in section 454(25)(D) or (ii) has been determined by such agency to have good cause not to cooperate (except that, if such agency has not, within [30] [NOTE: should be number of days after application that State XIX agency can delay before providing Medicaid] days after such individual was referred to such agency, provided the notification required by section 454(25)(C)(iii), this provision shall not apply until such notification is received).".

(d) Effective Date.--The amendments made by this section shall become effective October 1, 1995.

SEC. ____ . DISTRIBUTION OF PAYMENTS.

(a) Distributions through State Child Support Enforcement Agency to Former Assistance Recipients.--Section 454(5) is amended--

(1) in subparagraph (A)--

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

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

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

(b) Distribution to a Family Currently Receiving AFDC.--Section 457 is amended--

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

(2) in subsection (a), as redesignated--

(A) in the matter preceding paragraph (1), to read as follows:

"(a) In the Case of a Family Receiving AFDC.--Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:";

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) Alternative Distribution in Case of Family Receiving AFDC.--In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) the first \$50 of such amounts shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of support assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of support assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family."

(c) Distribution to a Family Not Receiving AFDC.--Section 457(c) is amended to read as follows:

"(c) In Case of Family Not Receiving AFDC.--Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third (subject to subsection (e)), from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth (subject to subsection (e)), from any remainder, amounts equal to arrearages (including interest) of such support obligations assigned to any other State

pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(d) Distribution to a Child Receiving Assistance under Title IV-E.--Subsection (d) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting "in Case of a Child Receiving Assistance under Title IV-E.--Amounts".

(e) Suspension or Cancellation of Debts Upon Marriage of Parents.--Section 457 is further amended by adding at the end the following new subsection:

"(e) Suspension or Cancellation of Debts to State Upon Marriage of Parents.--[NOTE: I've applied this provision also to families receiving AFDC (e.g., where father's earnings don't exceed AFDC eligibility limit. Otherwise, there might be an equal protection problem.] (1) Circumstances Requiring Suspension or Cancellation.--In any case in which a State has been assigned rights to support owed with respect to a child who is receiving or has received assistance under part A and--

"(A) the parent owing such support marries (or remarries) the parent with whom such child is living and to whom such support is owed;

"(B) the State determines (in accordance with procedures and criteria established by the Secretary) that

the marriage is not a sham marriage entered into solely to satisfy this subsection; and

"(C) the combined income of such parents is less than twice the Federal poverty line,

the State shall afford relief to the parent owing such support in accordance with paragraph (2).

"(2) Suspension or Cancellation at State Option.--In the case of a marriage or remarriage described in paragraph (1), the State (at its option) shall either--

"(A) cancel all debts owed to the State pursuant to such assignment, or

"(B) suspend collection of such debts for the duration of such marriage, and cancel such debts if such duration extends beyond the expiration date of the support obligation."

(f) Regulations.--The Secretary shall promulgate regulations under title IV-A of the Social Security Act--

(1) establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than one family; and

(2) establishing standards applicable to States electing the alternative formula under section 457(b) of the Social Security Act for distribution of collections on behalf of families receiving Aid to Families with Dependent Children, designed to minimize irregular monthly payments to such families.

(g) Clerical Amendment.--Section 454 is amended--

(1) in paragraph (11), by striking "(11)" and inserting "(11)(A)"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

SEC. ____ . DUE PROCESS RIGHTS.

Section 454, as amended by section ____, is further amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for procedures to ensure that individuals receiving services under this part, and individuals who are parties to cases subject to enforcement by the State agency-

"(A) receive timely notice of all proceedings in which support obligations might be established or modified;

"(B) receive a copy of any order establishing or modifying a child support obligation within 14 days after issuance of such order; and

"(C) have access to a complaint procedure, meeting standards established by the Secretary, that ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order);".

[NOTE: OCSE indicated these safeguards should only be given the custodial parent, but that limitation would appear inconsistent with minimum due process/equal protection standards, and would be particularly egregious since the State agency will in many cases be the State instrumentality issuing the order.]

SEC. ____ . PRIVACY SAFEGUARDS.

Section 466(a) is amended by adding at the end the following new paragraph:

"() Privacy Safeguards.--Procedures applicable to all proceedings or actions under State law with respect to efforts to establish paternity, or to establish or enforce support, designed to protect the privacy rights of the parties, including--

"(A) safeguards against unauthorized use or disclosure of information relating to such proceedings or actions; and

"(B) prohibitions on the release of information on the whereabouts of one party to another party against whom a protective order with respect to such party has been entered."

SEC. ____ . REQUIREMENT TO FACILITATE ACCESS TO SERVICES.

Section 454(23) is amended--

(1) by striking "the State will regularly" and inserting "the State will--

"(A) regularly";

(2) by incorporating the remainder of the text within subparagraph (A);

(3) by striking "and" at the end; and

(4) by adding after and below subparagraph (A) the following new subparagraph:

"(B) have an plan for outreach to parents designed to disseminate information about and increase access to child support enforcement services, including plans responding to needs--

"(i) of working parents to obtain such services without taking time off work; and

"(ii) of non-English-speaking parents for elimination of language barriers to use of such services; and".

Payment Rates and Conditions;

Performance and Systems Controls

SEC. ____ . INCREASED BASE MATCHING RATE; ENHANCED MATCHING FOR
STATES WITH UNIFIED PROGRAMS.

Section 455(a) is amended--

(1) in paragraph (2), to read as follows:

"(2) The applicable percent for a quarter for purposes
of paragraph (1)(A) is--

"(A) for fiscal year 1996, 69 percent,

"(B) for fiscal year 1997, 72 percent, and

"(C) for fiscal year 1998 and succeeding fiscal

years--

"(i) 75 percent, in the case of a State not
described in clause (ii), and

"(ii) 80 percent, in the case of a State that
has in effect all elements of a unified program
(as described in paragraph (3))."; and

(2) by adding after paragraph (2) the following new
paragraph:

"(3) For purposes of paragraph (2)(C)(ii), a State is
operating a unified program under this part if--

"(A) all State agency responsibilities and
operations under the program are carried out by the
single State agency designated pursuant to section
454(3);

"(B) all policy-making authority under the State plan is exercised by the single State agency (including such authority with respect to issues of financing, personnel, and contracting), and all personnel carrying out such program (including private persons under contract with the State) are employees of or directly responsible to such State agency (with such limited exceptions as the Secretary may permit):

"(C) the non-Federal share of funding for such program required under section 454(2) is appropriated at the State (not the local) level; and

"(D) there are in effect uniform Statewide procedures and forms for case processing and for the handling of complaints."

SEC. ---. MAINTENANCE OF EFFORT AND HOLD HARMLESS.

Section 455 is amended--

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

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

"(c) Maintenance of Effort; Hold Harmless.--Notwithstanding the provisions of subsection (a)--

"(1) the non-Federal share of expenditures for the State program under this part for fiscal year [1995] and each succeeding fiscal year shall not be less than such share of expenditures for fiscal year [1994]; and

"(2) the total Federal payments to a State for each of fiscal years [199_ and 199_] shall not be less than such payments for fiscal year [1994].

SEC. ---. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) Incentive Adjustments to Federal Matching Rate.--Section 458 is amended to read as follows:

"INCENTIVE AND PENALTY ADJUSTMENTS TO MATCHING RATE

"Sec. 458. (a) Incentive Adjustment.--(1) In General.--The Federal matching rate for payments to a State under section 455, for quarters in each fiscal year beginning on or after [October 1, 1997], shall be increased by a factor reflecting the applicable incentive adjustment (if any) determined in accordance with this section, which shall be equal to--

"(A) from 1 to 5 percentage points, in the case of a State determined to have high Statewide paternity establishment percentages; plus

"(B) from 1 to 10 percentage points, in the case of a State determined to have strong overall performance in child support enforcement.

"(2) Determination of Incentive Adjustment.--(A) Reporting by States.--After the end of fiscal year 1995 and each succeeding fiscal year, each State agency shall submit to the Secretary, with respect to such fiscal year, such data and calculations as the Secretary may require with respect to--

"(i) Statewide paternity establishment percentages; and

"(ii) overall State performance in child support enforcement,

using such criteria and procedures, and following such timetable, as the Secretary may by regulation require.

"(B) Secretarial Determination.--The Secretary, using criteria established in regulations, shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data and calculations submitted pursuant to subparagraph (A) (subject to the provisions of subsection (c)).

"(3) Fiscal Year Subject to Adjustment.--The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(b) Meaning of Terms.--For purposes of this section and section 452(g)--

"(1) 'Statewide paternity establishment percentages' include, with respect to a fiscal year--

"(A) the total paternity establishment percentage, calculated as the ratio of--

"(i) the total number of out-of-wedlock children in the State for whom paternity is established during the fiscal year, to

"(ii) the sum of--

"(I) the number of children born to unmarried mothers in the State during the fiscal year plus

"(II) the number of other out-of-wedlock children in the State for whom paternity had

not been established as of the beginning of the fiscal year; and

"(B) the paternity establishment percentage (determined as in subparagraph (A)) for each group of children of the same age in the State, from the group of children below age one to the group of children one year or less below age 18;

"(2) 'overall performance in child support enforcement' means a measure of the effectiveness of the State agency in a fiscal year which takes into account factors including--

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, in accordance with a formula established by the Secretary in regulations; and

"(3) whether a State has high Statewide paternity establishment percentages or a strong overall performance in child support enforcement (for purposes of this section) or a satisfactory overall performance in child support enforcement (for purposes of section 452(g)) shall be determined by the Secretary in accordance with standards and procedures established in regulations.

