
**CONFERENCE COMPARISON OF
H.R. 4
COMPREHENSIVE WELFARE REFORM**

PART 1

Title I - Block Grants for Temporary Assistance for Needy Families

Title II - Supplemental Security Income

Title III - Child Support Enforcement

Title IV - Noncitizens

Title V - Reduction in Federal Government Positions

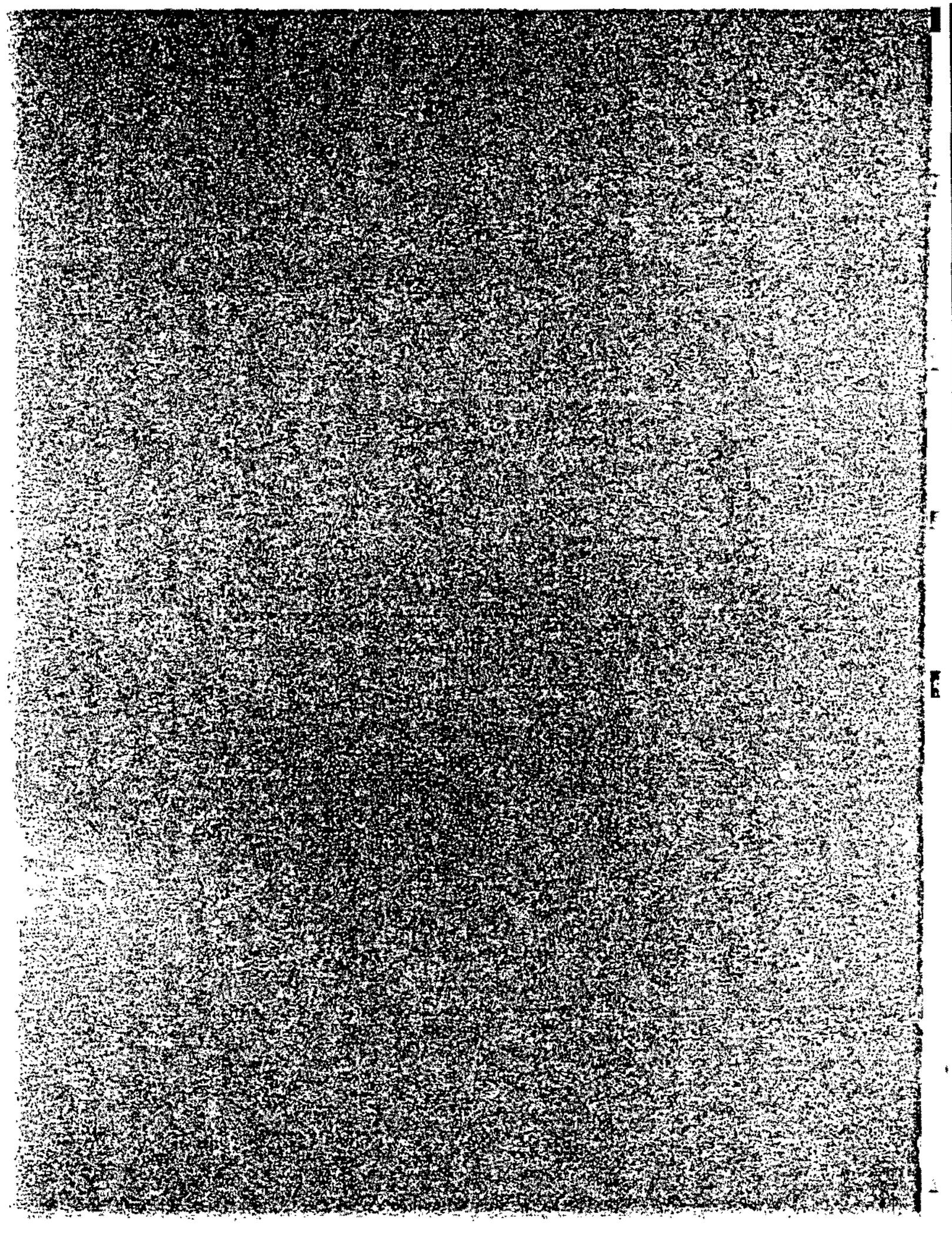
Title VI - Housing

Title VII - Protection of Battered Individuals

Title XII - Miscellaneous Provisions

October 1995

Prepared for use of the conferees



**Organization of Conference Comparison Document by Title
as Compared with Titles of House Bill and Senate Amendment**

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Title I - Block Grants for Temporary Assistance for Needy Families

Present Law

House Bill

1. OBJECTIVES

To provide for the general welfare by...enabling the several states to make more adequate provision for...dependent children... (Social Security Act, 1935)

To restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

2. SHORT TITLE

Personal Responsibility Act of 1995

3. SENSE OF THE CONGRESS ON FAMILIES (Sec. 100 of House bill, Sec. 101 of Senate amendment)

No provision.

It is the sense of the Congress that marriage is the foundation of a successful society, and an essential social institution which promotes the interests of children and society at large. The negative consequences of an out-of-wedlock birth on the child, the mother, and society are well documented. Yet the nation suffers unprecedented and growing levels of illegitimacy. In light of this crisis, the reduction of out-of-wedlock births is an important government interest and the policy contained in provisions of this title address the crisis. (p. 6)

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To enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.

Work Opportunity Act of 1995

Congress finds that marriage is the foundation of a successful society and an essential institution that promotes the interests of children. Promotion of responsible fatherhood and motherhood is integral to successful child-rearing and well-being of children. It is the sense of Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important government interests and that the policy contained in provisions of this title is intended to address the crisis. (p. 59)

4. GRANTS TO STATES FOR NEEDY FAMILIES (Sec. 101 of House bill, Sec. 101, 102, 103, and 109 of Senate amendment)

A. Purpose

Title IV-A, which provides grants to States for aid and services to needy families with children (AFDC), is designed to encourage care of dependent children in their own homes by enabling States to provide cash aid and services, maintain and strengthen family life, and help parents attain maximum self-support consistent with maintaining parental care and protection.

Block grants for temporary assistance for needy families (Title IV-A) are established to increase the flexibility of States in operating a program designed to:

- (1) provide assistance to needy families so that children may be cared for in their homes or in the homes of relatives; (2) end the dependence of needy parents on government benefits by promoting work and marriage; and (3) discourage out-of-wedlock births. (p. 10)

B. Eligible States; State Plan

A State must have an approved State plan for aid and services to needy families containing 43 provisions, ranging from single-agency administration to overpayment recovery rules. State plans explain the aid and services that are offered by the State. Aid is defined as money payments. For most parents without a child under age 3, States must provide education, work, or training under the JOBS program to help needy families with children avoid long-term welfare dependence. To receive Federal funds, States must share in program costs. The Federal share of costs (matching rate) varies among States and is inversely related to the square of State per capita income. For AFDC benefits and child care, the Medicaid matching rate is used. This rate now ranges from 50 percent to 79 percent

An "eligible State" is a State that, during the 3-year period immediately preceding the fiscal year, had submitted a plan to the Secretary of HHS for approval. (p. 10) The plan must include:

- (1) A written document describing how the State will:
 - a. conduct a program that provides cash benefits to needy families with children, and provides parents with help in preparing for and obtaining employment and becoming self-sufficient;
 - b. No provision.

Block grants for temporary assistance for needy families (Title IV-A) are established to increase the flexibility of States in operating a program designed to:

- (1) provide assistance to needy families with minor children; (2) provide job preparation and opportunities for these families; and (3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual goals for preventing and reducing these pregnancies for fiscal years 1996 through 2000. (p. 9)

An "eligible State" is a State that submits to the Secretary: an outline of its program; a 3-year strategic plan; various certifications on programs offered by the State; and an estimate of State and local expenditures. (p. 10) The detailed requirements of State plan submissions to the Secretary are:

- (1A) A written document outlining how the State intends to:
 - a. provide aid to needy families with at least one minor child (or any expectant family); and provide a parent or (other) caretaker in these families with work activities and support services to enable them to leave the program and become self-sufficient;
 - b. conduct a program designed to serve all

Present Law

House Bill

among States and averages about 55%. For JOBS activities, the rate averages 60%; for administrative costs, 50%. In FY 1995, 20 percent of employable (nonexempt) adult recipients must participate in education, work, or training under JOBS, and at least one parent in 50 percent of unemployed-parent families must participate at least 16 hours weekly in an unpaid work experience or other work program. States must restrict disclosure of information to purposes directly connected to administration of the program and to any connected investigation, prosecution, legal proceeding or audit. Each State must offer family planning services to all "appropriate" cases, including minors considered sexually active. States may not require acceptance of these services. States must have in effect an approved child support program. States must also have an approved plan for foster care and adoption assistance. States must have an income and verification system (covering AFDC, Medicaid, unemployment compensation, food stamps, and -- in outlying areas -- adult cash aid) in accordance with Sec. 1137 of the Social Security Act.

c. require at least one parent in a family that has received benefits for 24 months to engage in work activities defined by the State;

d. ensure that parents engage in work activities in accord with section 404;

e. treat interstate immigrants, if their benefits differ from State residents;

f. take such reasonable steps as State deems necessary to restrict use and disclosure of information about recipients;

g. take actions to reduce out-of-wedlock pregnancies, including helping unmarried mothers and fathers avoid subsequent pregnancies and provide care for their children;

h. reduce teen pregnancy, including through the provision of education and counseling to male and female teens;

i. no provision.

No provision.

political subdivisions;

c. require a parent or caretaker to engage in work, as defined by the State, after 24 months of benefits, or, if earlier, when the State finds the person ready for work (see i. below for community service rule after 3 months of benefits);

d. satisfy the minimum participation rate specified in section 404;

e. treat families with minor children moving into the State; and noncitizens of the U.S.;

f. safeguard and restrict use and disclosure of information about recipients;

g-h. establish goals and take action to prevent and reduce out-of-wedlock pregnancies, with emphasis on teenage pregnancies (Senate amendment combines "g" and "h" into one provision; see also Title XII: Miscellaneous, no. 8); and

i. unless the State opts out by notice to the Secretary, require participation in community service (with hours and tasks set by the State), after 3 months of benefits, by a parent or caretaker not exempt from work requirements (effective 2 years after enactment); and

(1B) A strategic plan that shall include: (p. 12)

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(2) Certification by the Governor that the State will operate a child support enforcement program. (p. 12)

(3) Certification by the Governor that the State will operate a child protection program, including a foster care and adoption program. (p. 12)

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- a. a description of the goals of the 3-year strategic plan, including outcome-related goals of, and benchmarks for, program activities;
- b. a description of how the above goals and benchmarks will be achieved, or progress made toward them, in the current year;
- c. a description of performance indicators to be used in measuring/assessing output service levels and outcomes of activities;
- d. information on external factors that could significantly affect attainment of goals and benchmarks;
- e. information on a mechanism for conducting program evaluation, for use in comparing results with goals and benchmarks;
- f. information on how minimum participation rates specified in section 404 will be satisfied (repeats provision in required plan outline at B(1)(d)); and
- g. an estimate of the total amount of State and local expenditures under the program for the current fiscal year.

(2) Similar provision. (p. 14)

(3) Similar provision but Senate amendment requires separate certifications for child protection program under part B and a foster care and adoption program under part E. (The House bill repeals part E) (p. 14 and 15)

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(4) No provision.

(5) No provision.

(6) No provision.

(7) No provision.

(8) No provision.

(9) No provision.

(10) The Secretary shall determine whether the State plan contains the material required. (p. 12)

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(4) Certification by the Chief Executive Officer that State will participate during the fiscal year in the income and eligibility verification system (IEVS) required by Section 1137 of Social Security Act. (p. 15)

(5) Certification by the Chief Executive Officer specifying which State agency or agencies will administer and supervise the program and ensuring that local governments and private sector organizations have been consulted about the plan and design of welfare services in the State. (p. 15)

(6) Certification by the Chief Executive Officer that the State shall provide the Secretary with required reports. (p. 16)

(7) Estimate of the total amount of State and local expenditures under the State program for the fiscal year. (p. 16)

(8) In addition to the outline and strategic plan requirements above, the Chief Executive Officer must certify that the State will provide Indians in each tribe that does not have a tribal family assistance plan with equitable access to assistance under the State block grant program. (p. 16)

(9) The State shall make available to the public a summary of the State plan and shall provide a copy to the "approved entity" conducting the audit of State expenditures from the block grant. (p. 17)

(10) No provision.

C. Payments To States**(1) Entitlements****a. Grants for Family Assistance****State entitlement:**

AFDC entitles States to Federal matching funds. Current law provides permanent authority for appropriations without limit for grants to States for AFDC benefits, administration, and AFDC-related child care.

Each eligible State is entitled to receive a grant from the Secretary for each of 5 fiscal years (1996 - 2000) in the amount equal to the State family assistance grant for the fiscal year. (p. 13)

Individual entitlement:

Over the years, because of court rulings, AFDC has evolved into an entitlement for individuals to receive cash benefits. In general, States must give AFDC to all persons whose income and resources are below State-set limits if they are in a class or category eligible under Federal rules.

No individual entitlement (implicit in bill).

b. Grants Increased to Reward States that Reduce of Out-of-Wedlock Births (Illegitimacy Ratio)

No provision.

For each fiscal year beginning with 1998, a State's grant amount is increased by 5 percent if the State illegitimacy ratio is 1 percentage point lower in that year than its 1995 illegitimacy ratio; the State grant is increased 10 percent if the illegitimacy ratio is 2 or more percentage points lower than its 1995 illegitimacy ratio. (p. 13)

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The Secretary is required to pay each eligible State for each of 5 fiscal years (1996 - 2000) a grant equal to the State family assistance grant for the fiscal year. (p. 19)

Amendment states that no person is entitled to any assistance under Title IV-A. (p. 9)

For fiscal years 1998, 1999 and 2000, a State's grant amount is increased if the State illegitimacy ratio is at least 1 percentage point lower than its 1995 illegitimacy ratio and the State rate of "induced pregnancy terminations" is no higher than in 1995. The bonus equals \$25 times the number of children in the State in families with income below the poverty line, according to the most recently available Census data. The bonus is \$50 per poor child if the illegitimacy ratio is at least 2

Present Law

House Bill

c. Adjustment for Population Growth

No provision. Instead, current law provides unlimited matching funds. When AFDC enrollment climbs, Federal funding automatically rises.

In 1997, 1998, 1999, and 2000, a State's grant amount is increased by the State's percentage share of national population growth among growing States multiplied by \$100 million. States that have negative population growth are omitted from the calculation. (p. 14)

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percentage points lower and the abortion rate no higher than in 1995. The bonus shall not be paid if the Secretary finds that the illegitimacy ratio declined, or the abortion rate held steady, because of a change in State reporting methods. The amendment authorizes to be appropriated, and appropriates, sums necessary for these grants. (p. 72)

For each of fiscal years 1997, 1998, 1999, and 2000, qualifying States shall receive a supplemental grant amount equal to 2.5 percent of the block grant received in the preceding fiscal year. For this purpose, a qualifying State is one with an average level of State welfare spending per poor person in the preceding fiscal year below the national average and with an estimated rate of State population growth above the average growth rate for all States for the most recent fiscal year for which information is available. Additionally, States whose population rose more than 10% from April 1, 1990, to July 1, 1994, are deemed eligible, as are States with a FY 1996 level of State welfare spending per poor person that is less than 35 percent of the national average level. State welfare spending per poor person is defined as the State cash block grant divided by the number of persons in the State who had an income below the poverty line, according to the 1990 decennial census. For these grants, a total of \$878 million is authorized to be appropriated, and is appropriated to be spent in 1997, 1998, 1999, and 2000. (p. 23)

Present Law**House Bill**

d. Adjustment for Emergency Assistance (EA) Plan Amendments.
No provision. Current law provides unlimited matching funds for EA expenditures.

No provision.

e. Job Placement Performance Bonus
No provision.

No provision.