"(c) Secretary's Consideration of State Data and Calculations.--(i) The Secretary may require a State to make a satisfactory showing as to the accuracy and completeness of the data relied upon and the calculations made, and may, in the case of a State unable to make such a showing (in accordance with criteria established in regulations)--

"(I) deny or reduce an incentive adjustment with respect to the affected portion of the State program;

"(II) adjust the calculations submitted by the State, on the basis of the most reliable data available to the Secretary; and

"(III) draw negative inferences from the incompleteness or inaccuracy of data supplied in determining the amount a penalty adjustment under section 452(g).

"(ii) If the Secretary, at any time before the end of the [_____]th succeeding fiscal year, finds that the State's showing pursuant to clause (i) with respect to a fiscal year should not have been determined to be satisfactory, the Secretary may void such determination, retroactively impose the sanctions specified in clause (i), and recover from the State amounts determined to be overpayments.

(b) Penalty Reduction.--(1)(A) Section 452(g) is amended in paragraph (1), in the matter preceding subparagraph (A)--

(i) by striking "section 403(h)" and inserting "section 455()"; and

(ii) by inserting "its overall performance in child support enforcement is satisfactory, and" after "1994,".

(B) Section 452(g)(2) is amended--

(i) in subparagraph (A), in the matter preceding clause (i)--

(I) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(II) by striking "(or all States, as the case may be)";

(ii) in subparagraph (A)(i), by striking "during the fiscal year";

(iii) in subclause (I) of subparagraph (A)(ii), by striking "as of the end of the fiscal year" and inserting "in the fiscal year or, at the option of the State, as of the end of such year";

(iv) in subclause (II) of subparagraph (A)(ii), by striking "or (E) as of the end of the fiscal year" and inserting "in the fiscal year or, at the option of the State, as of the end of such year";

(v) in subparagraph (A)(iii)--

(I) by striking "during the fiscal year"; and

(II) by striking "and" at the end;

(vi) in subparagraph (B), by striking the period at the end and inserting "; and";

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

"(C) For the meaning of the terms 'overall performance in child support enforcement', and the method of determining whether such performance is satisfactory, see paragraphs (2) and (3) of section 458(b)."; and

(viii) in the matter following subparagraph (C)--

(I) by striking "who were born out of wedlock during the immediately preceding fiscal year" and inserting "born out of wedlock";

(II) by striking "such preceding fiscal year" both places it appears and inserting "the preceding fiscal year"; and

(III) by striking "or (E) the second place it appears.

(C) Section 452(g)(3) is amended--

(i) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(ii) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(iii) in subparagraph (B), as redesignated--

(I) by inserting "and child support enforcement effectiveness factors" after "paternity establishment percentages"; and

(II) by inserting "and securing support" before the period.

(2) Payment Reduction.--Section 403(h) is amended--

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking "part D" and inserting "this part"; and

(B) in subparagraphs (A), (B), and (C) of paragraph (1)--

(i) by inserting "an amount equal to" before "not less than"; and

(ii) by inserting "of the amount payable to the State under part A for such quarter" after "percent".

[NOTE: Is there a final decision on whether penalty comes out of AFDC or IV-D? Do you want the corrective action/penalty assessment timetable under 403(h), or under Hypo (pp. 31-32)?]

[NOTE: This would be dropped if penalty remained on AFDC funding: (3) Relocation of Penalty Authority.--Section 403(h), as amended by paragraph (2), is relocated and redesignated as section 455().]

(c) Conforming Amendments.--Section 454(22) is amended--

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

SEC. ---. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) In General.--(1) Section 454(16) is amended--

(A) by striking "at the option of the State, for the establishment" and inserting "for the establishment and operation by the State agency, on and after October 1, 1995,"; and

(B) by striking "in the State and localities thereof" and all that follows and inserting "meeting the requirements of section 454A;".

(2) Part D of title IV is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"Sec. 454A. (a) In General.--In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single centralized statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and performs such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

[NOTE: Include general reqmt for automated monitoring of program admin, fiscal mgmt, etc.]

"(b) Calculation of Performance Indicators.--In order to enable the Secretary to determine the incentive and penalty adjustments required by section 452(g), the State agency shall--

"(1) use the automated system--

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the paternity establishment percentage and child support enforcement quotient for the State for each fiscal year, as specified in paragraphs (5) and (6) of such section 452(g); and

"(2) have in place systems controls to ensure the completeness, reliability, and security of the data described in paragraph (1)(A) and the accuracy of the calculations described in paragraph (1)(B)."

(b) Additional Provisions.--For additional provisions of section 454A, as added by subsection (a), see sections ___ of this Act. [information security; central case registry; clearinghouse; expedited procedures]

SEC. ---. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) State Agency Activities.--Section 454 is amended--

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

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

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

"(15) provide for a process for annual reviews of the State program under this part, using such standards and procedures as are required by the Secretary, under which the State agency will--

"(A) determine the extent to which the program is in compliance with applicable Federal requirements; and

"(B) report to the Secretary the findings under subparagraph (A) (including the status of complaints filed under the procedure required under paragraph [(12)(C)] [due process--complaint procedure].".

(b) Federal Activities.--Section 452(a)(4) is amended to read as follows:

"(4) (A) review annual reports by State agencies pursuant to section 454(15)(C) on State program compliance with Federal requirements and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance;

"(B) evaluate any elements of a State program in which significant deficiencies are indicated by the State report under section 454(15)(B) on the status of complaints under the State procedure under section 454(12)([C]);

"(C) conduct audits--

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part or implementing regulations concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the automated procedures, used for the calculations of performance indicators specified in section 458;

"(ii) [how often?] of the adequacy of financial management of the State program, including assessments of--

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;"

SEC. ---. INFORMATION SECURITY.

Section 454A, as added by section ____, is amended by adding at the end the following new subsection:

"(c) Information Security.--The State agency shall have in effect safeguards on the integrity of, access to, and use of data in the automated system, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) Policies Restricting Access.--Written policies concerning access to data of State agency personnel, and sharing of data with other persons, which--

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) Systems Controls.--Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) Monitoring of Access.--Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) Training and Information.--The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) Penalties.--The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data."

SEC. TRAINING AND STAFFING.

(a) Training Program.--Section 452(a)(8) is amended by striking "paternity;" and inserting "paternity, through activities including--

"(A) development of a core curriculum to be used by States in the development of State-specific training guides; and

"(B) development of a national training program for directors of State programs under this part;".

(b) Minimum Funding for Certain Activities.--Section 452 is amended by adding at the end the following new subsection:

"(j) Minimum Funding for Certain Activities.--(1) Of the amounts appropriated for each fiscal year to carry out the Secretary's responsibilities under this part, the Secretary shall use an amount [(in addition to any other amounts specifically appropriated)] not less than the amount specified in paragraph (2) to carry out the following activities:

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities;

"(B) research, demonstrations, and special projects of regional or national significance; and

"(C) costs of operation of the Federal Parent Locator Service under section 453 not recovered through user fees.

[Anything else?]

"(2) The amount specified in this paragraph for a fiscal year, for purposes of paragraph (1), is the amount equal to 2 percent of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year.

(c) State Plan Requirement.--Section 454, as amended by section ____, is further amended--

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

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

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

"() provide that the State agency will develop and implement a training program which--

"(A) is consistent with the national training program standards and core curriculum developed by the Secretary pursuant to section 452(a)(8), and uses a State-specific training guide incorporating such core curriculum;

"(B) provides for initial and ongoing training of all staff (including State and local agency staff and contractors) of the program under this part, including annual training for all [clarify the meaning of "line workers"] and special training when significant changes

are made in statutes, regulations, policies, or procedures; and

"(C) provides for the development and conduct of appropriate training programs for other persons with responsibilities relating to the implementation of the State program under this part (including staff administering programs under part A, part E, title XIX, and other related and complementary programs; judges and other staff of judicial and administrative tribunals; law enforcement personnel; staff of social services organizations; and the private bar).

(d) Discretionary 100 Percent Federal Funding for Training Activities.--(1) Section 455(a)(1) is amended--

(A) by striking "and" at the end of subparagraph (B),

(B) by striking the semicolon at the end of subparagraph (C) and inserting ", and", and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) equal to 100 percent (rather than the percentage specified in subparagraph (A)) of training-related expenditures during such quarter designated by the Secretary pursuant to subsection (f);".