The Senate amendment makes available up to a total of \$800 million for grants for years FY 1996 through FY 2000 equal to increased EA expenditures in fiscal year 1995 attributable to State EA plan amendments made during fiscal year 1994. If this amount is insufficient, State EA adjustment grants are to be reduced proportionately. (p. 22)

For each of 2 years (FY 1998 and 1999) the Secretary shall pay a job placement performance bonus to eligible States. This bonus fund shall equal 3% of the national cash block grant for FY1998 and 4% for FY1999. The DHHS Secretary shall develop a formula for allocating funds to States on the basis of the number of families who, during the previous year, lost eligibility for continued aid from the cash block grant program because of obtaining unsubsidized employment. The formula must provide a larger bonus for families who remain employed for longer periods or who are at greater risk of long-term welfare enrollment and take into account each State or geographic area's unemployment condition. (p. 35)

Present Law

House Bill

f. Performance Bonus
No provision.

No provision.

g. High Performance Bonus
No provision.

No provision.

For FY 2000, the Secretary shall pay a performance bonus to each qualified State. To qualify for a performance bonus, a State must exceed overall average performance of all States in a measurement category (in the time period starting 6 months after enactment and ending on September 30, 1999) or improve its own performance in a category by at least 15% over that of FY1994. The 5 measurement categories are: reduction in average length of time families receive cash aid, increase in the percentage of recipient families that receive child support payments, increase in the number of families who lose eligibility for continued cash aid as a result of unsubsidized work, increase in earnings of recipient families, and reduction in percentage of families that become re-eligible for cash aid within 18 months after leaving the program. The bonus fund shall equal 5% of the national cash block grant (p. 109) and is to be deducted from that grant (by reducing each State's FY2000 grant by 5%). (p. 20)

For FY 2000, in addition, "high performance" States shall be entitled to a share of a high performance bonus fund. Appropriated for the high performance bonus fund is an amount equal to penalties imposed on States (and "collected" by reductions in State grants) for FYs 1996-1999. (p. 111) High performance bonuses will be awarded for each of the 5 measurement categories to the 5 States with the highest percentage of improvement over their FY94 baseline in the category and to the 5 States with the highest overall average performance in the category. (p. 111)

Present Law

House Bill

h. Treatment of Outlying Areas:

(1) **Cash benefits**--The law imposes an aggregate ceiling on matching funds for AFDC, adult cash welfare (aged, blind, disabled), and foster care and adoption assistance in Guam, Puerto Rico, the Virgin Islands, and American Samoa (AFDC, foster care, and adoption assistance only). (sec. 1108(a) and (d) of the Social Security Act) The Federal matching rate is 75%, except for adoption assistance and foster care maintenance payments, whose matching rate is 50%. (Note: American Samoa has not implemented AFDC).

(2) **Medicaid and family planning**--Separate funding ceilings apply to matching funds for AFDC family planning services (75% Federal) and for Medicaid (50% Federal) in each territory (sec. 1108(b) and (c) of the Social Security Act).

(3) **JOBS**--The outlying areas listed above are entitled to JOBS matching funds (75% Federal), allocated on the same basis as States (by share of AFDC adult recipients). (Sec. 403(1)(1)(A) of the Social Security Act.)

The House bill entitles territories to a cash block grant for temporary assistance to needy families (on same basis as States). (p. 17) It repeals AFDC and foster care/adoption assistance (and, accordingly, territorial ceilings for them and for AFDC family planning). (sec. 104(e)(1) of H.R. 4) It establishes new separate territorial ceilings for adult cash welfare (sec. 604 of H.R. 4).

The bill retains territorial ceilings for Medicaid, but repeals ceilings for AFDC family planning (along with AFDC itself).

As noted, the bill repeals JOBS. The basic cash block grant for outlying areas includes base-year level JOBS funds.

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Retains but increases aggregate ceilings in each of the territories for cash aid to needy families, cash aid to needy aged, blind or disabled adults, and foster care/adoption assistance. Ends requirement that territories share cost of cash aid for needy families. Ceilings for Puerto Rico, Guam, and the Virgin Islands would rise by \$19.521 million (representing a 12.5 percent increase in the old ceilings, plus \$8.446 million, their FY1994 JOBS funds). (p. 144)

Retains territorial ceilings for Medicaid, but repeals ceilings for AFDC family planning (along with AFDC itself).

The Senate amendment repeals JOBS, but increases ceilings for the outlying areas to include their base-year level JOBS funds. (p. 144)

i. Treatment of Indian Tribes and Alaska Native Organizations

(1) Cash benefits--Indian tribes and Alaska native organizations receive no special treatment regarding AFDC, and tribes and native organizations do not administer AFDC funds. Indian and Alaska families with children receive AFDC benefits on the same terms as other families in their States or from State or local AFDC agencies.

(2) JOBS--More than 80 tribes and native organizations in 24 States are JOBS grantees, having applied to conduct JOBS within 6 months of enactment of the law establishing it. Their allocation of JOBS funds is based on the percentage of AFDC adult recipients within the State who are in the tribal service area. Their JOBS allocation is subtracted from that of their State. JOBS funds granted to Indians and Alaska natives are 100% Federal, requiring no matching. Further, their JOBS programs need not meet participation rules of the regular JOBS program. In FY 1995 the estimated allocation of JOBS funds for these groups totaled \$8.9 million.

Indian tribes and Alaska native organizations receive no special treatment regarding the cash block grant that will replace AFDC. Tribes and native organizations would not administer the new grants.

The bill repeals JOBS (sec. 104(c)), and the basic cash block grant includes base-year level JOBS funds of each State (those funds include ones earmarked previously for administration by Indian tribes and Alaska native organizations). Tribes and native organizations would not administer the new grants.

The Senate amendment allows block grant funds to be directly administered by Indian tribes and Alaska native organizations. The amount is the total of federal AFDC payments to the State for FY 1994 attributable to Indian families. (p. 18)
Note: Rules for Indian tribal family assistance programs are found at pages 101-107.

The Senate amendment requires the DHHS Secretary to continue to pay Indian tribes and Alaska native organizations that have been JOBS grantees an annual grant equal to the amount they received in FY95 for JOBS for each of fiscal years 1996, 1997, 1998, 1999 and 2000. For this purpose it appropriates \$7,638,474 for each year. These funds are separate from, and in addition to, the national cash block grant. (p. 34)

Present Law

House Bill

(2) Definitions**a. State Family Assistance Grant**

No provision.

The State share of the block grant is determined by the greater of (1) the average of Federal obligations to the State for selected programs (AFDC benefits and administration, Emergency Assistance, and JOBS) authorized by Title IV-A for FY 1992-1994; or (2) the amount of Federal obligations for FY 1994, multiplied by the total amount of State outlays for these programs for FY 1994, divided by the amount of Federal obligations for FY 1994. The selected programs are all those authorized under Title IV-A of current law except the day care programs (the at-risk program, AFDC/JOBS day care, and transitional day care).

(p. 14) If the sum of all the State shares, as calculated here, exceeds (or falls short of) the national block grant amount below ((2)(b)), each State's share will be reduced (or increased) proportionately. (p. 15)

b. National Block Grant Amount

No provision.

In each fiscal year between 1996 and 2000, the sum of all block grants to eligible States will be equal to \$15,390,296,000. (p. 16)

c. Illegitimacy Ratio

No provision.

The State's illegitimacy ratio for a fiscal year is the sum of the number of out-of-wedlock births that occurred in the State during the most recent

The State share of the block grant for each year equals the total Federal payments to the State under Title IV-A in Fiscal Year 1994 (for AFDC benefits and administration, Emergency Assistance, JOBS, and three child care programs - AFDC/JOBS child care, "transitional" child care, and "at-risk child care"); reduced by any amount set aside for tribal family assistance programs in the State and (FY2000 only) by 5% (for the performance bonus fund) and increased by the amount, if any, of increased FY95 Emergency Assistance spending attributable to FY94 amendments. (p. 20)

Similar provision except the block grant amount is \$16,803,769,000. (p. 27)

(Note: A major reason for the difference between the House and Senate block grant amount is that the House removed mandatory child care funds currently authorized under Title IV-A and placed most of the money in a separate discretionary child care block grant, while the Senate kept IV-A child care funds in the cash block grant but earmarked them for child care.)

The term "illegitimacy ratio" means the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which the

Present Law

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fiscal year for which the data are available and the amount, if any, by which the number of abortions performed in the State during the most recent year for which information is available exceeds the number of abortions performed in the State during the fiscal year that immediately precedes such most recent fiscal year, divided by the number of births that occurred in the State for the most recent fiscal year. (p. 16)

d. State
(See "Treatment of Outlying Areas"-- 4(C)(1)(d)). AFDC law defines "State" to include the 50 States, the District of Columbia, Puerto Rico, Virgin Islands, Guam, and American Samoa. However, special funding ceilings apply to them.

The term "State" includes the 50 States, the District of Columbia, Puerto Rico, Virgin Islands, Guam, and American Samoa. (p. 17)

e. Indian
No provision.

No provision.

(3) Use of Grant

a. In General
AFDC and JOBS funds are to be used in conformity with State plans. A State may replace a caretaker relative with a protective payee or a guardian or legal representative.

States may use funds in any manner reasonably calculated to accomplish the purpose of this part (except for prohibitions listed below under 4F). No part of the grant may be used to provide medical services. Explicitly allowed are noncash aid to mothers under the age of 18 and assistance to low-income households for heating and cooling

data are available, divided by the number of births that occurred in the State during the most recent fiscal year for which the data are available. (p. 75)

In general, identical definition. (p. 19) However, for supplemental grants for population increases (4(C)(1)(c)), the term "State" applies only to the 50 States. (p. 27)

In general, the terms "Indian," "Indian tribe," and "tribal organization" have the meaning given by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b). The Senate amendment provides that only 12 specified regional non-profit corporations of Alaska natives can administer tribal family assistance grants. (p. 18)

States may use funds in any manner reasonably calculated to accomplish the purpose of this part, provided that administrative costs not exceed 15% of the State's grant (except for prohibitions listed below, under 4F). (p. 30)

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costs. (p. 17)

b. Set-Asides

Current law sets aside some JOBS funds (deducting them from State allocations) for Indian tribes and Native Alaska organizations. See 4(C)(1)(f).

No set-aside provision.

c. Treatment of Interstate Immigrants

No provision.

In the case of families that have lived in a State for less than 12 months, States are authorized to provide them with the benefit level of the State from which they moved. (p. 18)

d. Transfer of Funds

No provision.

States may transfer up to 30 percent of the funds paid to the State under this section to any or all of the following: (1) child protection block grant; (2) social services block grant under title XX of the Social Security Act; (3) any food and nutrition block grant passed during the 104th Congress; and (4) the child care and development block grant program. Rules of the recipient program will apply to the transferred funds. (p. 18)

e. Reservation of Funds for Emergencies

No provision.

States are allowed to reserve some block grant

(1) Maintains current law set-asides for JOBS funding for Indian tribes and Alaska native organizations. (p. 21 and p. 101)

(2) Child care. From the national cash block grant, the Senate amendment earmarks for child care annually the amount paid with Federal funds in FY1994 for AFDC-related child care (about \$980 million). (p. 113)

(3) Performance fund (FY2000 only). Each State's share of the family assistance block grant shall be reduced by 5%. These set-aside funds are to finance FY2000 performance bonuses (4(C)(1)(f) above). (p. 20)

Similar provision (slight difference in wording). (p. 31)

States may transfer up to 30 percent of block grant funds to the child care and development block grant program. (p. 32)

Similar provision, but does not restrict the use of

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House Bill

funds received for any fiscal year for the purpose of providing emergency assistance under the block grant program. (p. 19)

f. Electronic Benefit Transfer System

Regulations permit States to receive Federal reimbursement funds (50% administrative cost-sharing rate) for operation of electronic benefit systems. To do so, States must receive advance approval from DHHS and must comply with automatic data processing rules.

States are encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose. (p. 19) In general, exempts State and local government electronic transfers of need-based benefits from certain rules issued by the Federal Reserve Board regarding electronic fund transfers, (i.e., Regulation E, which limits liability of cardholders). (p. 412)

g. Authority to Operate Employment Placement Program

No provision.

No provision.

(4) Cost-Sharing

Current law requires States to share program costs. For administrative costs the rate is 50%. For other costs it varies among States (and, within limits, is inversely related to the square of State per capita income, compared to the square of national per capita income). For AFDC benefits and AFDC-related child care, the Medicaid federal matching rate is used; it now ranges among States from a floor of 50% to 79%. For JOBS activities, the

No cost-sharing required.

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reserve funds to "emergency" assistance and explicitly states that reserve funds can be used in any fiscal year. Requires any funds set aside for child care, if reserved, to be used only for child care. (p. 31)

See item 11 in Chapter 2 of Subtitle B of Title X: Food Stamps, below, regarding encouragement of electronic benefit transfers.

States may use a portion of the temporary assistance block grant to make payments (or provide job placement vouchers) to State-approved agencies that provide employment services to recipients of cash aid. (p. 31)

The Senate amendment requires State cost-sharing (maintenance of effort) for the temporary assistance block grant for 4 years, starting in FY1997. To receive the full grant for one of these years, States must spend in the preceding year from their own funds under their temporary assistance program at least 80% of the amount they spent in FY1994 on the replaced programs-- AFDC benefits, AFDC-related child, Emergency Assistance, and JOBS. Grants are to be reduced one dollar for each dollar by which a State falls

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law provides an "enhanced" rate, ranging from 60% to 79%.

(5) Timing of Payments

The Secretary pays AFDC funds to the State on a quarterly basis.

The Secretary shall make each grant payable to a State in quarterly installments. (p. 20)

(6) Penalties

Note: For penalty suspension and corrective action, see (h) below. For failure to satisfy minimum work participation rates, see 4(E)(4) below.

For failure to satisfy minimum work participation rates, see 4(E)(4) below.

a. For Use of Grant for Unauthorized Purposes

If the Secretary finds that a State has failed to comply with the State plan, she is to withhold all payments from

The Secretary shall reduce the funds paid to a State by any amount found by audit to be in violation of this part, but the Secretary cannot

short of this requirement. (p. 28)

Cost-sharing also is required for "contingency" funds and additional child care funds. For contingency funds States must spend at least 100% of FY1994 expenditures on programs replaced by the cash block grant. For additional child care funds they must spend at least 100% of FY1994 expenditures on AFDC-related child care. (p. 38)

Similar provision. (p. 32)

Senate penalties for failure to meet minimum participation rates are summarized in 4(E) "Mandatory Work Requirements," below.

Note: For all penalties below, these rules apply: The Secretary may not impose any of the penalties if he finds the State had reasonable cause for its failure to comply with the relevant provision. The State must spend on the block grant program a sum of its own funds to equal the amount of withheld federal dollars. No quarterly payment may be reduced more than 25%. If necessary, penalty funds will be withheld from the State's payment for the next year. Except for the first item, all penalties take effect October 1, 1996. (p. 80)

The Secretary shall reduce funds paid to a State by any amount found by audit to be in violation of this part. If the State does not prove to the

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the State (or limit payments to categories not affected by noncompliance).

reduce any quarterly payment by more than 25 percent. If necessary, funds will be withheld from the State's payments during the following year. (p. 20)

b. For Failure to Submit Required Report

There is no specific penalty for failure to submit a report, although the general noncompliance penalty could apply.

The Secretary must reduce by 3 percent the amount otherwise payable to a State for a fiscal year if the State has not submitted the annual report regarding the use of block grant funds within 6 months after the end of the immediately preceding fiscal year. The penalty is rescinded if the report has been submitted within 12 months. (p. 21)

c. For Failure to Participate in the Income and Eligibility Verification System (IEVS)

No provision.

The Secretary must reduce by 1 percent the amount of a State's annual grant if the State fails to participate in the IEVS designed to reduce welfare fraud. (p. 21)

d. For Failure to Cooperate with Child Support Enforcement

No provision.

No provision.

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Secretary that the unlawful expenditure was not made intentionally, the Secretary shall impose an additional penalty of 5 percent of the basic block grant. (p. 76)

If a State fails to submit the annual report required by sec. 409 within 6 months after the end of a fiscal year, the Secretary shall reduce by 5 percent the amount otherwise payable to the State for the next year. However, the penalty shall be rescinded if the State submits the report before the end of the year in which the report was due. (p. 76)

The Secretary shall reduce by not more than 5 percent the annual grant of a State, if the State fails to participate in the IEVS designed to reduce welfare fraud. (p. 78)

If the Secretary determines that a State does not enforce penalties requested by the Title IV-D child support enforcement agency against recipients of cash aid who fail to cooperate in establishing paternity in accordance with Part D, the Secretary shall reduce the cash assistance block grant by not more than 5 percent. (p. 78)

Present Law

House Bill

e. For Failure to Offer and Provide Family Planning Services

The Secretary is to reduce payments by 1% for failure to offer and provide family planning services to all appropriate AFDC recipients who request them.