(2) Section 455 is further amended by adding at the end the following new subsection:

"(f) 100 Percent Federal Match for Certain Training Expenses.--(1) The Secretary may designate certain [unusual,

special, whatever] expenses of States for training activities described in paragraph (2) as eligible for Federal payment equal to 100 percent of such expenditures, subject to the limitation in paragraph (3).

"(2) [describe here what activities would qualify]

"(3) The total amount of State expenditures designated for payment in accordance with this subsection shall not exceed \$5,000,000 for any fiscal year."

SEC. ____ . DATA COLLECTION AND REPORTS BY THE SECRETARY.

(a) Annual Report to Congress.--(1) Section 452(a)(10)(A) is amended--

(A) by striking "this part;" and inserting "this part, including--"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals [which group is meant here--all non-welfare, or all for whom no assignment in effect?];

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families--

"(I) who became ineligible for aid under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month."

(2) Section 452(a)(10)(C) is amended--

(A) in the matter preceding clause (i)--

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received"; and

(iii) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

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

(D) by striking clause (iv);

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) is amended by striking "on the use of Federal courts and".

(b) Data Collection and Reporting.--Section 469 is amended--

(1) in subsections (a) and (b), to read as follows:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to--

"(1) families (or dependent children) receiving aid under plans approved under part A (or E); and

"(2) families not receiving such aid.

"(b) The data referred to in subsection (a) are--

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

Locate and Case Tracking

SEC. ____ . CENTRAL STATE CASE REGISTRY.

Section 454A, as added and amended by preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(d) Central Case Registry.--(1) In General.--The State agency shall establish and maintain through the automated system, in accordance with the provisions of this subsection, a single central registry containing records with respect to each case being enforced by the State agency (including each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) Payment Records.--Each case record in the central registry shall include a record of amounts collected, of the distribution of such amounts, and of amounts currently owed and overdue.

"(3) Updating and Monitoring.--The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of--

"(A) information on administrative actions and administrative and judicial proceedings relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(4) Data Matches.--The automated system shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary (or, as applicable, by another Federal, State, or multistate authority or agent), and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(A) National Child Support Registry.--Furnish to the National Child Support Registry established under section ____ (and update as necessary, with information including notice of expiration of orders) minimal information (to be specified by the Secretary) on each child support case in the central case registry.

"(B) Federal Parent Locator Service.--Exchange data with the Federal Parent Locator Service for the purposes specified in section 453.

"(C) Intra- and Interstate Data Matches.--Exchange data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part."

[NOTE: Hypothetical (see p. 17) discusses State option for integrated registry using linked local registries. OCSE suggests that the intent is to continue to allow this alternative using the Secretary's waiver authority. No legislative change is required for this result.]

SEC. ____ . CLEARINGHOUSE FOR COLLECTION AND DISTRIBUTION OF
SUPPORT PAYMENTS.

(a) State Plan Requirement.--Section 454, as previously amended by section ____, is further amended--

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

(B) by striking the period at the end of paragraph (2) and inserting "; and"; and

(C) by adding after paragraph (2) the following new paragraph:

"(____) provide that the State agency will operate, on and after [October 1, 1997,] a centralized, automated clearinghouse for the collection and distribution of child support under orders being enforced under this part, in accordance with section 454B."

(b) Establishment of Clearinghouse.--Part D of title IV is amended by adding after section 454A the following new section:

"CLEARINGHOUSE FOR COLLECTION AND DISTRIBUTION OF
SUPPORT PAYMENTS

"Sec. 454B. (a) In General.--In order to meet the requirement of section 454(____), the State agency must operate a single centralized, automated clearinghouse, through the automated data system required under section 454A (and coordinated with the central case registry required under section 454A(b)), in accordance with the provisions of this section.

"(b) Operation at State Level.--The State agency shall not delegate its responsibilities under this section to local

agencies, and shall use State agency staff to monitor the enforcement of child support orders through the clearinghouse (but the State agency may establish or permit the establishment of alternative procedures for collection and distribution, under the supervision of the clearinghouse) so long as the entity is publicly accountable for its actions taken in carrying out such procedures, and so long as such procedures meet the requirements of this section).

"(c) Use in All Cases.--The clearinghouse shall be used for the collection and distribution (including interstate collection and distribution) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(d) Required Procedures.--The clearinghouse shall use automated procedures, to the maximum extent feasible, for the collection, distribution, and monitoring of support payments, including procedures--

"(1) for the prompt generation of orders to employers (and other debtors) for the withholding of wages (and other income), upon receiving notice of the amount of the support obligation and the income source subject to such withholding;

"(2) for receipt of payments from parents, employers, and other States, and for distributions to custodial parents, State agencies, and other States, through all appropriate means, including electronic funds transfer, direct deposit, and credit card payments;

"(3) to ensure accurate identification of payments in cases not subject to wage withholding;

"(4) to ensure prompt distribution of the custodial parent's share of any payment, [including procedures permitting electronic distribution within one working day when both payment and distribution are made electronically] [NOTE: Hypothetical calls for 24 hour turnaround in all cases, which would not be feasible.];

"(5) for ongoing monitoring to promptly identify failures to make timely payment;

"(6) for automatic enforcement mechanisms (including the mechanisms authorized pursuant to section 466(c)(2)) where payments are not timely made; and

"(7) to furnish to either parent, upon request, timely information on the current status of support payments."

(c) Use of Automated System.--Section 454A, as added and amended by preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(e) Clearinghouse for Collection and Distribution of Support Payments.--The automated system under this section shall be used, to the maximum extent feasible, for the collection, distribution, and monitoring of support payments by the clearinghouse established under section 454B."

[NOTE: Find and redesignate subsequent subsections of 454A.]

SEC. ____ . AMENDMENTS CONCERNING [INCOME/WAGE] WITHHOLDING.

[NOTE: Hypo (p. 39, ¶(4)) talks of mandating a uniform definition of income for these purposes. Specifications needed.]

(a) Mandatory [Wage/Income] Withholding--(1) Section 466(a)(1) is amended to read as follows:

"(1) [Wage/Income] Withholding.--(A) Under Orders Enforced Under the State Plan.--Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) In Certain Old Cases.--Procedures under which child support under all orders which were issued (or most recently modified) before October 1, 1995, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing or for application for services under this part."

(2) Section 466(a)(8) is repealed.

(3) Section 466(b) is amended--

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1) and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking all that follows "administered by" and inserting "the State through the clearinghouse established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)--

(i) by inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows and inserting "to the State clearinghouse within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D)--

(i) by striking "employer who discharges" and inserting "employer who--(A) discharges";

(ii) by relocating subparagraph (A), as designated, as an indented subparagraph after and below the introductory matter;

(iii) by striking the period at the end; and

(iv) by adding after and below subparagraph (A) the following new subparagraph:

"(B) fails [to comply with reporting requirements pursuant to section [6__] [See NOTE on p. [43]]], or to withhold support from wages, or to pay such amounts

to the clearinghouse in accordance with this subsection.

(c) Effective Date.--The amendments made by this section shall become effective _____.

SEC. ____ . 90 PERCENT FEDERAL MATCHING FOR START-UP COSTS OF
NEW SYSTEMS.

Section 455(a)(1), as amended by section ____ [training], is further amended--

- (1) by striking "and" at the end of subparagraph (C),
- (2) by striking the semicolon at the end of subparagraph (D) and inserting ", and", and
- (3) by adding after subparagraph (D) the following new subparagraph:

"(E) equal to 90 percent (rather than the percentage specified in subparagraph (A)) of so much of the sums expended, during any quarter in a period beginning October 1, 1994, and ending before October 1, 1999, as are attributable to planning, development, and initial implementation of the central case registry required under section 454A(b) and the clearinghouse required under section 454B;"

[ADD HERE: 90% match (and no penalty) for ADP startup/modification costs caused by provision of OBRA '93 or this bill]

SEC. ____ . LOCATOR INFORMATION FROM INTERSTATE NETWORKS AND LABOR
UNIONS.

(a) State Law Requirement.--Section 466(a) is amended by adding after paragraph (7) the following new paragraph:

"(8) Locator Information.--(A) Interstate Networks.-- Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals for child support enforcement or law enforcement purposes, including any network or system--

"(i) providing locator and other information relating to child support enforcement cases; or

"(ii) providing data relating to the use of motor vehicles; or

"(iii) providing data concerning individuals who are the subject of criminal warrants,

unless all Federal and State agencies administering programs under this part (including the Federal Parent Locator Service and the National Data Clearinghouse) have access to such system or network on the same basis as any other user of such system or network.

"(B) Labor Unions.--Procedures under which labor unions, and their hiring halls, must furnish to the State agency, upon request, with respect to any union member against whom paternity or a support obligation is sought to

be established or enforced, such information as the union or hiring hall may have on such member's residential address and telephone number, employer's name, address, and telephone number, and wages and medical insurance benefits."

(b) [Bar on Federal funding for NCIC--citation/statutory funding source needed.]

SEC. ---. NATIONAL DATA CLEARINGHOUSE.

(a) The Social Security Act is amended by adding after title V the following new title:

"TITLE VI--NATIONAL DATA CLEARINGHOUSE

[NOTE: Or do I just put this in title IV-D?]

"NATIONAL CHILD SUPPORT REGISTRY

"Sec. 6___. (a) Establishment of Registry.--The Secretary shall establish and maintain an automated registry, to be known as the National Child Support Registry, containing minimal information (in accordance with subsection (b)) on each case in each central State registry maintained pursuant to section [454___], as furnished (and regularly updated), pursuant to section 454___, by State agencies administering programs under part D of title IV.

"(b) Case Information.--The case information required to be furnished pursuant to this section, as specified by the Secretary, shall include sufficient information (including names, social security numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have established or modified, or are enforcing or seeking to establish, such an order. [Anything else?]

"NATIONAL EMPLOYMENT REGISTRY.

"Sec. 6 __. (a) Establishment of Registry.--The Secretary shall establish and maintain an automated registry, to be known as the National Employment Registry, containing--

"(1) information supplied by employers on each newly hired individual, in accordance with _____;
and

["(2) anything else?] [NOTE: 12/21/93 discussion draft entitled "Information Infrastructure" says this registry "will maintain employment data for individuals, including new hire information" but gives no further details.]

[NOTE: Location of requirement on employers is dependent on enforcement mechanism. Hypothetical says employers would be subject to fines if they failed to supply this information, but doesn't say whether fines are to be imposed by Federal Government or States. Enforcement by States would at best be indirect (they have to rely on Feds telling them about noncompliance; Feds have to rely on States to enforce requirement of only indirect interest to them) and would require enactment and implementation of State laws. HHS is not in a position to impose fines. GCL therefore recommends that you consider enforcement through the Internal Revenue Code (excise tax on for-profits; loss of non-profit status for others).]

"(b) Information on New Hires.--(1) Information Required.--
Each employer shall furnish to the Secretary, for inclusion in the registry under this section, not later than 10 days after the

date an individual becomes an employee of the employer, a report (in any form specified in subsection (c) or any other form permitted by the Secretary) containing the employees name, date of birth, and social security number, and the employer's identification number.

"(2) Reporting Format.--For purposes of making the reports required under paragraph (1), the Secretary--

"(A) shall permit employers to make such reports by transmitting a copy of the form required for purposes of compliance with section 3402 of the Internal Revenue Code of 1986;

"(B) shall provide for methods of automated or other electronic transmission of such reports;

"[(C) may require automated transmission of such reports by employers with more than [100] employees; and

"(D) shall provide for transmission of such reports, by employers not described in subparagraph (C), by methods (including transmission by regular mail) which minimize the burden on such employers.

"(c) Sanction for Failure to Report.--[See remarks above] An employer who fails to comply with the requirements of subsection (b) shall be subject to [fines] [details needed].]

"(d) Verification of Social Security Numbers.--The Secretary shall match the employee information furnished pursuant to subsection (b) against the enumeration verification system

maintained by the Social Security Administration in order to verify the accuracy of, and as necessary to correct, the social security numbers of employees.

"(e) Disclosure Only to Authorized Persons.--The Secretary shall establish and implement safeguards to ensure that information in the directory under this section is available only to authorized persons (as defined in section 453(c)).

[NOTE: Hypothetical, and "Information Infrastructure" paper, propose creating a "National Locate Registry" which will "enhance and subsume the current Federal Parent Locator Service functions". I have not drafted this item. Problems with it are: (1) The specifications appear to assume that FPLS is a data base; in fact, it is merely a data matching service. (2) It would be possible to create a data base of information from FPLS requests and matches, but wouldn't this largely duplicate data already in the Child Support Registry? (3) OCSE staff tell me they want only minimal changes to FPLS, which they say works fine as it is.]

"DATA MATCHING

"Sec. 6___. (a) Performance of Data Matches.--The Secretary shall match data in each of the registries maintained under this title, for the purposes specified in subsection (b), and in accordance with the provisions of subsection (c), against--

"(1) data in each other registry maintained under this title;

"(2) requests submitted to the Federal Parent Locator Service pursuant to section 453; and

"[(3) other Federal data bases [NOTE: I think you need to be specific; otherwise, privacy law requirements may well make other data bases unavailable.]].

"(b) Purpose of Matches.--The Secretary is authorized to perform matches specified in subsection (a)--

"(1) for any purpose related to establishing paternity and securing support of children in accordance with part D of title IV;

["(2) other purposes: _____].

"(c) Procedure for Matches.--(1) Frequency.--The Secretary may perform each data match required by this section as frequently as the Secretary determines to be effective for the purposes specified in subsection (b), [and shall perform each such data match not less often than [monthly]].

"(2) Data Included in Match.--The material in a data bank to be included in each periodic data match pursuant to this section may include (at the Secretary's discretion) all information in such data bank, or such lesser portion of such data as is likely to produce information useful for the purposes specified in subsection (b).

"(d) Reports to States.--The Secretary shall promptly report information resulting from data matches pursuant to this section to State agencies operating programs under part D of title IV

[and what others?], to the extent such information is relevant to the administration of such programs.

"(e) Retention of Data.--Data in registries maintained pursuant to this title, and data resulting from matches performed pursuant to this section, shall be retained for such period (determined by the Secretary) as appropriate for the purposes of the programs specified in subsection (b).

"INFORMATION SECURITY AND PRIVACY PROTECTION

"Sec. 6___. The Secretary shall establish and implement safeguards to ensure that information in

[(b) Feasibility Study.--The Secretary of Health and Human Services and the Secretary of the Treasury shall jointly undertake a study [and then what--report to Congress? Legislative recommendation?] to determine whether the National Employment Registry established by this section should be [included in] the simplified tax and wage reporting system [maintained by the Secretary of the Treasury pursuant to ???], or in data bases [which??] maintained by the Social Security Administration, or [by whom??] under the [proposed Health Security Act [NOTE: it's inconsistent with standard drafting rules to make a statutory requirement refer to unenacted legislation].] [NOTE: GCL does not understand why this provision should be in the bill. The

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explanation given, that it's needed to support a cross-cutting appropriation, is unpersuasive.]

SEC. ____ . EXPANDED SCOPE OF FEDERAL PARENT LOCATOR SERVICE.

Section 453 is amended--

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing, setting the amount of, or enforcing child support obligations--

"(1) information on, or facilitating the discovery of, the location of any person--

"(A) who is under an obligation to pay child support;

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

"(C) to whom such an obligation is owed, including such individual's social security number (or numbers), most recent residential address, and the name, address, and employer identification number of such individual's employer; and

"(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 person."; and [NOTE: OCSE deleted this from prior draft. Why? This information could be highly significant, for example, for amount of child support award.]

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that

follows through "absent parent" and inserting "information specified in subsection (a)".

SEC. ____ . STUDIES AND DEMONSTRATIONS CONCERNING FEDERAL PARENT
LOCATOR SERVICE.

(a) Studies.--The Secretary of Health and Human Services shall study, and report and make recommendations to the Congress concerning--

(1) whether access to information available through the Federal Parent Locator Service under section 453 of the Social Security Act should be afforded to noncustodial parents and, if so, whether custodial parents at risk of harm by such noncustodial parents could be adequately protected; and

(2) the feasibility and costs of establishing and operating electronic data interchanges between such Service and major consumer credit reporting bureaus.

(b) Demonstrations.--(1) Purpose.--The Secretary shall make grants to States for demonstrations designed to test [the utility of automated data exchanges] with State data bases (such as motor vehicle, vital statistics, and unemployment compensation) that have the potential to improve the States' effectiveness in locating individuals and resources for purposes of establishing paternity and establishing and enforcing support obligations.

[(2) Timetable, grant amounts, other details?

(3) Funding?]

SEC. ____ . USE OF SOCIAL SECURITY NUMBERS.

(a) State Laws Requiring Social Security Numbers on Vital Statistics Records and Child Support Orders.--Section 466(a) is amended by adding [at the end] the following new paragraph:

"() Locator Information Required.--Procedures requiring the recording of social security numbers--

"(A) of both parties on marriage licenses and divorce decrees; and

"(B) of both parents, on birth certificates and child support and paternity orders."

(b) State Agency Access to Verification System.--Section 452 is amended by adding at the end the following new subsection:

"(j) State Agency Access to Verification System.--The Secretary shall afford State agencies administering plans under this part automated access to the enumeration verification system maintained by the Social Security Administration in order to enable such agencies to verify the accuracy of, and as necessary to correct, the social security numbers of parties to cases subject to enforcement under such State plans.

Streamlining and Uniformity of Procedures

SEC. ____ . STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) State Law Requirements.--Section 466 is amended--

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by adding after subsection (b) the following new subsection:

"(c) Expedited Procedures.--(1) Administrative Action by State Agency.--Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining any judicial or administrative order (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for appeal to an administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) Establish or Modify Support Amount.--To establish the amount of support awards, and to modify the amount of such awards (including orders entered by a court), in accordance with the guidelines established under section 467.

"(B) Subpoenas.--To subpoena any financial or other information needed to establish, modify, or enforce an

order, and to sanction failure to respond to any such subpoena.