No penalty, but States are allowed to use block grant funds to pay for family planning services.

f. Limitation of Federal Authority (regarding penalties against States)

Except as expressly provided, the Secretary may not regulate the conduct of the States or enforce any provisions of this paragraph.

Except as expressly provided, the Secretary may not regulate the conduct of States under Part A of Title IV or enforce any provision of it. (p. 22)

g. For Failure to Timely Repay the Federal Loan Fund for State Welfare Programs

Not applicable.

No provision regarding overdue repayments to the federal rainy day fund (see 7, below).

h. Corrective Action Plan

The penalty against a State for noncompliance with child support enforcement rules -- loss of AFDC matching funds -- shall be suspended if a State submits and implements a corrective action plan.

No provision.

Identical provision.

Except as expressly provided, neither the DHHS Secretary nor the Treasury Secretary may regulate the conduct of States under Part A of Title IV nor enforce any provision of it. (p. 107)

If a State fails to pay any amount borrowed from the Federal Loan Fund for State Welfare Programs within the maturity period, plus any interest owed, the Secretary shall reduce the State's cash assistance block grant for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on it. The Secretary may not forgive these overdue debts. (p. 79)

The Senate amendment (sec. 110C) requires the federal government, before assessing a penalty against a State under any program established or modified by the act, to notify the State about the violation and allow it to enter into a corrective compliance plan within 60 days after notification. The federal government shall have 60 days to accept or reject the plan; if it accepts the plan, and

Present Law

House Bill

(7) Federal Rainy Day Loan Fund

No provision. Instead, current law provides unlimited matching funds.

The Federal government will establish a fund of \$1 billion modeled on the Federal Unemployment Account, which is part of the Unemployment Compensation system. The fund is to be administered by the Secretary of Health and Human Services, who must deposit into the fund any principal or interest payments received with respect to a loan made under this provision. Funds are to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest. States must repay their loans, with interest, within 3 years. The rate of interest will equal the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan. At any given time, no State can borrow more from the fund than half its annual share of block grant funds or \$100 million, whichever is less. States may borrow from the fund if their total unemployment rate for any given 3 month period is more than 6.5 percent and is at least 110 percent of the same measure in the corresponding quarter of the previous 2 years. (p. 22)

if the State corrects the violation, no penalty shall be assessed. If the State fails to make a timely correction, some or all of the penalty shall be assessed. (p. 173) An alternate corrective action section (sec. 110E) requires a State to correct the violation pursuant to its plan within 90 days after the federal government accepts the plan. (p. 178)

The Senate amendment establishes a \$1.7 billion revolving loan fund called the "Federal Loan Fund for State Welfare Programs." The Secretary shall make loans, and the rate of interest will equal the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan. Ineligible are States that have been penalized for misspending block grant funds as determined by an audit. Loans are to mature in 3 years, at the latest, and the maximum amount loaned to a State cannot exceed 10 percent of its basic block grant. (p. 32) See penalty for failing to make timely payments, above.

Present Law

House Bill

(8) Contingency Fund (for States with high unemployment)

No provision. Current law provides unlimited matching funds.

No provision.

(9) Additional Child Care Funds

No provision. Current law provides unlimited matching funds for AFDC/JOBS child care and transitional child care (but a capped amount for "at-risk" care).

No provision.

The Senate amendment establishes a "Contingency Fund for State Welfare Programs" and appropriates funds of up to \$1 billion for a total period of 7 years (FYs 1996-2002). The fund would provide matching grants (at the Medicaid matching rate) to States that have unemployment rates above specified levels, provided they first spent from their own funds a yearly sum at least equal to their FY1994 expenditures on AFDC, AFDC-related child care, Emergency Assistance, and JOBS. The maximum contingency grant could not exceed 20% of a State's temporary assistance block grant. Eligible would be States that met the maintenance of effort requirement and had an average rate of total unemployment, seasonally adjusted, of at least 6.5% during the most recent 3 months with published data and a rate at least 10% above that of either or both of the corresponding 3-month periods in the 2 preceding calendar years. (p. 38)

The Senate amendment authorizes to be appropriated, and appropriates, \$3 billion in matching grants to States for the 5-year period beginning in FY1996 for child care assistance (in addition to Federal funds set aside for child care in the cash assistance block grant). The funds, which are allocated among the States on the basis of their share of the nation's child population, are to be used to reimburse a State, at the Medicaid matching rate, for child care spending in a fiscal year that exceeds its share of child care set-aside funds (100% Federal) plus the amount it spent from its own funds in FY1994 for AFDC/JOBS child care, transitional child care, and at-risk child care. Funds are to be used only for child care assistance under Part IV-A. In the last quarter of

Present Law

House Bill

D. Contracts/Client Agreements

(1) Terms

After assessing the needs and skills of recipients and developing an employability plan, States may require JOBS participants to negotiate and enter into an agreement that specifies their obligations.

No provision.

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the fiscal year, FY2000, if any portion of a State allotment is not used, the Secretary shall make it available to applicant States. Notwithstanding section 658T of the Child Care and Development Block Grant Act, the State agency administering the family assistance block grant shall determine eligibility for all child care assistance provided under Title IV-A. (For budget scoring, the Amendment states that the baseline shall assume that no grant will be made after FY2000.) (p. 115)

States must assess, through a case manager, the skills of each parent for use in developing and negotiating a personal responsibility contract (PRC). Each recipient family must enter into a contract developed by the State or into a limited benefit plan. The PRC means a binding contract outlining steps to be taken by the family and State to get the family "off of welfare" and specifying a negotiated time-limited period of eligibility for cash aid. In general, no family may receive cash aid longer than 5 years (at State option, a lesser period), but the State may exempt 20% of the families from the time limit because of hardship. (p. 53) An alternate provision in the amendment requires the case manager to consult with the parent applicant (client) in developing a PRC, lists client activities that the PRC might require, specifies that clients must agree to accept a bona fide offer of an unsubsidized full-time job unless they have good cause not to, but does not require a time limit in the PRC nor make provision for a limited benefit plan. (Sec. 110D, p. 175) Note: A

Present Law

House Bill

except to the extent that the Secretary determines that the caseload reduction was required by terms of Federal law. (p. 25)

c. Exemptions from Work Requirement

Exempt from JOBS are parents whose youngest child is under 3 (1, at State option). Other exemptions include persons who are ill, incapacitated or needed at home because of illness or incapacity of another person. Also exempt are parents of a child under 6, unless the State guarantees child care and requires no more than 20 hours weekly of JOBS activity.

No provision.

d. Calculations and Definitions

Participation rates are calculated for each month. A State's rate, expressed as a percentage, equals the number of actual JOBS participants divided by the number of AFDC recipients required to participate (non-exempt from JOBS).

The fiscal year participation rates are the average of the rates for each month during the year. The monthly participation rates are measured by the number of recipient families in which an individual is engaged in work activities for the month, divided by the total number of recipient families that include a person who is 18 or older. (p. 26)

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by the number of percentage points, if any, by which the caseload in a fiscal year is smaller than in FY1995. (p. 46)

States may exempt a parent or caretaker relative of a child under one year old and may exclude them from the participation rate calculation. (p. 48)

States may exempt a battered person if their well-being would be endangered by a work requirement. (p. 416)

As in the House bill, the fiscal year participation rate is the average of the rates for each month of the year. (p. 44) However, overall monthly rates are measured by adding (1) the number of recipient families with an adult engaged in work for the month, (2) the number subject to a work refusal penalty in the month (if not subject to the penalty for more than 3 months out of the preceding 12), and (3) the number who worked their way off the program in the previous 6 months and that include an adult who is working for the month, and then dividing this total by the number of families enrolled in the program during the month that include an adult recipient. (p. 44)

Note: The Senate amendment gives States an option to include in the calculation of monthly participation rates families who receive assistance under a tribal family assistance plan if the Indian or Alaska Native is participating in work under

Present Law

House Bill

In calculating a State's overall JOBS participation rate, a standard of 20 hours per week is used. The welfare agency is to count as participants the largest number of persons whose combined and averaged hours in JOBS activities during the month equal 20 per week.

To be counted as engaged in work activities for a month, the recipient must be making progress in qualified activities for at least the minimum average number of hours per week shown in the table below. Of these hours, at least 20 hours must be spent in unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, or on-the-job training. During the first 4 weeks of required work activity, hourly credit also is given for job search and job readiness assistance.
(p. 26)

<u>Fiscal year</u>	<u>Minimum Average Hours Weekly</u>
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35. (p. 27)

Although a person must work at least 20 hours weekly in order for any hours of their training or education to count toward required participation, the bill does not prohibit a State from offering cash recipients an opportunity to participate in education or training before requiring them to work. In this case, however, participation does not

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standards comparable to those of the State for being engaged in work. (p. 47)

To be counted as engaged in work for a month, an adult must be participating in work for at least the minimum average number of hours per week shown in the table below (of which not fewer than 20 hours per week are attributable to a work activity). (p. 48) See list of work activities above.

Exception to the table: In FY1999 and thereafter, when required weekly hours rise above 20, a state may count a single parent with a child under age 6 as engaged in work for a month if the parent works an average of 20 hours weekly. (p. 117)

Also, community service participants may be treated as engaged in work if they provide child care services for another participant for the number of hours deemed appropriate by the State. (p. 53)

<u>Fiscal year</u>	<u>Minimum Average Hours Weekly</u>
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35. (p. 48)

No corresponding provision in Senate amendment.

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House Bill

count toward fulfillment of the State mandatory participation rate. (p. 26)

Note: Although the above table is in a paragraph entitled "requirements applicable to all families receiving assistance," another paragraph establishes a higher hourly requirement (35 hours weekly) in all years for 2-parent families. See 4(E)(3)(b), below.

e. Child Care Guarantee

The law requires States to guarantee child care when needed for JOBS participants and for other AFDC parents in approved education and training activities. Regulations require States to guarantee care for children under age 13 (older if incapable of self-care) to the extent that it is needed to permit the parent to work, train, or attend school. States must continue child care benefits for 1 year to ex-AFDC working families, but must charge them an income-related fee.

No provision.

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Note: Although the above table is in a paragraph entitled "all families," another paragraph establishes a higher hourly requirement (35 hours weekly) in all years for 2-parent families. See 4(E)(3)(b), below.

The Senate amendment states that nothing in sec. 421 (amounts for child care) shall be construed to provide an entitlement to child care services to any child. (p. 118)

Present Law

House Bill

(3) Participation Requirements: Two-Parent Families**a. Participation Rates**

The following minimum percentages of two-parent families receiving cash assistance must participate in specified work activities:

<u>Fiscal year</u>	<u>Minimum Percentage:</u>
1995	50
1996	60
1997	75
1998 (last year)	75
1999 and thereafter	0 (no req.)

Participation rates for a month equal the number of parents who participate divided by the number of principal earners in AFDC-UP families (but excluding families who received aid for 2 months or less, if one parent engaged in intensive job search).

b. Creditable Activities

One parent in the 2-parent family must participate at least 16 hours weekly in on-the-job training, work supplementation, community work experience program, or a State-designed work program.

The following minimum percentages of two-parent families receiving cash assistance must engage in work activities:

<u>Fiscal year</u>	<u>Minimum Percentage:</u>
1996	50
1997	50
1998	90
1999 and thereafter	90 (p. 27)

Participation rates for a month are measured by the number of two-parent recipient families in which at least one adult is engaged in work activities for the month, divided by the total number of two-parent families that received cash aid during the month. (p. 28)

An adult in a 2-parent family is engaged in work activities when making progress in them for 35 hours per week, at least 30 of which are in unsubsidized employment, subsidized private sector employment, subsidized public sector employment, work experience, or on-the-job training (or job

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The following minimum percentages of two-parent families receiving cash assistance must participate in work:

Fiscal year Minimum Percentage:

1996	60
1997	75
1998	75
1999 and thereafter	90 (p. 43)

Participation rates for 2-parent families are measured (like those for all families) by adding (1) the number of 2-parent recipient families with an adult engaged in work for the month; (2) the number of 2-parent families subject to a work refusal penalty in the month (if not subject to the penalty for more than 3 months out of the preceding 12); and (3) the number of 2-parent families who worked their way off the program in the previous 6 months and that include an adult who is working for the month, and then dividing this total by the number of 2-parent families enrolled in the program during the month that include an adult recipient. (p. 45)

An adult in a 2-parent family must participate in work for at least 35 hours per week during the month, and at least 30 hours weekly must be attributable to one or more of the 6 work activities listed above in 4(E)(1). (p. 49)

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search and job readiness assistance for the first 4 weeks only). (p. 28)

(4) Penalties

a. Against Individuals

For failure to meet JOBS requirements without good cause, AFDC benefits are denied to the offending parent and payments for the children are made to a third party.

If recipients refuse to participate in required work activities, their cash assistance is reduced by an amount to be determined by individual States, subject to good cause and other exceptions that the State may establish. (p. 30)

b. Against Individuals in Two-Parent Families

In a 2-parent family, failure of 1 parent to meet JOBS requirements without good cause results in denial of benefits for both parents (unless the other parent participates) and third-party payment on behalf of the children.

Recipients in two-parent families who fail to work the required number of hours receive the proportion of their monthly cash grant that equals the proportion of required work hours they actually worked during the month, or less at State option. (p. 31)

Note: Repeated failures to comply bring potentially longer penalty periods.

If an adult recipient refuses to engage in required work, the State shall reduce the amount of assistance to the family pro rata (or more, at State option) with respect to the period of work refusal, or shall discontinue aid, subject to good cause and other exceptions that the State may establish.

Exception: A State may not penalize a single parent caring for a child under age 6 for refusal to work if the parent has a demonstrated inability to obtain needed child care. (p. 50)

See entry immediately above.

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c. Limitation on Federal Authority
(regarding penalties against individuals)

No officer or employee of the federal government may regulate the conduct of States under this paragraph (about penalties against individuals) or enforce this paragraph against any State. (p. 31)

d. Penalties Against States Not Meeting Work Requirements
If a State fails to achieve the two required participation rates (overall and for 2-parent families), the Federal reimbursement rate for its JOBS spending (which ranges among States from 60% to 79% for most JOBS costs, is to be reduced to 50%.)

States not meeting the required participation rates have their overall grant (calculated without the bonus for reducing out-of-wedlock births and before other penalties listed in C(5) above) reduced by up to 5 percent the following fiscal year; penalties shall be based on the degree of noncompliance as determined by the Secretary. (p. 32)

(5) **Rule of Interpretation (concerning education and training)**
JOBS programs must include specified educational activities and job skills training.

This part does not prohibit a State from establishing a program for recipients that involves education and training. (p. 32)

(6) **Research (about work programs)**
Authorizes States to make "initial" evaluations (in FY 1991) of demographic characteristics of JOBS participants and requires the DHHS Secretary, in consultation with the Labor Secretary, to

The Secretary is to conduct research on the costs and benefits of mandatory work requirements in the Act, and to evaluate promising State approaches in employing welfare recipients. (p. 32) See also "Research, Evaluations, and National

No specific provision about regulation of penalties against individuals. However, the amendment provides that neither the DHHS Secretary nor the Treasury Secretary may regulate the conduct of States under Title IV-A or enforce any of its provisions, except to the extent expressly provided in the Act. (p. 107)

If a State fails to meet minimum work participation rates, the Secretary is to reduce the family assistance block grant as follows: For the first year of failure, by 5% (applied in the next year); for subsequent years of failure, by an additional 5% (thus, by 5.25%). The Secretary shall impose reductions on the basis of the degree of noncompliance. (p. 77)

No explicit statement. However, the amendment qualifies vocational educational training as a "work activity," with a 12-month maximum and a limit on the proportion of vocational educational trainees who can be counted in calculating work participation rates. (p. 49)

The Secretary is to conduct research on the costs, benefits, and effects of operating different State programs of temporary assistance to needy families, including their time limits. Research shall include studies of effects on employment

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assist the States as needed.