"(C) Access to Personal and Financial Information.--To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including:

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) law enforcement records (including records of the motor vehicle

department, the crime information system, the bureau of corrections; and

"(ii) Certain records held by private entities, including--

"(I) customer records of public utilities;

and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(D) Income Withholding.--To order income withholding in accordance with section 466(a)(1) and (b).

"(E) Direct Change in Payee.--(In cases where support is subject to an assignment under section 402(a)(26), 471(a)(17), or 1912, or to a requirement to pay through the State clearinghouse under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity (with notice to both obligor and obligee).

"(F) Secure Assets to Satisfy Arrearages.--For the purpose of securing overdue support--

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, [including--

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings]; [NOTE: In response to OCSE's desire to eliminate the unnecessary: bracketed material could go without making a substantive difference.]

"(ii) to attach and seize assets of the obligor held by financial institutions;

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases (as defined by the Secretary), to force sale of property and distribution of proceeds."

"(2) Substantive and Procedural Rules.--The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Default Orders.--Procedures requiring a default order to be entered, upon a showing of service of process and any additional showing required by State law--

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(B) Locator Information; Presumptions Concerning Notice [and Service of Process].--Procedures under which--

"(i) the parties to any paternity or child support proceeding are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including Social Security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties shall be authorized, [upon sufficient showing that diligent effort has been made to ascertain such a party's current location] [NOTE: OCSE proposes deleting this. I discussed this with Jeff Ball; we agreed that without something on

this order the provision seemed inconsistent with minimum due process.], to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(C) Statewide Jurisdiction.--Procedures under which--

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) (In the case of a State in which orders in such cases are issued by local jurisdictions) procedures providing for transfer of such a case between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties."

(b) Automation of State Agency Functions.--Section 454A, as previously added and amended by this Act, is further amended by adding at the end the following new subsection:

"() [TO BE DRAFTED]

SEC. ---. ADOPTION OF UNIFORM STATE LAWS.

(a) Section 466(a) is amended by adding at the end the following new paragraph:

"() Interstate Enforcement.--(A) Adoption of UIFSA.-- Procedures under which the State, not later than [January 1, 1996], adopts and enforces the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August, 1992, in its entirety (but with the modifications and additions specified in this paragraph).

"(B) Expanded Definition of Interstate Case.--The State law adopted pursuant to subparagraph (A) shall consider to be an interstate case subject to such Uniform Act--

"(i) any case involving an order established or modified in another State; and

"(ii) any case in which interstate activity is required to enforce an order.

"(C) Long-Arm Jurisdiction Based on Residence of Child.--The State law adopted pursuant to subparagraph (A) shall presume that, in the case where a child meets the criteria for residence in the State, a tribunal of the State having jurisdiction over such child has jurisdiction over the parent of such child, if parentage has been legally established or acknowledged, or may be presumed under the laws of the State.

"(D) Jurisdiction to Modify Orders.--For purposes of the State law adopted pursuant to subparagraph (A), section 611(a)(1) of such Uniform Act shall be amended to read as follows:

"(1) the following requirements are met:

"(i) the child, the individual obligee, and the obligor--

"(I) do not reside in the issuing State; and

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

"(ii) (in any case where another State is exercising or seeks to exercise jurisdiction over the order) the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(E) Service of Process.--The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon State residents (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding."

(b) Expedited Appeal of Constitutional Challenge.--[Jeff-- can you give me cite to flag-burning case?]

Paternity Establishment

SEC. ____ . STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) State Laws Required.--Section 466(a)(5) is amended--

(1) by striking "(5)" and inserting "(5) Procedures Concerning Paternity Establishment.--";

(2) in subparagraph (A)--

(A) by striking "(A)" and inserting "(A) Establishment Process Available from Conception until Age Eighteen.--";

(B) by indenting clause (ii) an additional two ems from the left margin; and

(C) by adding after and below clause (ii) the following new clause:

"(iii) Procedures which permit the initiation of proceedings to establish paternity before the birth of the child concerned.";

(3) in subparagraph (B)--

(A) by striking "(B)" and inserting "(B) Procedures Concerning Genetic Testing.--(i)";

(B) by inserting after and below clause (i) (as redesignated) the following new clauses:

"(ii) Expedited procedures under which the State has authority to order genetic testing [OCSE would add: [upon the child's birth] and delete: [of the mother and putative father before birth and of the child immediately after birth] [I had understood the concern

was that the putative father may leave the jurisdiction before the child is born].

"(iii) Procedures which require the State agency, in any case in which such agency orders genetic testing--

"(I) to pay costs of such tests, subject to recoupment from the putative father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.

"(iv) Procedures which require that such testing be performed by laboratories meeting such accreditation standards, and using such methods and procedures, as the Secretary may require.";

(4) in subparagraph (C)--

(A) by striking "(C)" and inserting "(C) Voluntary Acknowledgement Procedure.--"; and

(B) in the second sentence, to read as follows:
"Such procedures must include a program under which (i) hospitals and other health care facilities providing inpatient or outpatient maternity and pediatric services are required to inform unwed parents about the benefits of and opportunities for establishing legal paternity for their children, and to make available the

voluntary acknowledgement procedure required under the preceding sentence, and (ii) hospitals providing maternity services are required, upon request by the mother or putative father, to obtain blood or other genetic samples from the putative father and child for genetic testing.";

(5) in subparagraph (D)--

(i) by striking "(D)" and inserting "(D) Legal Effect of Acknowledgement.--; and

(ii) by inserting "(but any such rebuttable presumption must become a conclusive presumption not later than one year after the acknowledgement is signed)" after "conclusive presumption of paternity,";

[NOTE: OCSE would drop the following, noting that States already have this discretion. Paul--did you want to require States to give decisionmakers this discretion?:

"() Procedures under which the tribunal establishing paternity and support has discretion to forgive all or part of amounts owed to the State (but not to the mother) for costs of [pre-natal and post-natal health care services and for genetic testing] and for child support arrears where the father cooperates or acknowledges paternity before or after genetic testing.";

(6) by adding after subparagraph (H) the following new paragraphs:

"(I) No Right to Jury Trial.--Procedures providing that the parties to an action to establish paternity are not entitled to jury trial (except where required by the State constitution).

[NOTE: OCSE has concerns about the following provision:]

"(J) Temporary Support Order Based on Probable Paternity.--Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where--

"(i) genetic testing provides convincing evidence of paternity;

"(ii) the party has acknowledged parentage; or

"(iii) there is other clear and convincing evidence of parentage.]

"(K) Proof of Certain Support and Paternity Establishment Costs.--Procedures under which bills for pre-natal and post-natal health care services and for genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) Voiding of Acknowledgement.--Procedures under which (at State option) a party may [seek to vacate] a

determination of paternity based on an acknowledgement on the basis of new evidence, the existence of fraud, or the best interests of the child.";

"(M) Standing of Putative Fathers.--Procedures guaranteeing to the putative father standing to initiate paternity actions."

(b) Technical Amendment.--Section 468 is amended by striking "a simple civil process for voluntarily acknowledging paternity and ".

SEC. ____ . OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) State Plan Requirement.--Section 454(23), as amended by section ____, is further amended by adding at the end the following new subparagraph:

"(C) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support, which--

"(i) include distribution of written materials at schools, health care facilities (including hospitals and clinics), and other entities/locations;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts (including at least one contact of each parent whose whereabouts are known, except where there is

reason to believe such follow-up efforts would put mother or child at risk), providing--

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) Enhanced Federal Matching.--Section 455(a)(1)(C) is amended--

- (1) by inserting "(i)" before "laboratory costs", and
- (2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgement of paternity".

SEC. ---. PENALTY FOR FAILURE TO ESTABLISH PATERNITY PROMPTLY.

Section 455 is amended--

(1) in subsection (a), as amended by section ____, by striking "(subject to subsection (c))" and inserting "(subject to subsections (c) and (g))"; and

(2) by adding after subsection (f) the following new subsection:

"(g) Penalty for Failure to Establish Paternity Promptly.--
The amounts otherwise payable to a State for a calendar quarter pursuant to subsection (a) shall be reduced by an amount equal to the product of--

"(1) the number of children in the State, born out of wedlock on or after the date 10 months after enactment of this provision, whose [previous draft: mothers; OCSE change: custodial parents] [QUERY: if paternity has not been established, how could the custodial parent be anyone but the mother? Would you rather say "custodial relative"?] have throughout the preceding four calendar quarters been in compliance with the cooperation requirements specified in section 454(__)(D), but for whom paternity has not been established;

(2) an amount equal to that portion of the average monthly assistance payment under the State plan under part A [OCSE deleted the following language, but without it there's no guidance on how to reduce payment to the family. What do you intend?: attributable to a custodial parent]; and

(3) the Federal matching rate applicable to such assistance payment."

SEC. ---. PATERNITY ESTABLISHMENT DEMONSTRATIONS.