Studies" (item L, below)

**(7) Evaluation of Innovative
Approaches to Employing Recipients of
Assistance**

No provision.

The Secretary shall evaluate innovative approaches by the States to employ recipients of assistance. (p. 32)

**(8) Annual Ranking of States and
Review of Work Programs**

No provision.

The Secretary must annually rank the States in the order of their success in moving recipients into long-term private sector jobs, and review the 3 most and 3 least successful programs. HHS will develop these rankings based on data collected under the bill. (p. 33)

**(9) Annual Ranking of States and
Review of Out-of-Wedlock Births**

No provision.

No provision.

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rates. (p. 91) See also "Research, Evaluations, and National Studies" (item L, below)

The Secretary may assist States in developing, and shall evaluate innovative approaches for reducing welfare dependency and increasing the well-being of minor children, using random assignments in these evaluations "to the maximum extent feasible." (p. 91)

Taking account of the number of poor children in the State and funds provided for them, the Secretary shall rank the States annually in the order of their success in placing recipients into long-term private sector jobs, reducing the overall caseload, and, when a practicable method for calculation becomes available, diverting persons from application and entry into the program. The Secretary shall review the 3 most and 3 least successful programs that provide work experience, help in finding jobs, and other support services to enable families to become independent of the program. (p. 92)

The Secretary also is to annually rank States in the order of their success in reducing out-of-wedlock births and to review the programs of the 5 ranked highest and 5 ranked lowest in decreasing their absolute out-of-wedlock ratios (defined as the total number of out-of-wedlock births in families

**(10) Sense of Congress on Work
Priority for Mothers without Young
Children**

No provision.

It is the sense of Congress that States should give highest priority to requiring families with older preschool children or school-aged children to engage in work activities. (p. 33)

**(11) Work/School Requirements for
Noncustodial Parents**

The Secretary shall permit up to 5 States, on a voluntary or mandatory basis, to provide JOBS services to unemployed noncustodial parents unable to pay child support.

States must adopt procedures to ensure that persons owing past-due support to a child (or to a child and parent) receiving Title IV-A either work or have a plan for payment of that support. They must seek a court order requiring the parent to make payment, in accordance with a court-approved plan to work (unless incapacitated). (p. 404)

Minor Parents

It is the sense of Congress that States should require non-custodial, non-supporting parents under age 18 to fulfill community work obligations and attend appropriate parenting or money management classes after school. (p. 34)

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receiving cash assistance, divided by the total number of births in recipient families). (p. 93)

Adds to highest priority group "adults in 2-parent families and adults in single-parent families with children that are older than preschool age." (p. 52)

States must seek a court order or administrative order requiring a person who owes support to a child receiving Title IV-D services to pay the support in accordance with a court-approved plan or to work (unless incapacitated). (p. 551)

[See Title XII: Miscellaneous, no. 4]

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(12) Delivery of Work Activities

Current law permits States to carry out JOBS programs directly or through arrangement or under contracts with administrative entities under the Job Training Partnership Act (JTPA), with State and local educational agencies or with private organizations, including community-based organizations as defined in JTPA, Sec. 485(A) of Soc. Sec. Act.

No provision.

(13) Displacement of Workers

Under JOBS law, no work assignment may displace any currently employer worker or position (including partial displacement such as a reduction in hours of non-overtime work, wages, or employment benefits). Nor may a JOBS participant fill a position vacant because of layoff or because the employer has reduced the workforce with the effect of creating a position to be subsidized.

No provision.

F. Prohibitions**(1) Families Without a Minor Child**

Only families with dependent children (under age 18, or 19 at State option if the child is still in secondary school or in the equivalent level of vocational or technical training) can participate in the program.

Only families with minor children (under 18 years of age or under 19 years of age for full-time students in a secondary school or the equivalent) can participate in the program. (p. 34)

(2) Assistance for Aliens

Illegal aliens are ineligible, but legal aliens and others permanently residing under color of law are eligible for Federal means-tested benefit programs. States

Block grant funds may not be used to provide cash benefits to a non-citizen unless the individual is a refugee under section 207 of the Immigration and Nationality Act who has been in the U.S. for under

The Senate amendment requires that work activities for recipients of the temporary family assistance program be delivered through the statewide workforce development system that was earlier included in the Work Opportunity Act, unless a required activity is not available locally through the statewide workforce development system. However, as passed, the amendment does not include the workforce development title. (p. 52)

The Senate amendment provides that no adult in a Title IV-A work activity shall be employed or assigned when another person is on layoff from the same or a substantially equivalent job, or when the employer has terminated the employment of a regular worker or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy thus created with a subsidized worker. (p. 51) This provision does not preempt or supersede any State or local law providing greater protection from displacement. (p. 51)

Similar to House bill, but specifies that the minor children must live with their parent or other caretaker relative. (p. 17)

Aliens entering after enactment are barred from receiving benefits for 5 years, with exceptions similar to House bill. Separately, States have the option to deny non-citizens benefits using block

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must operate a System for Verification of Eligibility (SAVE) for determination of immigration or citizenship status of applicants and must verify the immigration status of aliens with the Immigration and Naturalization Service.

(3) No Cash Assistance for Out-of-Wedlock Births

No provision forbidding eligibility. Current law permits a State to provide AFDC to an unwed mother under 18 and her child only if they live with their parent or another adult relative or in another adult-supervised supportive arrangement. Exceptions are allowed. (Sec. 402(A)).

AFDC law has no provision directly comparable for funding second-chance homes.

5 years, a legal permanent resident over age 75 who has lived in the U.S. at least 5 years, a veteran (or the spouse or unmarried dependent child of a veteran) honorably discharged from the U.S. Armed Forces, or a legal permanent resident unable because of disability or mental impairment to comply with certain naturalization requirements. In addition, legal permanent residents who are current beneficiaries retain eligibility for the first year after enactment. (p. 35; see also p. 164 of Title IV, H.R. 4)

a. Temporary Assistance to Needy Families Block Grant funds may not be used to provide cash benefits to a child born out-of-wedlock to a mother under age 18 or to the mother until the mother reaches age 18. States must exempt mothers to whom children are born as a result of rape or incest. Block grant funds can be used to provide non-cash (voucher) assistance to young mothers and their children. (p. 36)

No provision.

grant funds. Eligibility may be affected by changes in the sponsor-to-alien deeming provisions. These changes may affect their eligibility even after aliens have attained citizenship. (p. 383)

a. Optional denial

The Senate amendment explicitly permits States to decide whether or not to give assistance to a child born out-of-wedlock to a mother under 18 years old, and to the mother until she reaches 18.

However, if a State elects to extend assistance to these families, the minor mother must live with a parent, legal guardian or other adult relative unless they have no such appropriate relative or the State agency determines (1) that they had suffered, or might suffer, harm in the relative's home or (2) that the requirement should be waived for the sake of the child. (p. 66)

b. "Second chance" home

The State shall provide or assist a minor mother in finding a suitable home, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement. The amendment authorizes to be appropriated, and appropriates funding for second-chance homes for unmarried teenage parents (\$25 million yearly for FYs 1996 and 1997 and \$20 million yearly for FYs 1998-2000). (p. 67)

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AFDC law requires States, to the extent resources permit, to require mothers under age 20 who failed to complete high school to participate in an educational activity, even if they otherwise would be exempt because of having a child under age 3 (or, at State option, 1). However, States may exempt some school dropout mothers under 18 years old from this requirement.

(4) No Additional Assistance for Additional Children

No provision.

(5) No Assistance for More Than 5 Years

No provision.

No provision.

Block grant funds may not be used to provide additional cash benefits for a child born to a recipient of cash welfare benefits, or an individual who received cash benefits at any time during the 10-month period ending with the birth of the child. Mothers to whom children are born as a result of rape or incest are exempted. Block grant funds can be used to provide non-cash (voucher) assistance to young mothers and their children. (p. 36)

Block grant funds may not be used to provide cash benefits for the family of an individual who, after attaining 18 years of age, has received block grant funds for 60 months, whether or not successive; States are permitted to provide hardship exemptions from the 60-month time limit for up to 10 percent of their caseload. (p. 37)

c. School Requirement

Further, if a State aids these unwed minor mothers, it must require those who have not completed high school, or its equivalent, to attend school unless their child is under 12 weeks old. If the mother fails to attend high school or an approved alternative training program, the State must reduce her benefit or end it. (p. 72).

The Senate amendment explicitly permits States to deny aid to child born to a mother already receiving aid under the program or to one who received benefits from the program at any time during the 10 months ending with the baby's birth. (p. 66)

Block grant funds may not be used to provide cash benefits for the family of a person who has received block grant aid for 60 months (or less at State option), whether or not consecutive. States may give hardship exemptions to up to 20 percent of their caseload. (Exempted from the 60-month time limit is a person who received aid as a minor child and who later applied as the head of her own household with a minor child.) (p. 55)

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(6) No Assistance for Families Not Cooperating With Paternity Establishment

As a condition of eligibility, applicants or recipients must cooperate in establishing paternity of a child born out-of-wedlock, in obtaining support payments, and in identifying any third party who may be liable to pay for medical care and services for the child.

(7) No Assistance for Families Not Assigning Support Rights to the State

As a condition of AFDC eligibility, applicants must assign child support and spousal support rights to the State.

(8) Withholding Portion of Aid for Child Whose Paternity is Not Established

No provision.

Block grant funds may not be used to provide cash benefits to persons who fail to cooperate with the State child support enforcement agency in establishing the paternity of any child of the individual; the child support agency defines cooperation. (p. 38)

Block grant funds may not be used to provide cash benefits to a family with an adult who has not assigned to the State rights to child support or spousal support. (p. 39)

If, at the time a family applies for assistance, the paternity of a child in the family has not been established, the State must impose a financial penalty (\$50 or 15 percent of the monthly benefits of a family of that size, whichever the State chooses) until the paternity of the child is established. Once paternity is established, all the money withheld as a penalty must be remitted to the family if it is still eligible for aid. Mothers to whom children are born as a result of rape or incest are exempted from this penalty. Provision effective 1 year after enactment (2 years at State option). (p. 39)

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Maintains current law. In addition, see 4(C)(6)(d) for penalty against a State that fails to enforce penalty requested by the IV-D agency against a person who does not cooperate in establishing paternity.

Gives States the option to require applicants for temporary family assistance (and recipients) to assign child support and spousal support rights to the State. (p. 58)

No provision.

Present Law

House Bill

**(9) Denial of Benefits to Persons who
Fraudulently Received Aid in Two
States**

No provision.

Ineligible for block grant assistance for 10 years is any individual convicted of having fraudulently misrepresented residence (or found by a State to have made a fraudulent statement) in order to obtain benefits or services from two or more States from the block grant, Medicaid, Food Stamps, or Supplemental Security Income. (p. 40)

**(10) Denial of Aid for Fugitive Felons,
Probation and Parole Violators**

No provision.

No assistance may be provided to an individual who is fleeing to avoid prosecution, custody or confinement after conviction for a crime (or an attempt to commit a crime) that is a felony (or, in New Jersey, a high misdemeanor), or who violates probation or parole imposed under Federal or State law. (p. 41)

Any safeguards established by the State against use or disclosure of information about individual recipients shall not prevent the agency, under certain conditions, from providing the address of a recipient to a law enforcement officer who is pursuing a fugitive felon or parole or probation violator. (Note: This provision applies also to a recipient sought by an officer not because he is a fugitive but because he has information that the officer says is necessary for his official duties.) In both cases the officer must notify the State that location or apprehension of the recipient is within his official duties. (p. 41)

Ineligible for block grant assistance for 10 years is any person convicted in Federal court or State court of having fraudulently misrepresented residence in order to obtain benefits or services from two or more States from the cash block grant, Medicaid, Food Stamps, or Supplemental Security Income. (p. 56)

Similar provision. (p. 57)

A State shall furnish law enforcement officers, upon their request, the address, social security number, and photograph (if available) of any recipient if the officers notify the agency that the recipient is a fugitive felon, or a violator of probation or parole, or that he has information needed by the officers to perform their duties, and that the location or apprehension of the recipient is within the officers' official duties. (p. 57)

Present Law**House Bill**

(11) No Assistance for Minor Children Who Are Absent, or Relatives Who Fail to Notify Agency of Child's Absence
Regulations allow benefits to continue for children who are "temporarily absent" from home.

No assistance may be provided for a minor child who has been absent from the home for 45 consecutive days or, at State option, between 30 and 90 consecutive days. States may establish a good cause exemption as long as it is detailed in the State report to the Secretary. No assistance can be given to a parent or caretaker who fails to report a missing minor child within 5 days of the time it is clear that the child is absent. (p. 43)

G. Income/Resource Limits, Treatment of Earnings and Other Income

(1) Resource Limits
\$1,000 per family in counted resources (excluding home and some of the value of an auto, funeral arrangements, burial plots, real property that the family is attempting to sell, and--for two months--refunds of the Earned Income Tax Credit (EITC))

No provision.

(2) Income Limits
Gross family income limit: 185% of the State standard of need.

No provision.

(3) Earnings
Mandatory disregard: during first 4 months of a job, \$120 and one-third, plus child care costs up to a limit; next 8 months, \$120 plus child care; after 12 months, \$90 plus child care.

No provision.

Senate Amendment

Conference Agreement

Similar provision with different wording. (p. 58)

No provision.

No provision.

No provision.

Present Law

House Bill

(4) Earned Income Tax Credit (EITC)

Mandatory disregard: advance EITC payments must be disregarded.

Repeals mandatory EITC disregard (a provision of AFDC law). States would set policy about treatment of EITC payments by block grant program. (p. 9)

(5) Child Support

Mandatory disregard: first \$50 monthly in child support collections is passed through to the family. In some States, child support payments that fill some or all of the gap between payment and need standard must be ignored.

In determining a family's eligibility and payment amount under the block grant, a State may not disregard child support collected by the State and distributed to the family. (p. 35)

(6) Other Cash Aid

AFDC benefits may not be paid to a recipient of old-age assistance (predecessor to Supplemental Security Income (SSI) and now available only in Puerto Rico, Guam, and the U.S. Virgin Islands), SSI, or AFDC foster care payments.

If block grant funds are used to provide payments to a recipient of old-age assistance, SSI, or payments under the Child Protection Block grant, a State may not disregard these other payments in determining a family's eligibility for and payment amount from the block grant. (p. 34)

H. Various Procedural and Policy Rules**(1) Statewide Requirement**

AFDC must be available in all political subdivisions, and, if administered by them, be mandatory upon them.

No provision.

(2) Single State Agency

Single agency must administer or supervise administration of the plan.

No provision.

Senate Amendment

Conference Agreement

Identical provision. (p. 9)

State option. Repeals required disregard of the first \$50 monthly in child support collections distributed to the family (a provision of AFDC law). (p. 9)

No provision.

State plan ((4)(B)(1) above) must outline how it intends to conduct a family assistance program "designed to serve all political subdivisions in the State." (p. 10)

The State's Chief Executive Officer must certify which State agency or agencies are responsible for administration and supervision of the program for the fiscal year. (p. 15)

Present Law**House Bill**

(3) State Cost Sharing

State must share in program costs.

No provision.

(4) Aid to all Eligibles

State must furnish aid to eligible persons with reasonable promptness and give opportunity to make application to all wishing it.

No provision.

(5) Fair Hearing

State must give fair hearing opportunity to person whose claim is denied or not acted upon promptly.

No provision.

(6) Administrative Methods

State must adopt administrative methods found necessary by the Secretary.

No provision.

(7) Zero Benefit Below \$10, Rounding Benefits

State cannot pay AFDC below \$10 monthly and must round down to the next lower dollar both the need standard and the benefit.

No provision.

(8) Pre-Eligibility Fraud Detection

State must have measures to detect fraudulent applications for AFDC before establishment of eligibility.

No provision.

Senate Amendment**Conference Agreement**

For the basic temporary assistance block grant, for 4 years, for "contingency" funds, and for additional child care funds (beyond those earmarked in the block grant) States must share in program costs. See cost-sharing above (4(C)(4)).

No provision.

No provision.

No provision.

No provision.

No provision.

Present Law

House Bill

(9) Correction of Erroneous Payments
State must promptly correct over- and underpayments.

No provision.

(10) Appeal Procedure (for States)
Current law (sec. 1116 of the Social Security Act) entitles a State to a reconsideration, which DHHS must grant upon request, of any disallowed reimbursement claim for an item or class of items. The section also provides for administrative and judicial review, upon petition of a State, of DHHS decisions about approval of State plans. (At the option of a State, any plan amendment may be treated as the submission of a new plan.)

Repeals reference to Title IV-A in section 1116.

Senate Amendment

Conference Agreement

The Senate amendment requires the Treasury Secretary, upon notification from a State that it has overpaid a former recipient of temporary cash assistance and has attempted unsuccessfully to collect the overpayment, to collect the sum from federal tax refunds. (p. 118)

Requires the Secretary to notify the Governor of a State of any adverse decision or action under Title IV-A, including any decision about the State's plan or imposition of a penalty. Provides for administrative review by a Departmental Appeals Board within DHHS and requires a Board decision within 60 days after an appeal is filed. Provides for judicial review (by a United States district court) within 90 days after a final decision by the Board. The Amendment also repeals the reference to Title IV-A in section 1116. (p. 107)

I. Quality Control/Audits

The Secretary must operate a quality control system to determine the amount of Federal matching funds to be disallowed, if any, because of erroneous payments. The law also prescribes penalties for payment error rates above the national average. AFDC payments to States are subject to audits conducted under the Single Audit Act [Ch. 75, Title 31, U.S.C.]

Family assistance block grants are subject to the Single Audit Act. If an audit conducted under this Act finds that a State has used block grant funds in violation of the law, its grant for the next year is to be reduced by that amount (but no quarterly payment is to be reduced by more than one-fourth). (p. 20)

J. Data Collection and Reporting**(1) Reporting Requirements**

States are required to report the average monthly number of families in each JOBS activity, their types, amounts spent per family, length of JOBS participation and the number of families aided with AFDC/JOBS child care services, the kinds of child care services provided, and sliding fee schedules. States that disallow AFDC for minor mothers in their own living quarters are required to report the number living in their parent's home or in another supervised arrangement. States also must report data (including numbers aided, types of families, how long aided, payments made) for families who receive transitional Medicaid benefits.

States are required, not later than 6 months after the end of each fiscal year, to transmit to the Secretary the following aggregate information on families receiving block grant benefits during the fiscal year:

- (a) the number of adults receiving assistance;
- (b) the number of children receiving assistance and the average age of children;
- (c) the employment status and average earnings of employed adults;
- (d) the number of one-parent families in which the sole parent is a widow or widower, is divorced, is separated, or is never married;
- (e) the age, race, educational attainment, and employment status of parents;
- (f) the average assistance provided to families;

Similar to the House provision, except that the Senate measure requires a State to offset loss of Federal funds with its own, maintaining the full block grant level. Also, the penalty shall not be imposed if the State proves to the Secretary that the violation was not intentional, and if the State implements an approved corrective action plan. See Penalties above--4(C)(6). Each State must audit its cash block grant expenditures annually and submit a copy to the State legislature, Treasury Secretary and DHHS Secretary. (p. 81)
The audit must be conducted by an entity that is independent from any agency administering activities under title IV-A. Further, the DHHS Secretary is to develop a quality assurance system of data collection and reporting. (p. 82)

States are required to make quarterly reports based on sample case records providing disaggregated data for the quality assurance system, including:

- (a) age of adults and children (including pregnant women) in each family;
- (b) marital and familial status of each family member (including whether family includes 2 parents and whether child is living with an adult relative other than a parent);
- (c) gender, educational level, work experience, and race of each family head;
- (d) health status of each family member (including whether any is seriously ill, disabled, or incapacitated and is being care for by another family member);
- (e) type and amount of any benefit or assistance

Present Law

House Bill

DHHS collects data about demographic characteristics and financial circumstances of AFDC families from its National Integrated Quality Control System (NIQCS) and publishes State and national information that represents average monthly amounts for a fiscal year. The NIQCS uses monthly samples of AFDC cases.

(g) whether, at the time of application, the families or anyone in the families receive benefits from the following public programs:

- (A) Housing
- (B) Food Stamps
- (C) Head Start
- (D) Job Training;

(h) the number of months the families have been on welfare during their current spell;

(i) the total number of months for which benefits have been provided to the families;

(j) data necessary to indicate whether the State is in compliance with the State's plan;

(k) the components of any employment and training activities, and the average monthly number of adults in each component; and

(l) the number of part-time and full-time job placements made by the program, the number of cases with reduced assistance, and the number of cases closed due to employment. (p. 45)

Senate Amendment

Conference Agreement

received, including amount of and reason for any benefit reduction, and if help is ended, whether this is because of employment, sanction, or time limit;

(f) any benefit or assistance received by a family member with respect to housing, food stamps, job training, or Head Start;

(g) number of months since the family's most recent application for aid, and if application was denied, the reason;

(h) number of times a family applied for and received aid from the cash block grant program and the number of months were received in each "spell" of assistance;

(i) employment status of adults in family (including hours worked and amount earned);

(j) date on which an adult family member began to engage in work, hours worked, work activity performed, amount of child care assistance, if any;

(k) number of persons in each family receiving, and the number not receiving, assistance, and the relationship of each person to the youngest child in the family;

(l) citizenship status of each family member;

(m) housing arrangement of each family member;

(n) amount of unearned income, child support; assets and other financial factors relevant to eligibility;

(o) location in the State of each recipient family; and

(p) any other data determined by Secretary to be necessary for efficient and effective administration.

(p. 83)

(2) Authority of States to Use Estimates

The National Integrated Quality Control System (above) uses monthly samples of AFDC cases. JOBS regulations require States to submit a sample of monthly unaggregated case record data.

States may use scientifically acceptable sampling methods to estimate the data elements required for annual reports. (p. 47)

(3) Other State Reporting Requirements

a. Administrative Expenditures
Regulations require each State to submit quarterly estimates of the total amount (and the Federal share) of expenditures for AFDC benefits and administration.

The report submitted by the State each fiscal year must also include:

A statement of the percentage of the funds paid to the State that are used to cover administrative costs or overhead. (p. 47)

States are required to report the following aggregated monthly data about families who received temporary family assistance for each month in the calendar quarter preceding the one in which the data are submitted, families applying for assistance in the preceding quarter, and families that became ineligible for aid during that quarter:

- (1) number of families,
 - (2) number of adults in each family,
 - (3) number of children in each family, and
 - (4) number of families whose assistance ended because of employment, sanctions, or time limits.
- (p. 86)

The Secretary shall determine appropriate subsets of the data listed above that a State is required to submit regarding applicant and no-longer eligible families. (p. 87)

The Secretary shall provide States with case sampling plans and data collection procedures deemed necessary for statistically valid estimates. (p. 87)

The report required by a State for a fiscal year must include:

A statement of the total amount and percentage of Federal funds paid to the State under Title IV-A that are used for administrative costs or overhead. (p. 87)

Present Law

House Bill

b. State Expenditures

See immediately above.

A statement of the total amount expended by the State during the fiscal year on programs for needy families. (p. 47)

c. Noncustodial Parent Participation

No provision.

The number of noncustodial parents in the State who participated in work activities as defined in the bill during the fiscal year. (p. 47)

d. Child Support Collections

Required quarterly reports include estimates of the Federal share of child support collections made by the State.

No provision.

e. Child Care

See F(1) above.

No provision.

f. Transitional Services

See F(1) above for transitional child care and Medicaid reporting requirements.

No provision.

Senate Amendment

Conference Agreement

A statement of the total amount of State funds expended on programs for the needy.

(p. 88)

The number of noncustodial parents who participated in work activities during the fiscal year. (p. 88)

Total amount of child support collected by the State IV-D agency on behalf of a family in the cash assistance program. (p. 88)

Total amount spent by the State for child care under Title IV-A, with a description of the types of care, including transitional care for families who no longer receive assistance because of work and "at-risk" care for persons who otherwise might become eligible for assistance. (p. 88)

The total amount spent by the State for providing transitional services to a family that no longer receive assistance because of employment, along with a description of those services. (p. 89)

Present Law

House Bill

K. Reports Required by DHHS Secretary

The law requires the DHHS Secretary to report promptly to Congress the results of State reevaluations of AFDC need standards and payment standards required at least every 3 years. The Secretary is to annually compile and submit to Congress annual State reports on at-risk child care. The Family Support Act required the Secretary to submit recommendations regarding JOBS performance standards by a deadline that was extended.

(1) Report on Data Processing (Sec. 102)

The DHHS Secretary must report to Congress within 6 months on the status of automatic data processing systems in the States and on what would be required to produce a system capable of tracking participants in public programs over time and checking case records across States to determine whether some individuals are participating in public programs in more than one State. The report should include a plan for building on the current automatic data processing system to produce a system capable of performing these functions as well as an estimate of the time required to put the system in place and the cost of the system. (p. 49)

(2) Report on Poverty: State, County, School District Level (Sec. 381)

The DHHS Secretary must, to the extent feasible, produce and publish for each State, county, and local unit of government for which data have been compiled in the most recent census of population, and for each school district, data about the incidence of poverty. Data shall include, for each school district, the number of children age 5 to 17 inclusive, in families below the poverty level, and, for each State and county for which data have been compiled by the Census Bureau, the number of persons aged 65 or older. Data shall be published for each State, county and local unit of government in 1996 and at least every second year thereafter; and for each school district, in 1998 and at least every second year thereafter. Data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable information. If reliable data could not be

Senate Amendment

Conference Agreement

Similar provision. (p. 89)

No provision.

Present Law

House Bill

otherwise produced, the Secretary is given authority to aggregate school districts. The DHHS Secretary is to consult with the Secretary of Education in producing data about school districts. If unable to produce and publish the required data, the Secretary must submit a report to the President of the Senate and the Speaker of the House not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reason for the exclusion. (see p. 157, in title III of H.R. 4)

No provision.

(3) Alternative Outcomes Measures.

The Secretary must, in cooperation with the States, study and analyze measures of program outcomes (as an alternative to minimum participation rates) for evaluating the success of State block grant programs in helping recipients leave welfare. The study must include a determination of whether outcomes measures should be applied on a State or national basis and a preliminary assessment of the job placement performance bonus established in the Act. The Secretary must report findings to the Committee on Finance and the Committee on Ways and Means not later than September 30, 1998. (p. 95)

Present Law

House Bill

No provision.

No provision.

(4) Effect of Welfare Reform on Grandparent
Caregivers

The Secretary is to report by Dec. 31, 1997, to the Committee on Ways and Means and the Committee on Economic and Educational Opportunities of the House and the Committee on Finance, the Committee on Labor and Human Resources, and the Special Committee on Aging of the Senate setting forth findings of a study on the effects of welfare changes made by the Act on grandparents who are primary caregivers for their grandchildren. The study is to identify barriers to participation in public programs by grandparent caregivers, including inconsistent policies, standards, and definitions of programs providing medical aid, cash, child support enforcement, and foster care. (p. 165)

(5) Report on State Temporary Family Assistance
Programs

Not later than March 31, 1998, and each fiscal year thereafter, the Secretary shall send Congress a report describing:

- (1) whether States are meeting minimum participation rates and whether they are meeting objectives of increasing employment and earnings of needy families, increasing child support collections, and decreasing out-of-wedlock pregnancies and child poverty;
- (2) demographic and financial characteristics of applicant families, recipient families, and those no longer ineligible for temporary family assistance;
- (3) characteristics of each State program of temporary family assistance; and
- (4) trends in employment and earnings of needy families with minor children. (p. 90)

Present Law

House Bill

L. Research, Evaluations, and National Studies

The law authorizes \$5 million annually for cooperative research or demonstration projects, such as those relating to the prevention and reduction of dependency.

The Secretary may conduct research on the effects, costs, benefits, and caseloads of State programs funded under this part. The Secretary may assist the States in developing, and shall evaluate (using random assignment to experimental and control groups to the maximum extent feasible), innovative approaches to employing recipients of cash aid under this part. The Secretary may conduct studies of the welfare caseloads of States operating welfare reform programs. The Secretary shall develop innovative methods of disseminating information on research, evaluations, and studies.
(p. 48)

Senate Amendment

Conference Agreement

The Secretary may conduct research on the effects, benefits, and costs of operating different State programs of Temporary Assistance to Needy Families, including time limits for eligibility. The research shall include studies on the effects of different programs and the operation of the programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other appropriate area. The Secretary may assist States in developing, and shall evaluate innovative approaches for reducing welfare dependency and increasing the well-being of minor children, using random assignments in these evaluations "to the maximum extent feasible." (p. 91)

The Secretary shall develop innovative methods of disseminating information on research, evaluations, and studies, including ways to facilitate sharing of information via computers and other technologies. (p. 92)

Present Law**House Bill**

M. Waivers

The law authorizes DHHS Secretary to waive specified requirements of State AFDC plans in order to enable a State to carry out any experimental, pilot, or demonstration project that the Secretary judges likely to assist in promoting the program's objective. (Sec. 1115 of Social Security Act) Some 34 States have received waivers from the Clinton Administration for welfare reforms of their own.

Repeals AFDC. Also, expressly repeals authority for waiver of specified provisions of AFDC law (Sec. 402, State plan requirements, and Sec. 403, terms of payment to States) for demonstration projects. (p. 56)

Senate Amendment

Conference Agreement

The Senate amendment makes a State eligible to receive funding to evaluate its family assistance program if it submits an evaluation design determined by the Secretary to be rigorous and likely to yield credible and useful information. The State must pay 10 percent of the study's cost, unless the Secretary waives this rule. (p. 95) For these State-initiated evaluation studies of the family assistance program (and for costs of operating and evaluating demonstration projects begun under the AFDC waiver process) the amendment authorizes to be appropriated, and appropriates, a total of \$20 million annually for 5 years (FYs 1996-2000). (p. 37)

The Senate amendment provides that terms of AFDC waivers in effect, or approved, as of October 1, 1995, will continue until their expiration, except that beginning with FY1996 a State operating under a waiver shall receive the block grant described under Section 403 in lieu of any other payment provided for in the waiver. The amendment gives States the option to terminate waivers before their expiration, but requires that early-ended projects be summarized. The amendment provides that a State that submits a request to end a waiver by January 1, 1996, or 90 days after adjournment of the first regular session of the State legislature that begins after the date of enactment, shall be held harmless for accrued cost neutrality liabilities incurred under the waiver. The Secretary is directed to encourage any State now operating a waiver to continue the project and to evaluate its result or effect. The amendment allows a State to elect to continue one or more individual waivers. (p. 97)

Present Law

House Bill

N. Studies by the Census Bureau
No provision.

(1) Expansion of SIPP to evaluate welfare reforms
The Census Bureau must expand the Survey of Income and Program Participation to evaluate the impact of welfare reforms made by this title on a random national sample of recipients and, as appropriate, other low-income families. The study should focus on the impact of welfare reform on children and families, and should pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells. \$10 million per year for 4 years in entitlement funds are authorized for this study. (p. 48)

No provision.

O. Services from Charitable, Religious, or Private Organizations

The Child Care and Development Block Grant Act prohibits use of any financial assistance provided through any grant or contract for any sectarian purpose or activity. In general, it requires religious nondiscrimination, but it does allow a sectarian organization to require employees to adhere to its religious tenets and teachings.

No provision.