(a) The Secretary shall make grants to up to 3 States for demonstrations providing financial incentives for establishment of paternity. [NOTE: Additional specifications needed (see p. 2 of Hypothetical)].

Establishment and Modification of Support Orders

SEC. ____ . NATIONAL COMMISSION ON CHILD SUPPORT GUIDELINES.

(a) Establishment.--There shall be established, in accordance with this section, a commission to be known as the "National Commission on Child Support Guidelines" (in this section referred to as the "Commission").

(b) General Duties.--The Commission shall consider whether a national child support guideline is advisable and, if it so determines, shall develop and propose for congressional consideration such a guideline, reflecting the Commission's study of various guideline models and its conclusions concerning their strengths and deficiencies, and specifically reflecting consideration of the matters enumerated in subsection (c).

(c) Matters for Consideration by the Commission.--In making the recommendations concerning guidelines required pursuant to subsection (b), the Commission shall consider--

(1) matters generally applicable to all support orders, including--

(A) the need for simplicity and ease of application of guidelines;

(B) the feasibility of adopting uniform terms in all child support orders;

(C) how to define income and under what circumstances income should be imputed; and

(D) tax treatment of child support payments;

(2) the appropriate treatment of cases in which either or both parents have financial obligations to more than one family, including the effect (if any) to be given to--

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

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

(3) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(4) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(5) the appropriate duration of support by one or both parents, including--

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

(B) support for disabled adult children;

(6) whether, or to what extent, support levels should be adjusted in cases where custody is shared or where the noncustodial parent has extended visitation rights.

(d) Membership.--

(1) Number; Appointment.--

(A) In General.--The Commission shall be composed of 12 individuals appointed not later than 6 months after enactment of this Act, of which--

(i) [who appoints 6 congressional members?];

and

(ii) six shall be appointed by the Secretary of Health and Human Services.

(B) Qualifications of Members.--Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least one member shall represent advocacy groups for custodial parents, and at least one member shall represent advocacy groups for noncustodial parents.

(2) Terms of Office.--Each member shall be appointed for [the life of the Commission]. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) Commission Powers, Compensation, Access to Information, and Supervision.--[Check this: Bradley, p. 29].

(f) Report.--Not later than 2 years after the appointment of the 12th member, the Commission shall report to the President and the Congress on the results of the studies required under this section.

(g) The Commission shall terminate 6 months after submission of the report required under subsection (f).

SEC. ____ . STATE LAWS CONCERNING MODIFICATION OF CHILD SUPPORT
ORDERS.

Section 466(a)(10) is amended--

(1) by inserting "Procedures for Modification of
Support Orders.--" after "(10)";

(2) in subparagraph (B), by redesignating clauses (i)
and (ii) as subclauses (I) and (II);

(3) by striking subparagraph (A), and all of
subparagraph (B) preceding clause (i) and inserting the
following:

"(A) Timing of Review.--(i) Procedures for the periodic
review, and adjustment (as appropriate, in accordance with
the guidelines established pursuant to section 467), of
child support orders being enforced under this part, through
the State agency (or, at State option, the local agency)
administering the plan under this part, under which (subject
to clauses (ii) and (iii)) the order--

"(I) is to be reviewed not later than 36 months
after the establishment of the order or the most recent
review; and

"(II) (at State option) may not be reviewed during
a minimum period established by the State following the
establishment or most recent review of the order.

"(ii) The requirement of clause (i)(I) shall not
apply--";

(4) by adding after paragraph (A)(ii) the following new clause:

"(iii) The State shall provide for review of a child support order, notwithstanding the requirement of clause (i)(II), whenever, subsequent to the establishment or most recent review--

"(I) either parent's income has changed by more than 20 percent, or

"(II) other substantial changes have occurred in either parent's circumstances.";

(5) by inserting after subparagraph (A) the following new subparagraph:

"(B) Amount of Modification Based on Guidelines.-- Procedures under which support amounts under orders reviewed in accordance with subparagraph (A) must be adjusted in accordance with the guidelines established pursuant to section 467(a), without a requirement for any other change in circumstances (except that the State may refuse to modify an order in any case where the change in the support amount, if so modified, would not exceed a threshold percentage (which may not be greater than 5 percent)).

(6) in subparagraph (C)--

(i) by striking "(C)" and inserting "(C) Due Process Safeguards.--";

(ii) in the matter preceding clause (i), by striking "this part--" and inserting "this part, in accordance with State due process requirements--";

(iii) in clause (i), by striking ", at least 30 days before the commencement of such review"; and

(iv) in clause (iii), by striking "not less than 30 days" and inserting "a reasonable time".

(b) Effective Date.--The amendments made by this section shall become effective _____.

SEC. ____ . DEMONSTRATION ON USE OF TAX RETURN INFORMATION FOR
MODIFICATION OF CHILD SUPPORT ORDERS.

The Secretary of Health and Human Services and the Secretary of the Treasury shall conduct a demonstration to determine how income information included in return information (as defined in section 6103(b) of the Internal Revenue Code of 1986) filed with the Secretary of the Treasury might be used to facilitate the process of determining the amount (if any) by which child support award amounts should be modified in accordance with guidelines established under section 467.

Enforcement of Support Orders

SEC. ---. REVOLVING LOAN FUND FOR PROGRAM IMPROVEMENTS TO
INCREASE COLLECTIONS.

Part D of title IV is amended by inserting after section 455 the following new section:

"REVOLVING FUND FOR PROGRAM IMPROVEMENTS
TO INCREASE COLLECTIONS

"Sec. 455A. (a) Purpose; Authorization of Appropriations.-- There are authorized to be appropriated \$100,000,000, to remain available without fiscal year limitation, for the purpose of establishing a revolving fund for loans by the Secretary to States operating programs under this part, for short-term projects by such States (and political subdivisions of such States) for making operational improvements in such programs with the potential for achieving substantial increases in child support collections.

"(b) Criteria for Loan Awards.--In determining which loan applications to fund under this section, the Secretary shall consider--

"(1) the potential of the proposed project for increasing child support collections, and

"(2) the availability to the State (or political subdivision) of funding for the project from other sources.

"(c) Limits on Amount and Duration of Loans.--

"(1) Amount.--Loans to a State under this section shall not exceed \$5 million per State or \$1 million per project (or \$5 million for a single Statewide project in a large

State). States may supplement loan funds under this section with funds from other sources, and may require contributions from local jurisdictions served by the project.

"(2) Duration.--Loan payments to a State for a project under this section shall be made for a period not longer than 3 years.

"(d) Recoupment.--The Secretary shall recover amounts paid to a State in loans for a project under this section [, plus interest [how calculated?]] over 3 fiscal years, beginning in the first fiscal year after the project ends (or, if earlier, the fourth fiscal year after loan payments for the project began) through--

"(1) an offset of one-half of the increase in incentive payments due to the State under section 458 for each calendar quarter until funds are fully repaid, plus

"(2) an offset from payments due to the State under section 455(a) for each calendar quarter equal to the amount, if any, by which one-twelfth of the total loan (plus interest) exceeds the amount described under paragraph (1)."

SEC. ____ . FEDERAL INCOME TAX REFUND OFFSET.

(a) Changed Order of Refund Distribution under Internal Revenue Code.--(1) Section 6402(a) of the Internal Revenue Code of 1986 is amended--

(A) by striking ", within the applicable period of limitations, may credit" and inserting "shall first offset any past-due support against such overpayment in accordance with subsection (c); may then credit, within the applicable period of limitations,";

(B) by striking "and shall, subject to subsections (c) and (d)" and inserting "; and shall, subject to subsection (d)".

(2) Section 6402(c) of such Code is amended by striking the third sentence.

(3) Section 6402(d) of such Code is amended by striking "collected pursuant to an assignment under section 402(a)(26) of the Social Security Act".

(b) Elimination of Disparities in Treatment of Assigned and Non-Assigned Arrearages.--(1) Section 464(a) is amended--

(A) by striking "(a)" and inserting "(a) Offset Authorized.--";

(B) in paragraph (1)--

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457(b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

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

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)--

"(A) in accordance with section 457(a)(4) or (d)(3), in the case of past-due support assigned to a State pursuant to section 402(a)(26) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(C) in paragraph (3)--

(i) by striking "or (2)" each place it appears;

and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)";

(2) Section 464(b) is amended--

(A) by striking "(b)(1)" and inserting "(b) Regulations.--"; and

(B) by striking paragraph (2).

(3) Section 464(c) is amended--

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) Definition.--As"; and

(B) by striking paragraphs (2) and (3).

(c) Fees Assessed Against Obligor, and Paid Through Reduction of Offset.--(1) Section 464(a)(1) is amended--

(A) in the second sentence, by striking "an amount equal to the past-due support" and inserting "the fee to be charged the obligor pursuant to subsection (b), plus the lesser of (i) the balance of the refund or (ii) the amount of past-due support"; and

(B) in the third sentence, by striking "and shall pay such amount to the State agency" and inserting "and shall pay to the State agency the balance of the amount withheld after retaining the fee imposed under subsection (b),".