Identical provision, except for the name of the Act.
(p. 96)

(2) Census Data on Grandparents as Caregivers

The Secretary of Commerce shall expand the Census Bureau's question (for the decennial census and mid-decade census) concerning households with both grandparents and their grandchildren so as to distinguish between households in which a grandparent temporarily provides a home and those where the grandparent serves as primary caregiver.
(p. 129)

Authorizes States to administer and provide family assistance services (and services under Supplemental Security Income and public housing) through contracts with charitable, religious, or private organizations. Authorizes States to pay recipients by means of certificates, vouchers, or other forms of disbursement that are redeemable with these private organizations. States that religious organizations are eligible, on the same basis as any other private organization, to provide

Present Law

House Bill

assistance as contractors or to accept certificates and vouchers so long as their programs "are implemented consistent with" the Establishment Clause of the Constitution. Stipulates that any religious organization with a contract to provide welfare services shall retain independence from all units of government and that such a religious organization (or one that redeems welfare certificates) may require employees who render service related to the contract or certificates to adhere to the religious tenets and teaching of the organization and to its rules, if any, regarding use of drugs or alcohol. Provides that, except as otherwise allowed by law, a religious organization administering the program may not discriminate against beneficiaries on the basis of religious belief, or refusal to participate in a religious practice. Requires States to provide an alternative provider for a beneficiary who objects to the religious character of the designated organization. Provides that no funds provided directly to institutions or organizations to provide services and administer programs shall be spent for sectarian worship or instruction, but does not apply this limitation to financial assistance in the form of certificates or vouchers, if the beneficiary may choose where the aid is redeemed. (p. 121)

Present Law

House Bill

5. TRANSFERS (Sec. 103 of House bill, Sec. 101 of Senate amendment)**A. Child Support Penalties**

If a State's child support plan fails to comply substantially with Federal requirements, the Secretary is to reduce its AFDC matching funds (by percentages that rise for successive violations). (Sec. 403(h) of the Social Security Act)

The provision for child support review penalties--loss of Federal payments for cash assistance--now found in 403(h) of part A of the Social Security Act is retained in the block grant. (p. 50)

B. Assistant Secretary for Family Support

An Assistant Secretary for Family Support, appointed by the President by and with consent of the Senate, is to administer AFDC, child support enforcement, and the Jobs Opportunities and Basic Skills (JOBS) program.

The provision for an Assistant Secretary for Family Support now found in section 417 of Part A of the Social Security Act is retained in the block grant (as sec. 409), but modified to remove the reference to JOBS (which the House bill repeals). (p. 51)

6. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT (Sec. 104 of House bill, Sec. 106 of Senate amendment)

No provision.

This section makes a series of technical amendments that conform the provisions of the House bill with various titles of the Social Security Act and provide for the repeal of Part F of Title IV (the JOBS program). (p. 51)

7. CONFORMING AMENDMENTS TO OTHER LAWS (Sec. 105 of House bill, Sec. 107 and 108 of Senate amendment)

No provision.

This section makes a series of technical amendments to conform provisions of the House bill to the Internal Revenue Code, the Omnibus

Senate Amendment**Conference Agreement**

No comparable provision. However, see 4(C)(6)(d) for penalty against States for failure to enforce penalties requested by child support agency against recipients who do not cooperate in establishing paternity. (p. 78)

Identical provision placed in sec. 415. (p. 107)

This section makes a series of amendments that conform provisions of the Senate amendment with various titles of the Social Security Act. (p. 132)

Section 107 makes a series of amendments that conform provisions of the Senate amendment to the Food Stamp Act, the Agriculture and

Present Law

House Bill

Reconciliation Act of 1987, the Housing and Urban-Rural Recovery Act of 1983, the Tax Equity and Fiscal Responsibility Act of 1982, and the Stewart B. McKinney Homeless Assistance Amendments Act of 1988. (p. 59)

8. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM (Sec. 106 of House bill, Sec. 104 of Senate amendment)

States must continue Medicaid (or pay premiums for employer-provided health insurance) for 6 months to a family that loses AFDC eligibility because of hours of, or income from, work of the caretaker relative, or because of loss of the earned income disregard after 4 months of work. States must offer an additional 6 months of medical assistance, for which it may require a premium

Although AFDC would be repealed, its standards would continue to be used by the Medicaid program. States would have to give Medicaid to families who would have received AFDC if it still existed as in effect on March 7, 1995. The frozen AFDC rules would govern Medicaid eligibility for both recipients and non-recipients of the new block grant funds, including those categorically ineligible

Senate Amendment

Conference Agreement

Consumer Protection Act, the National School Lunch Act, and the Child Nutrition Act. (p. 147)

Section 108 makes a series of amendments that conform provisions of the Senate amendment to the Unemployment Compensation Amendments of 1976, the Omnibus Budget Reconciliation Act of 1987, the House and Urban-Rural Recovery Act of 1983, the Tax Equity and Fiscal Responsibility Act of 1982, the Social Security Amendments of 1967, the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, the Higher Education Act of 1965, the Carl D. Perkins Vocational and Applied Technology Education Act, the Elementary and Secondary Education Act of 1965, Public Law 99-88, the Internal Revenue Code of 1986, the Wagner-Peyser Act, the Job Training Partnership Act, the Low-Income Home Energy Assistance Act of 1981, the Family Support Act of 1988, the Balanced Budget and Emergency Deficit Control Act of 1985, the Immigration and Nationality Act, the Head Start Act, and the School-to-Work Opportunities Act of 1994. (p. 153)

Same as House provision except for date at which AFDC rules would be "frozen" (June 1, 1995, rather than March 7, 1995). If an AFDC waiver (as of June 1, 1995) affects Medicaid eligibility, the State has the option to continue to apply the waiver in regard to Medicaid after the date when the waiver otherwise would end. (p. 127)

Present Law

House Bill

payment if the family's income after child care expenses is not above the poverty guideline. For extended medical aid, families must submit specified reports. States must continue Medicaid for 4 months to those who lose AFDC because of increased child or spousal support.

9. EFFECTIVE DATES (Sec. 107 of House bill, Sec. 112 of Senate amendment)

No provision.

for cash benefits. (p. 61)

The amendments and repeals made by this title take effect on October 1, 1995. The authority to reduce assistance for certain families that include a child whose paternity is not established will begin 1 year after the effective date or, at the option of the State, 2 years after the effective date. (p. 64)

Amendments made by Title I (Block Grants for Temporary Assistance for Needy Families) shall not apply to powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, or services provided (under AFDC) before the effective date of the Act. Nor shall amendments of the bill apply to administrative actions and proceedings commenced or authorized before the effective date of the bill. (p. 64)

AFDC is repealed effective October 1, 1995. Family assistance block grant provisions also take effect October 1, 1995 (except for penalties, most of which are effective October 1, 1996), but expire on September 30, 2000. A State may continue to operate its AFDC program for 9 months, until June 30, 1996. If it does so, its FY 1996 cash block grant under the new program shall be reduced by the amount of Federal matching funds received for that year for AFDC expenditures. (p. 180)

Same provision with different wording. (p. 181)

Present Law

House Bill

10. MISCELLANEOUS

**A. County Authority for Demonstration
Projects (Sec. 101 of Senate amendment)**
No provision.

No provision.

**B. Collection of Overpayments from
Federal Tax Refunds (Sec. 101 of the Senate
amendment)**
No provision.

No provision.

Requires the DHHS Secretary and the Agriculture Secretary jointly to enter into negotiations with all counties having a population greater than 500,000 that desire to conduct a demonstration project in which:

- (1) the county shall have the authority and duty to administer the operation of the family assistance program as if the county were considered a State;
- (2) the State shall pass through directly to the county the portion of the block grant that the State determines is attributable to the residents of the county; and
- (3) the project shall last 5 years.

To be eligible: (1) a county already must be administering the Title IV-A program; (2) must represent less than 25 percent of the State's total welfare caseload; and (3) the State must have more than one county with a population of greater than 500,000. Not later than 6 months after the end of a county demonstration project, the two Secretaries shall send a report to Congress that includes a description of the project, its rules, and innovations (if any). (p. 99)

Requires the Treasury Secretary, upon notification from a State that it has overpaid a former recipient of temporary cash assistance and has attempted unsuccessfully to collect the overpayment, to collect the sum from federal tax refunds. (p. 118)

Present Law**House Bill**

C. Tamper-Proof Social Security Card (Sec. 105A of the Senate amendment)

In response to the 1983 Social Security Amendments, which required that new and replacement social security cards be issued on banknote-quality paper, the Social Security Administration developed cards with fibers that make counterfeiting more difficult.

No provision.

D. Disclosure of Receipt of Federal Funds (Sec. 110 of the Senate amendment)

No provision.

No provision.

Requires the Commissioner of Social Security to develop a prototype of a counterfeit-resistant social security card. The card must be made of a durable, tamper-resistant material such as plastic or polyester, employ technologies that provide security features, and be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status. The Commissioner is to report to Congress on the cost of issuing a tamper-proof card for all persons over a 3-, 5-, and 10-year period. Copies of the report, along with a facsimile of the prototype card, shall be submitted to the Committees on Ways and Means and Judiciary of the House and the Committees on Finance and Judiciary of the Senate within one year of enactment. (p. 130).

Requires disclosure of specified public funds received by 501(c) organizations, which are non-profit and tax-exempt. When a 501(c) organization that accepts Federal funds under the Work Opportunity Act makes any communication that intends to promote public support or opposition to any governmental policy (Federal, State or local) through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, the communication must state: "This was prepared and paid for by an organization that accepts taxpayer dollars". (p. 166)

Present Law

House Bill

E. Projects to Expand Job Opportunities for Certain Low-Income Individuals (JOLI) (Sec. 110A of the Senate amendment)

The Family Support Act of 1988 (Sec. 505) directed the Secretary to enter into agreement with between 5 and 10 nonprofit organizations to conduct demonstrations to create job opportunities for AFDC recipients and other low-income persons. For these projects, \$6.5 million was authorized to be appropriated for each fiscal year, 1990-1992.

No provision.

F. Demonstration Projects to Expand Use of Schools (Sec. 110B of Senate amendment)

The 21st Century Community Learning Centers Act (established by P.L. 103-382) makes available funds directly to rural or inner-city schools, or consortia of them, to act as centers for providing education and human resources services. Services allowed include: literacy education, parenting skills education, employment counseling, training and placement. The Elementary and Secondary Education Act includes a program called "Extended Time for Learning and Longer School Year," which supports local educational agencies' efforts to lengthen learning time. Grantees may engage other community members in these efforts.

No provision

Strikes the word "demonstration" from the description of these projects and converts them to grant status. It requires the Secretary to enter into agreements with nonprofit organizations to conduct projects to create job opportunities for recipients of family assistance and other persons with income below the poverty guideline. It authorizes appropriations of \$25 million annually for these projects. (p. 167)

The Secretary of Education is required to make grants to not more than 5 States for demonstration grants to increase the number of hours when public school facilities are available for use. Schools selected must have a significant percentage of students receiving family assistance benefits. The longer hours are intended to enable volunteers and parents or professionals paid from other sources to teach, tutor, coach, organize, advise, or monitor students. Grants are intended also to make school facilities available for clubs, civic associations, Boy and Girl Scouts and other groups. The amendment authorizes \$10 million annually (FYs 1996-2000) for grants plus \$1 million annually for administration by the Secretary. (p. 168)

Present Law

House Bill

G. Secretarial Submission of Legislative Proposal for Technical and Conforming Amendments (Sec. 111 of Senate amendment)
No provision.

No provision.

Senate Amendment**Conference Agreement**

Not later than 90 days after enactment of this Act, the Secretary must submit to the appropriate committees of Congress a legislative proposal providing for technical and conforming amendments. (p. 180)

Title II - Supplemental Security Income

Present Law

House Bill

1. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS (Sec. 601 of the House bill, Secs. 201 and 205 of Senate amendment)

A. In General

Under SSI program criteria, drug addiction and alcoholism by themselves constitute an impairment qualifying an individual for cash SSI benefits on the basis of disability. SSI law allows persons whose drug addiction or alcoholism is a contributing factor material to their disability to receive benefits if they meet program income and resource requirements. SSI law requires these recipients to have a representative payee, to participate in an approved treatment program when available and appropriate, and to allow their participation in a treatment program to be monitored.

Under the House provision, an individual is not considered disabled if drug addiction or alcoholism is a contributing factor material to his or her disability determination. Drug addicts and alcoholics who cannot qualify based on another disabling condition will not be eligible for SSI benefits. (p. 253)

B. Representative Payee Requirements

SSI law requires that the SSI payments of individuals who have been diagnosed and classified as drug addicts or alcoholics must be made to another individual, or an appropriate public or private organization (i.e., the individual's "representative payee") for the use and benefit of the individual or eligible spouse. The representative payee is responsible for managing the SSI recipient's finances. P.L. 103-296, enacted in 1994, gives preference to organizations as representative payees unless appointing a family member would be "appropriate."

No provision.

Identical to House bill. (p. 183)

Under the Senate amendment, if a disabled person also has a drug or alcohol addiction (as determined by the Commissioner of Social Security), his or her SSI benefits are to be paid via a representative payee. (p. 183)

In addition, in the case of an individual with an addiction who is receiving SSI benefits on the date of enactment, the representative payee requirement will apply on or after the first continuing disability review occurring after enactment. For recipients with an addiction who are over the age of 65, the Commissioner will determine appropriate representative payee requirements. (p. 193)

Present Law

House Bill

C. Treatment Services for Individuals with a Substance Abuse Condition

Federal law requires SSI recipients who are classified as drug addicts or alcoholics to undergo appropriate treatment, if it is available. It is the Social Security Administration's responsibility (via referral and monitoring agencies) to find appropriate treatment for these recipients.

No provision.

D. Effective Date

Not applicable.

This section of the bill becomes effective on October 1, 1995, and apply with respect to months beginning on or after that date. (p. 255)

E. Funding of Certain Programs for Drug Addicts and Alcoholics

Public Law 103-296 limits SSI cash benefits to 3 years for recipients whose drug addiction or alcoholism is a contributing factor material to their disability. Medicaid benefits are to continue beyond the 3-year limit, as long as the individual remains disabled, unless he or she was expelled from SSI for noncompliance with treatment.

For four years beginning with FY 1997, \$100 million of the savings realized from denying cash SSI payments and Medicaid coverage to addicts and alcoholics will be targeted to drug treatment and drug abuse research. Each year, \$95 million will be expended through the Federal Capacity Expansion Program (CEP) to expand drug treatment availability and \$5 million will be allocated to the National Institute on Drug Abuse to be expended solely on the medication development project to improve drug abuse and drug treatment research. (p. 255)

Senate Amendment**Conference Agreement**

The Senate amendment stipulates that the Commissioner of Social Security is required to refer to the State agency that administers the State's substance abuse services any disabled SSI recipient who is identified as having a substance abuse problem. Any individual who refuses to accept the referred services without good cause is no longer eligible for SSI benefits. (p. 184)

Generally, changes apply to applicants for benefits for months beginning on or after the date of enactment. An individual receiving benefits on the date of enactment whose eligibility would end would continue to be eligible for benefits until January 1, 1997. The Commissioner of Social Security shall notify individuals losing eligibility within three months of the date of enactment. (p. 191)

For two years beginning with FY 1997, \$50 million will be spent to fund additional drug (including alcohol) treatment programs and services. (p. 186)

Present Law

House Bill

F. Reapplication

No provision.

No provision.

**2. SUPPLEMENTAL SECURITY INCOME
BENEFITS FOR DISABLED CHILDREN (Sec.
602 of House bill, Sec. 211 of Senate amendment)****A. Restrictions on Eligibility for Cash
Benefits****(1) Comparable Severity Repealed**

A needy child under age 18 who has an impairment of comparable severity with that of an adult may be considered disabled and eligible for SSI benefits.

The "comparable severity" test in statute for determining disability of children (defined as individuals under 18) is repealed. (p. 259)

(2) Disability Definition

To be found disabled, a child must have a medically determinable physical or mental impairment that substantially reduces his or her ability to independently and effectively engage in age-appropriate activities. This impairment must be expected to result in death or to last for a continuous period of not less than 12 months.

Eligibility, as determined by the Commissioner of Social Security, for cash benefits or new medical or non-medical services described below will be based solely on (1) meeting the non-disability-related requirement for eligibility; (2) meeting or equalling the current Listing of Impairments set forth in the Code of Federal Regulations (i.e., the Listing which is currently in regulations is to be codified in statute); and (3) being a disabled SSI recipient in the month prior to this provision's effective date or being in a medical facility because of the impairment or because the person would be placed in such facility if personal assistance were not provided. (p. 259)

Senate Amendment**Conference Agreement**

Individuals receiving SSI benefits on the date of enactment who are notified of their termination of eligibility may reapply for benefits within four months after the date of enactment. The Commissioner of Social Security will determine the eligibility of individuals who reapply within one year after the date of enactment. (p. 192)

Similar to House bill. (p. 194)

Adds new statutory definition of childhood disability. An individual under the age of 18 is considered disabled for the purposes of this section if the individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. (p. 194)

Present Law

House Bill

(3) Reliance on "Listing of Impairments"

Under the disability determination process for children, individuals whose impairments do not meet or equal the "Listing of Impairments" in Federal regulations are subject to an individualized functional assessment. This assessment examines whether the child can engage in age-appropriate activities effectively. If the child cannot, he or she is determined disabled.

The Commissioner of Social Security must annually report to Congress on the listings and recommend any needed revisions. "Individualized functional assessments" (IFAs) are no longer grounds for determination of disability. (p. 259)

(4) Multiple References to "Maladaptive Behavior" Eliminated

Under the disability determination process for children, the Social Security Administration first determines if a child meets or equals the Listings of Impairments (a catalogue of specific impairments, with accompanying clinical findings). Under the Listings that relate to mental disorders, maladaptive behavior may be scored twice, in domains of social functioning and of personal/behavior functioning.

No provision.

(5) Eligibility for SSI Benefits

If the child lives at home, the parents' financial resources are deemed available to the child. If the same child is institutionalized, after the first month away from home only the child's own financial resources are deemed to be available for the child's care. The child may then qualify for a reduced ("personal needs allowance") SSI benefit and for Medicaid coverage. Because of these

Children may be eligible for cash SSI payments in one of three circumstances:

(1) A child who is currently (defined as during the month prior to the first month for which this provision takes effect) receiving cash SSI payments by reason of disability will continue to be eligible for cash SSI benefits if the child has an impairment that meets or equals an impairment specified in the Listing of Impairments cited

Senate Amendment**Conference Agreement**

The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in the Code of Federal Regulations. (p. 195)

Requires the Commissioner of Social Security to revise the Listings of Impairments to eliminate references to maladaptive behavior among medical criteria for evaluation of mental and emotional disorders in the domain of personal/behavioral function. (p. 195)

No provision.

Present Law

House Bill

"deeming" rules, some children who could have been cared for at home might remain in institutions because, if they were to return home, they would lose Medicaid benefits. Medicaid "waivers" allow States to disregard the deeming rule, provide Medicaid coverage, and pay for support services to help families keep children at home.

(6) Effective Date
Not applicable.

above. Children receiving cash benefits under the grandfather provision whose financial eligibility is suspended would continue to receive cash benefits if financial eligibility is restored. (p. 259)

(2) For all other children, a child may only receive cash SSI payments if the child has an impairment which meets or equals an impairment specified in the Listings of Impairments cited above, and is either in a hospital, skilled nursing facility, residential treatment facility, intermediate care facility for the mentally retarded, or otherwise would be placed in such a facility if the child were not receiving personal assistance necessitated by the impairment. Personal assistance refers to assistance with activities of daily living such as eating and toileting. (p. 260)

(3) A child who is overseas as a dependent of a member of the U.S. Armed Forces and who is eligible for block grant services but not eligible for cash benefits under the new criteria shall be eligible for cash benefits. Cash benefits cease when the child returns to the United States. (p. 269)

Changes apply to benefits for months beginning ninety or more days after enactment, without regard to whether regulations have been issued. Recipients of SSI cash benefits during the month of enactment who would lose eligibility under the House bill may continue to receive SSI benefits for up to 6 months. (p. 279)

Senate Amendment

Conference Agreement

No specific provisions regarding children of military service members overseas.

The Senate amendment changes apply to applicants for benefits for months beginning on or after the date of enactment, without regard to whether regulations have been issued. However, the Commissioner must issue necessary regulations within 2 months of enactment. For child SSI recipients who were eligible for SSI on the date of enactment but who would lose eligibility under the Senate amendment, the changes would not take effect until January 1, 1997. The Commissioner is to redetermine the eligibility of these persons

Present Law

House Bill

(7) Notice

Not applicable.

Not later than one month after the date of enactment, the Commissioner must notify individuals whose eligibility for SSI benefits will terminate. (p. 261)

B. Block Grants to States for Children with Disabilities**(1) Entitlement to Grants**

Not applicable. However, Federal law requires the Secretary of Health and Human Services to refer all blind or disabled SSI recipients who are under age 65 to appropriate State vocational rehabilitation agencies. SSI funds are used to reimburse Vocational Rehabilitation agencies for reasonable and necessary costs of services which resulted in a disabled person's successful rehabilitation (i.e., defined as performance of substantiated gainful activity for a continuous period of 9 months). In addition, SSI funds are used to monitor the treatment of recipients whose disability is based solely on addiction to drugs or alcohol. Moreover, SSI children generally automatically are eligible for Medicaid benefits. Needy children who do not otherwise qualify for SSI may qualify for Aid to Families with Dependent Children (AFDC) benefits. All AFDC recipients automatically qualify for Medicaid benefits. In addition, States must provide Medicaid coverage to infants and children under age 6 in families with

Each State that meets the requirements listed below for FY 1997 or later years shall be entitled to receive a grant equal to the State's allotment for that fiscal year. The Commissioner of Social Security will make block grants to States for the purpose of providing specified medical and non-medical benefits for children who have an impairment which meets or equals an impairment specified in the Listings of Impairments cited above. Grants are an entitlement to eligible States on behalf of qualifying children, not an entitlement to any such child. (p. 261)

Senate Amendment**Conference Agreement**

within one year of enactment. (p. 195)

Within three months of enactment, the Commissioner must notify individuals whose eligibility for SSI benefits will terminate. (p. 197)

No provision.

Present Law

House Bill

income below 133 percent of poverty and children under age 11 (in 1995; under age 18 in 2002) in families with income below 100 percent of poverty.

Individuals with resources of over \$2,000 (or couples with resources of over \$3,000) are prohibited from receiving SSI benefits; children are deemed to have the resources of their parents.

(2) Requirements
Not applicable.

a. General Requirements: Each State must establish a program to provide block grant services. The State will submit to the Commissioner an application for the grant. In the application, the State agrees it must spend grant funds to provide authorized services designed to meet the unique needs of qualifying children. The application must also contain information, agreements, and assurances required by the Commissioner. In providing authorized services, States will make every reasonable effort to obtain payment for the services from other Federal or State programs that provide such services. States will expend the grant only to the extent that payments from other programs are not available. (p. 262)

b. Maintenance of Effort: In order to receive a block grant under this section, the State must agree to maintain non-Federal spending for any purposes designed to meet the needs of qualifying children with physical or mental impairments. States have discretion to select the purposes for which the State expends non-Federal amounts, within the purposes of providing for the needs of qualifying children. The Consumer Price Index will be used

Senate Amendment

Conference Agreement

No provision.

No provision.

Present Law

House Bill

to adjust for inflation in judging whether the State meets the maintenance of effort requirements in future years. (p. 263)

c. Assessment of Need for Services: No child who has an impairment which meets or equals an impairment specified in the Listings of Impairments will be denied the opportunity to apply for services and to have his or her case assessed to determine the child's service needs. (p. 265)

(3) Authority of State
Not applicable.

The following decisions are in the discretion of a State:

- (1) Which authorized services to provide;
- (2) Who among qualifying children receives services; and
- (3) The number of services provided a qualifying child and their duration. (p. 265)

(4) Authorized Services
Not applicable.

The Commissioner shall issue regulations designating the purposes for which grants may be spent by States. The Commissioner must ensure that services on the list are designed to meet the unique needs of qualifying children that arise from their physical and mental impairments, that both medical and non-medical services are included, and that cash assistance is not available through the block grant. (p. 266)

Senate Amendment

Conference Agreement

No provision.

No provision.

No provision.

Present Law

House Bill

(5) General Provisions

Not applicable.

a. Issuance of Regulations: Necessary regulations are to be issued, but payments under the block grant must begin not later than January 1, 1997, regardless of whether final rules have been issued. (p. 266)

b. Provisions Regarding Other Programs: The value of the authorized services provided through the block grant cannot be taken into account in determining eligibility for, or the amount of, benefits or services under any Federal or Federally-assisted program. For the purposes of Medicaid, each qualifying child shall be considered to be a recipient of Supplemental Security Income benefits under this title. (p. 266)

c. Use of existing delivery systems: States are encouraged to use an existing delivery system to administer block grant services. (p. 267)

d. Required Participation of States: States that do not participate in offering block grant services are not permitted to use social security numbers in the administration of any tax, public assistance, driver's license or motor vehicle registration law. (Because of the extreme duress this would impose on States, this is regarded as effectively a "requirement.") (p. 267)

(6) Definitions

Not applicable.

a. Allotment: A State's allotment of block grant funds equals the product of 75 percent of the average cash SSI benefit in the State and the number of children in the State receiving non-cash SSI benefits under this section. (p. 268)

Senate Amendment

Conference Agreement

No provision.

No provision.

No provision.

No provision.

No provision.

Present Law

House Bill

(7) **Effective Date**
Not applicable.

C. Provisions Relating to SSI Cash Benefits and SSI Service Benefits (Sec. 602 of House bill, Sec. 212 of Senate amendment)

(1) Provisions Relating to Disability Reviews

Federal law requires that Social Security Disability Insurance recipients be subject to a Continuing Disability Review (CDR) at least once every 3 years, except for recipients whose impairments are judged to be permanent. (SSA estimates that 400,000-500,000 reviews are required each year, but far fewer have been done.) [Sec. 221(i)] Before 1994, only SSI recipients who also received Social Security Disability Insurance benefits were subject to CDRs. Public Law 103-296 (enacted in 1994) requires the Secretary of Health and Human Services (HHS) to conduct periodic CDRs of at least 100,000 disabled SSI recipients per

b. **Authorized Service:** Means each service authorized by the Commissioner. (p. 268)

c. **Qualifying Child:** Means an individual under 18 years of age who is eligible for cash benefits under this title by reason of disability; or an individual under 18 years of age who is eligible for SSI non-cash benefits as described above. The Commissioner will determine whether individuals meet the eligibility criteria to be eligible for block grant services. (p. 269)

Block grants are available to eligible States beginning in FY 1997. (p. 262)

a. **Continuing Disability Reviews for Certain Children:** In addition to the provisions of current law, at least once every 3 years the Commissioner must conduct CDRs to redetermine the eligibility for SSI benefits of children receiving benefits. For children who are eligible for benefits and whose medical condition is not expected to improve, the requirement to perform such reviews does not apply. (p. 270)

Senate Amendment

Conference Agreement

No provision.

No provision.

No provision.

Same as the House bill, minor differences in wording. (p. 198)

At the time of review the parent or guardian must present evidence demonstrating that the recipient is and has been receiving appropriate treatment for his or her disability. (p. 198)

Present Law

House Bill

year for a period of 3 years (i.e., FY 1996-1998). Federal law requires the Secretary of HHS to report to Congress on CDRs for disabled SSI recipients no later than October 1, 1998.

Section 207 of Public Law 103-296 also specifies that the Secretary of HHS must reevaluate under adult disability criteria the eligibility of at least one-third of SSI children who turn age 18 in each of the fiscal years 1996, 1997, and 1998 (the CDR must be completed before these children reach age 19). Federal law requires the Secretary of HHS to report to Congress no later than October 1, 1998, on CDRs for disabled children.

Federal regulations cite the following as being functionally equivalent to the "Listing of Impairments" (discussed above): (1) Infants weighing less than 1200 grams at birth until they reach age 1; (2) Infants weighing between 1200 and 2000 grams, and who are small for gestational age (e.g., birthweight that is 2 or more standard deviations below mean), until they reach age 1.

b. Disability Review Required for SSI Recipients Who Attain 18 Years of Age: All children qualifying for SSI benefits must be reevaluated within one year after turning 18 years of age. The review will be considered a substitute for any other review required under the changes made in this section. (p. 271)

Not later than October 1, 1998, the Commissioner of Social Security must submit to the House Committee on Ways and Means and the Senate Committee on Finance a report on disability reviews for children enrolled in SSI. The "minimum number of reviews" and the "sunset" provisions of section 207 of the Social Security Independence and Program Improvements Act of 1994 are eliminated. (p. 272)

c. Disability Review Required for Low Birth Weight Babies Who Have Received SSI Benefits for 12 Months: A review for continuing disability must be performed for all children qualifying for SSI due to low birth weight when the child has received benefits for 12 months. (p. 272)

Senate Amendment**Conference Agreement**

Same as the House bill with differences in wording. (p. 199)

No provision, except that like the House bill the Senate amendment repeals section 207 of the Social Security Independence and Program Improvements Act of 1994. (p. 199)

A review must be conducted 12 months after the birth of a child whose low birth weight is a contributing factor to the child's disability. (p. 200)

At the time of review, the parent or guardian must present evidence demonstrating that the recipient is and has been receiving appropriate treatment for his or her disability. (p. 200)

Present Law

House Bill

(2) Provisions Relating to Assets and Trusts of Children

No provision. There is a transfer of assets provision in Medicaid law that is similar to H.R. 4 provision (Sec. 1917(c) of SSA).

No provision.

d. Effective Date: This section applies to benefits for months beginning ninety or more days after enactment, regardless of whether regulations have been issued. (p. 279)

a. Disposal of Assets: The House bill delays eligibility for any child applicant whose parents or guardians, in order to qualify a child for benefits, dispose of assets for less than fair market value within 36 months of the date of application. The provision stipulates that any assets in a trust in which the child (i.e., parent or representative payee) has control shall be considered assets of the child and subject to the 36-month "look-back" rule. The delay (in months) is equal to the amount of assets divided by the SSI standard benefit. (p. 273)

No provision.

Senate Amendment

Conference Agreement

Applies to benefits for months beginning on or after the date of enactment, regardless of whether regulations have been issued. (p. 200)

No provision.

b. Dedicated Savings Accounts:

At the request of the representative payee (i.e., the parent), the Commissioner of Social Security may pay any lump sum payment for the benefit of a child into a dedicated savings account for the purpose of covering the costs of needs related to the child's disability and/or increasing the child's independence. The dedicated savings account could only be used to purchase education and job skills training, special equipment or housing modifications related to the child's disability, and appropriate therapy and rehabilitation. The funds in these accounts would not be counted as resources in determining SSI eligibility. (p. 202)
This provision would take effect upon enactment. (p. 203)

Present Law

House Bill

D. Conforming Amendments

Not applicable.

The House bill makes a number of conforming amendments, reflecting the addition of non-cash SSI benefits as described above. (p. 274)

E. Improvements to Disability Evaluations for Children

P.L. 103-296 (enacted in 1994) established a Commission on Childhood Disability to study among other things the effect of the definition of disability on determining whether a child under age 18 should be eligible for SSI benefits.

No provision.

F. Temporary Eligibility for Cash Benefits for Poor Disabled Children Residing in States Applying Alternative Income Eligibility Standards Under Medicaid

States generally are required to provide Medicaid coverage for recipients of SSI. However, States may use more restrictive eligibility standards for Medicaid than those for SSI if they were using those standards on January 1, 1972 (before implementation of SSI). States that have chosen to apply at least one more restrictive standard are known as "section 209(b) states, after the section of the Social Security Amendments of 1972 (P.L. 92-603) that established the option. These States may vary in their definition of disability, or in their standards related to income or resources. There are 12 section 209(b) States: Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Carolina, North Dakota,

The House bill provides for temporary eligibility for cash SSI benefits (through the end of FY 1996) for children who live in States that apply alternative income eligibility standards under Medicaid (also known as "209(b)" States). (p. 278)

Senate Amendment

Conference Agreement

No provision.

The Senate amendment directs the Commissioner of Social Security, within sixty days of enactment, to issue a request for comments in the Federal Register regarding improvements in the disability evaluation and determination procedures for children under age 18. (p. 205) The Commissioner must review the comment and issue regulations implementing changes within 18 months after enactment. (p. 206)

No provision.

Present Law

House Bill

Ohio, Oklahoma, and Virginia.

G. Reduction of Cash Benefits Payable to Institutionalized Children Whose Medical Costs Are Covered by Private Insurance

Federal law stipulates that when an individual enters a hospital or other medical institution in which more than half of the bill is paid by the Medicaid program, his or her monthly SSI benefit standard is reduced to \$30 per month. This personal needs allowance is intended to pay for small personal expenses, with the cost of maintenance and medical care provided by the Medicaid program.

Cash SSI payments to institutionalized children would be reduced for those whose medical costs are covered by private insurance. (p. 279)

H. Additional Accountability Requirements for Parents or Guardians

No provision.

No provision.