(2) Section 464(b) is amended--

(A) in the second sentence, by striking "the fee that a State must pay" and inserting "the fee that will be assessed against the obligor through offset against the refund"; and

(B) in the third sentence, by striking "paid to" and inserting "recovered by".

SEC. ____ . INTERNAL REVENUE SERVICE COLLECTION OF ARREARS.

(a) Amendments to Title IV-D.--Section 452(b) is amended--

(1) in the second sentence, by striking all that follows "order for support" and inserting a period; and

(2) by striking the third sentence.

(b) Amendments to Internal Revenue Code.--Section 6305(a) of the Internal Revenue Code of 1986 is amended--

(1) in paragraph (1), by inserting "except as provided in paragraph (6)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting a comma;

(4) by adding after paragraph (4) the following new paragraphs:

"(5) any fee imposed by the Secretary to cover costs of such assessment and collection--

"(i) shall become a debt owed by such individual to the Secretary, and

"(ii) shall be collected before the amount certified under such section 452(b), and credited to the appropriation accounts which bore all or part of the costs involved in making the collections, and

"(6) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(6) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

SEC. ____ . STREAMLINING OF AUTHORITY TO COLLECT SUPPORT FROM
EMPLOYMENT INCOME PAYABLE BY UNITED STATES.

(a) Consolidation and Streamlining of Authorities.--(1)

Section 459 is amended in the caption--

(A) by inserting "INCOME WITHHOLDING," before
"GARNISHMENT"; and

(B) by striking "CHILD SUPPORT AND ALIMONY" and
inserting "CHILD AND SPOUSAL SUPPORT".

(2) Section 459(a) is amended--

(A) by striking "(a) and inserting "(a) Consent to
Support Enforcement.--";

(B) by striking "section 207" and inserting "section
207 of this Act and section 5301 of title 38 of the United
States Code";

(C) by inserting "and veterans" after "armed services";
and

(D) by striking all that follows "a private person,"
and inserting "to withholding in accordance with State law
pursuant to subsections (a)(1) and (b) of section 466 and
regulations of the Secretary thereunder, and to any other
legal process brought, by a State agency administering a
program under this part or by an individual obligee, to
enforce the legal obligation of such individual to provide
child or spousal support.".

(3) Section 459(b) is amended to read as follows:

"(b) Consent to Requirements Applicable to Private Person.-- Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to any order or proceeding to enforce support obligations against an individual, to the same requirements as would apply if such entity were a private person.";

(4) Section 459(c) is amended--

(A) by striking "(c)" and inserting "(c) Relief from Liability.--(1)";

(B) by striking "responding to interrogatories pursuant to requirements imposed by section 461(b)(3)" and inserting "taking actions necessary to comply with the requirements of subsection (A) with regard to any individual"; and

(C) by striking "any of his duties" and all that follows and inserting "such duties.".

(5) Section 459 is further amended by striking subsections (d) and (e), and redesignating subsection (f) as paragraph (2) of subsection (c).

(6) Subsection (a) of section 461 is relocated and redesignated as subsection (d)(1) of section 459, and is amended--

(A) by striking "(d)" and inserting "(d) Regulations.--";

(B) by redesignating indented paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(C) by striking "section 459" and inserting "this section".

(7) Section 459(d), as relocated, redesignated, and amended, is further amended by adding at the end the following new paragraph:

"(2) Regulations promulgated pursuant to this section shall include a requirement that the head of each agency subject to such regulations shall--

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish (i) in the appendix of such regulations, (ii) in each subsequent republication of such regulations, and (iii) annually in the Federal Register, the designation of such agent or agents, identified by title of position, mailing address, and telephone number."

(8)(A) Section 462 is amended--

(i) by redesignating subsections (a) through (g) as paragraphs (1) through (7), and indenting such paragraphs two ems from the left margin;

(ii) in paragraph (3), as redesignated, by striking "alimony" and inserting "spousal support";

(iii) in paragraph (6), as redesignated--

(I) by inserting "or" after "compensation for death under any Federal program,"; and

(II) by striking "any payment by the Secretary of Veterans Affairs as pension" and all that follows through "compensation),"; and

(iv) by striking "section 459" and inserting "this section".

[QUERY: Are any of these definitions (particularly definitions of child support and spousal support) inconsistent with other uses in title IV-D? Should the terms be defined elsewhere for all purposes for IV-D and cross-referenced here?]

(B) Section 462, as amended by subparagraph (A)--

(i) is relocated and redesignated as subsection (e) of section 459; and

(ii) is amended by striking "(e)" and inserting "(e) Definitions.--".

(c) Conforming Amendments.--

(1) Sections 461, 462, and 465 are repealed.

(2) Section 5520a of title 5 of the United States Code is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

SEC. ____ . LIENS.

(a) State Law Requirement.--Section 466(a)(4) is amended to read as follows:

"(4) Liens.--(A) Centralized Recordation; Priority.-- Procedures under which the State provides for centralized (and if possible automated) imposition and recordation of liens for arrearages of support owed by an individual--

"(i) which encumber all real and titled personal property owned by such individual in the State; and

"(ii) under which the full amount of such arrearages (including arrearages accruing after such recordation) take precedence over any lien recorded later.

"(B) Right to Impose Lien.--Procedures under which the State agency, or any obligee, may impose a lien under the procedure provided in accordance with subparagraph (A) when support arrearages have accrued equal to two months' support (or less, at State option).".

SEC. ____ . VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) is amended by adding at the end the following new paragraph:

"(13) Fraudulent Transfers.--Procedures under which--

"(A) the State has in effect--

"(i) the Uniform Fraudulent Conveyance Act of 1918,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) the State, in the case of any transfer by a child support debtor with respect to which such a prima facie case is established, must--

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor."

SEC. . STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

(a) Section 466(a) is amended by adding at the end the following new paragraph:

"() Authority to Suspend Licenses.--Procedures under which the State has authority (subject to appropriate due process safeguards) to suspend or restrict driver's licenses, and professional and occupational licenses, of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings."

(b) Effective Date.--

SEC. ____ . REPORTING ARREARAGES TO CREDIT BUREAUS.

(a) Amendments.--Section 466(a)(7) is amended to read as follows:

"(7) Reporting Arrearages to Credit Bureaus.--(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent by one month or more in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported--

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency."

SEC. ____ . EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF
ARREARAGES.

(a) Amendments.--Section 466(a)(9) is amended--

(1) by striking "(9) Procedures" and inserting "(9)
Legal Treatment of Arrears.--(A) Finality.--";

(2) by redesignating indented subparagraphs (A), (B),
and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding after and below subparagraph (A), as
redesignated, the following new subparagraph:

"(B) Statute of Limitations.--Procedures under which
the statute of limitations on any arrearages of child
support extends at least until the child owed such support
is 30 years of age."

(b) Effective Date.--

SEC. ---. VISITATION ISSUES BARRED.

(a) Section 466(a) is amended by adding at the end the following new paragraph:

"() Visitation Issue Barred.--Procedures under which failure to pay child support is not a defense to denial of visitation rights, and denial of visitation rights is not a defense to failure to pay child support."

Amendments to Other Laws

SEC. ---. NO INCOME TAX DEDUCTION FOR CHILD OWED PAST-DUE
SUPPORT.

(a) Denial of Deduction.--Section 151(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(6) Exemption denied in case of child owed past-due support. No exemption shall be allowed under this subsection for a taxable year for a child with respect to whom the taxpayer, as of the end of such year, owed support [which was two months or more past due]."

(b) Effective Date.--The amendment made by this section shall be effective with respect to taxable years beginning on and after January 1, 1996.

SEC. ---. ACCESS TO CONSUMER REPORTS UNDER (FAIR CREDIT
REPORTING ACT.

Section 608 of the Fair Credit Reporting Act (15 U.S.C.
1681f) is amended--

(1) by striking ", limited to" and inserting "to a
governmental agency (including the entire consumer report,
in the case of a Federal, State, or local agency
administering a program under part D of title IV of the
Social Security Act, and limited to"; and

(2) by striking "employment, to a governmental agency"
and inserting "employment, in the case of any other
governmental agency)".

SEC. ---. TREATMENT OF SUPPORT OBLIGATIONS UNDER BANKRUPTCY
CODE.

[NOTE: After several discussions with Jeff Ball and with Bob Keith (who spoke with lawyers handling current cases of concern) I did not draft some of the proposals on p. 39 of Hypo, including (2)(a) (current law); (2)(c) (current law, with exception of bizarre case in California, which lawyers for State believe reflects one judge's misunderstanding of California law, and not a problem with the Bankruptcy Code or with title IV-A assignment requirement; they believe they'll win their case and counsel that Federal law is best left alone; (2)(d) (Jeff Ball agreed this involves a tiny amount of money in cases where State hasn't done its job in keeping up collections from employers.)]

(a) No Stay of Proceedings.--11 U.S.C. 362(b)(2) is amended to read as follows:

"(2) under subsection (a) of this section--

"(A) of the commencement or continuation of a judicial or administrative proceeding, or other action under State or territorial law by a governmental unit, against the debtor to establish paternity, to establish or modify an obligation to pay for the support of a spouse, former spouse, or child of the debtor, or to establish a schedule for payment of such support (including any arrearages); or

"(B) of the collection of alimony, maintenance, or support from property that is not property of the estate;".

(b) Streamlined Filing Procedure for Support Creditor.--11 U.S.C. 510 is amended by adding at the end the following new subsection:

"(e)(1) The creditor of a claim that is excepted from discharge under section 523(a)(5) may file such claim by delivering to the clerk of the bankruptcy court in which a petition under this title is pending, in person or by registered mail, the claim form promulgated under paragraph (2). Such a creditor, filing a claim in such a manner, shall not be required to make a personal appearance before the court, to be represented by counsel admitted to practice in the jurisdiction in which such court is located, to comply with any local rules not specified pursuant to paragraph (2), or to pay any filing fees or other charges in connection with the filing of such claim.

"(2) The Attorney General shall promulgate regulations establishing--

"(A) a standardized, simplified form for filing claims described in paragraph (1); and

"(B) procedural rules for the use of such form, which rules shall be designed to minimize the burden on support creditors of filing such claims.".

(c) Treatment as Preferred Unsecured Creditor.--11 U.S.C. 507 is amended--

(1) by redesignating paragraphs (2) through (8) as paragraphs (3) through (9), respectively;

(2) in each paragraph so redesignated, by striking the first word and inserting the corresponding word next in numerical order, beginning with "Third" in paragraph (3) and concluding with "Ninth" in paragraph (9); and

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

"(2) Second, unsecured claims for alimony, maintenance, or support of a spouse, former spouse, or child of the debtor allowed under section [502] of this title, to the full extent of such claims, and in accordance with any payment schedule established as described in section 362(b)(2)."

(d) Payment Schedule in Chapter 13 Plans.--11 U.S.C.

1322(a)(2) is amended by inserting before the semicolon "(except that the plan shall provide, in the case of a debt not subject to discharge under section 523((a)(5), for payment in accordance with any payment schedule included in the order providing for alimony, maintenance, or support)".

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SEC. ---. [PASSPORTS AND VISAS]

Child Support Assurance

SEC. ____ . CHILD SUPPORT ASSURANCE DEMONSTRATIONS.

(a) Demonstrations Authorized.--(1) Initial Projects.--The Secretary shall provide for a program of demonstrations under this section to determine the effectiveness of programs to provide minimum assured levels of child support to custodial parents of children for whom paternity and support obligations have been established.

(b) Duration of Projects.--(1) Initial Projects.--The Secretary shall make grants to States for demonstrations under this section [beginning in fiscal year 199_], for an initial period of from 7 to 10 years.

(2) Extensions and Additional Projects.--On the basis of the review of the interim reports required pursuant to subsection (i)(), the Secretary shall determine whether to extend each project under this section for an additional period, and shall make a recommendation to the Congress whether to authorize additional projects under this section.

(c) Considerations in Selection of Projects.--(1) Preference for Statewidness.--In awarding projects under this section, the Secretary shall give priority to projects to be operated Statewide.

(2) State Administration.--(A) Responsible State Agency.--A State demonstration project under this section shall be administered either by the State agency administering the program

under title IV-D of the Social Security Act or the State department of revenue and taxation.

(B) Automation.--The State agency described in subparagraph (A) shall operate (or have automated access to) the automated data system required under section 454(16) of the Social Security Act, and shall have adequate automated capacity to carry out the project under this section (including the timely distribution of child support assurance benefits).

(d) Eligibility.--Child support assurance payments under projects under this section shall be available only to children for whom paternity and support obligations have been established (except that the State may waive this limitation in cases where a determination has been made that efforts to establish paternity or support would not be in the best interests of the child).

(f) Benefit Amounts.--(1) Range of Benefit Levels.--The Secretary shall approve not less than 2 nor more than 6 demonstration projects under this section in which--

(A) a range of benefit levels shall be represented, including (subject to subparagraphs (A) and (B)--

(i) a project providing annual benefits ranging from \$1,500 for a family with one child to \$3,000 for a family with four or more children; and

(ii) a project providing annual benefits ranging from \$3,000 for a family with one child to \$4,500 for a family with four or more children;

(B) annual benefit levels for each fiscal year after fiscal year 1996 shall be indexed to reflect the change in the Consumer Price Index; and

(C) the Secretary may permit States to pay benefits higher than the maximum specified in subparagraphs (A) and (B), but Federal matching of such payments shall not be available for benefits in excess of the amounts specified in subparagraph (B)(ii) (as adjusted in accordance with subparagraph (B)).

(2) Minimum Benefit.--The Secretary shall approve not less than 2 demonstration projects under this section in which--

(A) a participating State would establish a minimum monthly child support obligation of at least \$50 per child; and

(B) the State would guarantee a monthly child support assurance payment equal to such minimum monthly support obligation to the custodial parent of a child in any case in which--

(i) the child's paternity and the absent parent's support obligation have been established; and

(ii) neither the child nor the custodial parent is receiving aid under title IV-A of the Social Security Act.

(g) Treatment of Benefits.--(1) For Purposes of AFDC.--The amount of aid otherwise payable to a family under title IV-A of the Social Security Act shall be reduced by an amount equal to

the amount of child support assurance paid to such family (or, at the Secretary's discretion, by a percentage of such amount paid specified by the Secretary).

(2) For Purposes of Other Benefit Programs.--(A) In General.--Except as provided in subparagraph (B), child support assurance paid to a family shall be considered ordinary income for purposes of determining eligibility for and benefits under any Federal or State program.

(B) Deemed AFDC Eligibility.--At State option, a child (or family) that is ineligible for aid under title IV-A of the Social Security Act because of payments under a demonstration under this section may be deemed to be receiving such aid for purposes of determining eligibility for other Federal and State programs.

(3) For Tax Purposes.--Child support assurance which is paid to a family under this section and is not reimbursed from a child support collection from a noncustodial parent shall be considered ordinary income for purposes of Federal and State tax liability.

(h) Federal Matching.--The Secretary shall pay to a State, with respect to reasonable and necessary expenditures in a quarter under an approved project under this section--

(1) with respect to that portion of such expenditures equal to the reduction of expenditures under title IV-A of the Social Security Act pursuant to subsection (g)(1), a percentage equal to the percentage that would have been paid if such expenditures had been made under such title IV-A; and

(2) 90 percent of the remainder of such expenditures.

(i) Distribution of Child Support Collections.--

Notwithstanding section 457 of the Social Security Act, support payments collected from the noncustodial parent of a child receiving (or who has received) child support assurance payments under this section shall be distributed as follows:

(1) first, amounts equal to the total support owed for such month shall be paid to the family;

(2) second, from any remainder, amounts owed to the State on account of child support assurance payments to the family shall be paid to the State (with appropriate reimbursement to the Federal Government of its share of such payments);

(3) third, from any remainder, arrearages of support owed to the family shall be paid to the family; and

(4) fourth, from any remainder, amounts owed to the State on account of current or past payments of aid under title IV-A of the Social Security Act shall be paid to the State (with appropriate reimbursement to the Federal Government of its share of such payments).

(j) Evaluations and Reports.--Each State administering a demonstration project under this section shall--

(1) provide for ongoing and retrospective evaluation of the project, meeting such conditions and standards as the Secretary may require; and

(2) submit to the Secretary such reports (at such times, in such format, and containing such information) as the Secretary may require, including at least an interim report not later than [90 days] after the end of the fourth year of the project, and a final report not later than one year after the completion of the project, which shall include information on and analysis of the effect of the project with respect to--

(A) the economic circumstances of both noncustodial and custodial parents;

(B) the rate of compliance by noncustodial parents with support orders;

(C) work-force participation by both custodial and noncustodial parents;

(D) need for or amount of aid to families with dependent children under title IV-A of the Social Security Act;

(E) paternity establishment rates; and

(F) any other matters the Secretary may specify.

(k) Reports to Congress.--The Secretary shall, on the basis of reports received from States administering projects under this section, make the following reports, containing an assessment of the effectiveness of the projects and any recommendations the Secretary considers appropriate:

(1) an interim report, not later than [six months] following receipt of the interim State reports required by subsection (c); and

(2) a final report, not later than [six months] following receipt of the final State reports required under subsection (i).

(1) Authorization of Appropriations.--There are authorized to be appropriated \$ _____ for each of fiscal years [1996 through 2002] to carry out demonstrations under this section.

Commission on Child and Family Welfare

SEC. ---. EXTENSION OF COMMISSION.

Section 5 of the Child Support Recovery Act of 1992 (P.L. 102-521) is amended--

(1) in subsection (a)(3), by striking "1993" and inserting "1994"; and

(2) in subsection (s), by inserting ", and \$1,000,000 for fiscal year 1995,".

Effect of Enactment

SEC. ____ . SEVERABILITY. .

(a) In General.--If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this Act shall be severable.

(b) Expedited Appeal.--

SEC. ---. EFFECTIVE DATES.