Senate Amendment

Conference Agreement

No provision.

The Senate amendment requires a disabled child's representative payee (usually the parent) to document expenditures. These expenditures would be subject to increased review by the Social Security Administration. (p. 201) Effective for benefits paid after enactment. (p. 203)

Present Law

House Bill

I. Regulations
Not applicable.

The Commissioner of Social Security and the Secretary of HHS will prescribe necessary regulations within three months after enactment of this Act. (p. 280)

3. EXAMINATION OF MENTAL LISTINGS USED TO DETERMINE ELIGIBILITY OF CHILDREN FOR SSI BENEFITS BY REASON OF DISABILITY (Sec. 603 of House bill)

Section 202 of the Social Security Independence and Program Improvements Act of 1994 established a Childhood Disability Commission to study the desirability and methods of increasing the extent to which benefits are used in the effort to assist disabled children in achieving independence and engaging in substantial gainful activity. The Commission was also charged to examine the effects of the SSI program on disabled children and their families.

The Childhood Disability Commission must review the mental listings used by SSA to determine child SSI eligibility. The Commission should conduct this investigation to ensure that the criteria in these listings are appropriate and that SSI eligibility is limited to children with serious disabilities for whom Federal assistance is necessary to improve the child's condition or quality of life. (p. 281)
[The Commission has completed its work.]

4. LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS AND GUAM UNDER PROGRAMS OF AID TO THE AGED, BLIND, OR DISABLED (Sec. 604 of House bill)

In 1972, cash payments for aged, blind, and disabled persons were federalized under the SSI program. However, the predecessor Federal-State programs of old-age assistance, aid to the blind, and aid to the permanently and totally disabled remain for residents of Puerto Rico, Guam, and the U.S. Virgin Islands. These grants in combination with Aid to Families with Dependent Children (AFDC), Emergency Assistance, AFDC-related child care, and foster care and adoption assistance

The House bill amends section 1108 of the Social Security Act so that the total amount certified for payment by the Secretary of HHS under titles I, X, XIV, and XVI is funded at 1994 Adult Assistance levels. In effect, the House bill establishes a block grant for the territories of Puerto Rico, Guam, and the U.S. Virgin Islands to operate a program of adult cash assistance for needy aged, blind, or disabled persons, funded at their FY 1994 levels. (p. 282)

Senate Amendment

Conference Agreement

No provision.

No equivalent provision. See numbers 9 and 10 below regarding Study of Disability Determination Process and Formation of a National Commission on the Future of Disability. Eliminates references to maladaptive behavior in the domain of personal/behavioral function in the Listing of Impairments. (p. 195)

No provision.

Present Law

House Bill

are subject to spending limitations. The limitations, which were most recently changed in 1988 by P.L. 100-485, are: \$82 million for Puerto Rico, \$3.8 million for Guam, and \$2.8 million for the Virgin Islands. In FY 1994, the Federal share of State expenditures on adult cash assistance amount to \$18,053,940 in Puerto Rico, \$900,718 in Guam, and \$473,459 in the U.S. Virgin Islands. [Sec. 1108 of SSA]

5. REPEAL OF MAINTENANCE EFFORT REQUIREMENT APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS
(Sec. 605 of House bill, Sec. 241 of Senate amendment)

Since the beginning of the SSI program, States have had the option to supplement (with State funds) the Federal SSI payment. The purpose of section 1618 was to encourage States to pass along to SSI recipients the amount of any Federal SSI benefit increase. Under section 1618, a State that is found to be not in compliance with the "pass along/maintenance of effort provision" is subject to loss of its Medicaid reimbursements. Section 1618 allows States to comply with the "pass along/maintenance of effort" provision by either maintaining their State supplementary payment levels at or above 1983 levels or by maintaining total annual expenditures for supplementary payments (including any Federal cost-of-living adjustment) at a level at least equal to the prior 12-month period, provided the State was in compliance for that period. In effect, section 1618 requires that once a State elects to provide supplementary payments it must continue to do so. [Sec. 1618 of SSA]

The House bill repeals the maintenance of effort requirements (Sec. 1618) applicable to optional State programs for supplementation of SSI benefits. (p. 282)

Senate Amendment

Conference Agreement

Same as the House bill. (p. 218)

Present Law

House Bill

6. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES (Sec. 606 of House bill, Secs. 203 and 205 of Senate amendment)

Federal law states that persons who knowingly and willfully make or cause to be made any false statements or misrepresentations in applying for or continuing to receive SSI payments shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

7. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATIONS (Sec. 607 of House bill, Secs. 204 and 205 of Senate amendment)

No provision.

Individuals found by a State to have made, or convicted in Federal or State court of having made, a fraudulent misrepresentation of residence in order to draw SSI, Temporary Family Assistance, Medicaid, or Food Stamp benefits in 2 or more States at the same time shall be ineligible for SSI benefits for 10 years. (p. 283)

Fugitive felons, and probation and parole violators are ineligible for SSI benefits. The Commissioner of Social Security will furnish Federal, State, and local law enforcement officers the current address of recipients who are fugitive felons or probation or parole violators. (p. 283)

Senate Amendment

Conference Agreement

Same as House bill, but does not include House language that allows the State to determine if an individual has made a fraudulent statement or misrepresentation. (p. 188) This provision becomes effective on the date of enactment. (p. 193)

Similar provision, except the Senate amendment does not include the following item: (C) the request for information from the Commissioner about the beneficiary is made in the proper exercise of such (the law enforcement official's) duties. (p. 189) Also the Senate amendment adds language regarding what must be furnished to a law enforcement officer, i.e., social security number and photograph (if applicable). (p. 190) This provision becomes effective on the date of enactment. (p. 193)

Present Law

House Bill

**8. LIMITED ELIGIBILITY OF
NONCITIZENS FOR SSI BENEFITS** (Multiple
cites in Title IV of House bill, Sec. 202 of Senate
amendment)

No provision.

See Title IV of House bill.

9. ANNUAL REPORT ON SSI (Sec. 221 of
Senate amendment)

To date, the Department of Health and Human
Services and now the Social Security
Administration have collected, compiled, and
published annual and monthly SSI data, but
Federal law does not require an annual report on
the SSI program.

No provision.

**10. STUDY OF DISABILITY
DETERMINATION PROCESS** (Sec. 223 of
Senate amendment)

No provision.

No provision.

See discussion of treatment of SSI benefits for aliens in Title V of Senate amendment.

The Senate amendment requires the Commissioner of Social Security to prepare and provide to the President and the Congress an annual report on the SSI program, which includes specified information and data. The report is due May 30 of each year. (p. 204)

(1) Within 90 days of enactment, the Commissioner must contract with the National Academy of Sciences or another independent entity to conduct a comprehensive study of the disability determination process for SSI and SSDI. The study must examine the validity, equity and consistency with current scientific standards of the Listings of Impairments cited above. (p. 207)

(2) The study must also examine the appropriateness of the definitions of disability (and possible alternatives) used in connection with SSI and SSDI; and the operation of the disability determination process, including the appropriate

Present Law

House Bill

Senate Amendment

Conference Agreement

method of performing comprehensive assessments of individuals under age 18 with physical or mental impairments. (p. 207)

(3) The Commissioner must issue interim and final reports of the findings and recommendations of the study within 18 months and 24 months, respectively, from the date of contract for the study. (p. 208)

Present Law

House Bill

**11. GENERAL ACCOUNTING OFFICE
STUDY (Sec. 224 of Senate amendment)**

No provision.

No provision.

**12. NATIONAL COMMISSION ON THE
FUTURE OF DISABILITY (Secs. 231 through
237 of Senate amendment)**

A. Establishment

No provision.

No provision.

B. Duties

No provision.

No provision.

Senate Amendment

Conference Agreement

The Senate amendment requires the General Accounting Office to study and report on the impact of title II of the Senate amendment on the SSI program by January 1, 1998. (p. 209)

The Commission is established and expenses are to be paid from funds appropriated to the Social Security Administration. (p. 209)

(1) The Commission must study all matters related the nature, purpose and adequacy of all federal programs for the disabled, and especially SSI and SSDI. (p. 209)

(2) The Commission must examine: Projected growth in the number of individuals with disabilities and the implications for program planning; possible performance standards for disability programs; the adequacy of federal rehabilitation research and training; and the adequacy of policy research available to the federal government and possible improvements. (p. 209)

Present Law

House Bill

C. Membership
No provision.

No provision.

D. Staff and Support Services
No provision.

No provision.

Senate Amendment**Conference Agreement**

(3) The Commission must submit to the President and the proper Congressional committees recommendations and possible legislative proposals effecting needed program changes. (p. 210)

(1) The Commission is to be composed of 15 members, appointed by the President and Congressional leadership. Members are to be chosen based on their education, training or experience, with consideration for representing the diversity of individuals with disabilities in the U.S. (p. 211)

(2) The Comptroller General must serve as an ex officio member of the Commission to advise on the methodology of the study. With the exception of the Comptroller General, no officer or employee of any government may serve on the Commission. (p. 212)

(3) Members are to be appointed not later than 60 days after enactment. Members serve for the life of the Commission, which will be headquartered in D.C. and meet at least quarterly. (p. 212)

(4) The Senate amendment includes a number of specific requirements on the Commission regarding quorums, the naming of chairpersons, member replacement, and benefits. (p. 213)

The Commission will have a director, appointed by the Chair, and appropriate staff, resources, and facilities. (p. 214)

Present Law

House Bill

E. Powers

No provision.

No provision.

F. Reports

No provision.

No provision.

G. Termination

No provision.

No provision.

**13. ELIGIBILITY FOR SSI BENEFITS
BASED ON SOCIAL SECURITY
RETIREMENT AGE (Sec. 251 of Senate
amendment)**

The SSI program guarantees a minimum level of cash income to all aged, blind, or disabled persons with limited resources. The SSI program defines "aged" as persons age 65 and older.

No provision.

Senate Amendment**Conference Agreement**

The Commission may conduct public hearings and obtain information from federal agencies necessary to perform its duties. (p. 215)

The Commission must issue an interim report to Congress and the President not later than 1 year prior to terminating. A final public report must be submitted prior to termination. (p. 216)

The Commission will terminate 2 years after first having met and named a chair and vice chair. (p. 217)

The Senate amendment deletes references to age 65 and instead defines as "aged" those persons who reach "retirement age" as defined by the Social Security program. The Social Security "retirement age"-- the age at which retired workers receive benefits that are not reduced for "early retirement"-- gradually will rise from 65 to 67. It will do so in two steps. First, the retirement age will increase by 2 months for each year that a person was born after 1937, until it reaches age 66 for those born in 1943 (i.e., those who attain age 66 in 2009). Second, it will again increase by 2 months for each year that a person was born after 1954 until it reaches age 67 for those born after 1959. (p. 218)

Title III - Child Support Enforcement

Present Law

House Bill

Subtitle A - Eligibility for Services; Distribution of Payments

1. REFERENCES (Sec. 700 of House bill, Sec. 900 of Senate amendment)

No provision.

Any reference in this title expressed in terms of an amendment to or repeal of a section or other provision is made to the Social Security Act. (p. 285)

2. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES (Sec. 701 of House bill, Sec. 901 of Senate amendment)

States are required to establish paternity for children born out of wedlock if they are recipients of AFDC or Medicaid, and to obtain child and spousal support payments from noncustodial parents of children receiving AFDC, Medicaid benefits, or foster care maintenance payments. States must provide child support collection or paternity determination services to persons not otherwise eligible if the person applies for services. Federal law requires States to cooperate with other States in establishing paternity (if necessary), locating absent parents, collecting child support payments, and carrying out other child support enforcement functions.

States must provide services, including paternity establishment and establishment, modification, or enforcement of support obligations, for children receiving benefits under part A (temporary assistance for needy families block grant-TANF), part B (child protection block grant), Medicaid, and any child of an individual who applies for services. States must enforce support obligations with respect to children in their caseload and the custodial parents of such children. States must also make child support enforcement services available to nonresidents on the same terms as to residents. The provision also makes minor technical amendments to SSA section 454. (p. 286)

Senate Amendment**Conference Agreement**

Identical provision. (p. 424)

Similar provision with one exception: instead of reference to part B as in House bill, reference is to part E-foster care and adoption assistance. (p. 424).

Present Law

House Bill

3. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS (Sec. 702 of House bill, Sec. 902 of Senate amendment)**A. Distribution of Collected Support**

To receive AFDC benefits, a custodial parent must assign to the State her right to collect child support payments. This assignment covers current support and any arrearages, and lasts as long as the family receives AFDC. Federal law requires that child support collections be distributed as follows: First, up to the first \$50 in current support is paid to the AFDC family (a "disregard" that does not affect the family's AFDC benefit or eligibility status). Second, the Federal and State governments are reimbursed for the AFDC benefit paid to the family in that month. Third, if there is money left, the family receives it up to the amount of the current month's child support obligation. Fourth, if there is still money left, the State keeps it to reimburse itself for any arrearages owed to it under the AFDC assignment (with appropriate reimbursement of the Federal share of the collection to the Federal government). If no arrearages are owed the State, the money is used to pay arrearages to the family; such moneys are considered income under the AFDC program and would reduce the family's AFDC benefit.

To receive funds from the temporary assistance for needy families (TANF) block grant, a custodial parents must assign to the State their right to child support payments. (p. 39) The bill ends the \$50 child support disregard to (TANF) families.

Families receiving cash assistance--States are given the option of passing the entire child support payment through to families. If States elect this option, they must pay the Federal share of the collection to the Federal government. (p. 289)

Families that formerly received cash assistance--Current child support payments go to the family. (p. 289) Payments on arrearages that accrued before or after the custodial parent received cash assistance are paid to the family first if the family leaves welfare. Only after all arrearages owed to the custodial parent and children have been repaid are arrearages owed to the State and Federal government repaid. Payments on arrearages that accrued while the family received assistance must be retained by the State. The State is required to keep the State share of the collected amount, and pay to the federal government the federal share of the amount collected (to the extent necessary to reimburse amounts paid to the family as cash assistance). (p. 290) As a general rule, States must pay to the Federal government the Federal share of child support collections for parents on the Temporary Family Assistance program. This share is calculated using the State's Medicaid match rate in effect in 1995 or in subsequent years, whichever is greater.

Families that never received cash assistance--All child support

Any rights to child support that were assigned to the State before the effective date of the amendment are to remain so assigned. The amendment gives States the option of requiring TANF applicants and recipients to assign to the State their rights to child support payments. (p. 38) The amendment eliminates references (in both the TANF block grant title of the amendment and the CSE title) to the \$50 child support disregard, but does not explicitly eliminate the \$50 child support disregard. Families receiving cash assistance--States are given the option of passing the entire child support payment through to families. If States elect this option, they must pay the Federal share of the collection to the Federal government. (p. 428) Families that formerly received cash assistance--Current child support payments go to the family. Payments on arrearages that accrued after the custodial parent left welfare are paid to the family. (p. 429) With respect to payments on arrearages that accrued before or while the family received assistance, the State may retain all or part of the State share, and if the State does so, it must retain and pay to the Federal Government the Federal share (to the extent the amount retained does not exceed the cash assistance paid to the family). The Federal share is calculated using the State's Medicaid match rate in effect in 1995 or in subsequent years, whichever is greater. (p. 431) Families that never received cash assistance--All child support payments go directly to the family. (p. 430) Moreover, in Senate amendment, in the case

Present Law

House Bill

payments go directly to the family. (p. 291)

**B. Continuation of Services for Families
Ceasing to Receive Assistance**

Federal law requires States to continue providing child support enforcement services to AFDC, Medicaid, and foster care families who no longer qualify for AFDC benefits on the same basis as in the case of those who receive benefits or services, except that no application or request for services is required.

When families leave the TANF program, States are required to continue providing child support enforcement services to them subject to the same conditions and on the same basis as in the case of individuals who receive assistance. (p. 293)

C. Effective Date

Not applicable.

The effective date for provisions relating to distribution of support collected for families who formerly received cash assistance is October 1, 1995. For all others it is October 1, 1999. (p. 293)

Senate Amendment**Conference Agreement**

of a family receiving cash assistance from an Indian tribe, the child support collection is to be distributed according to the agreement specified in the State plan. (p. 428)

Identical provision. (p. 426)

The effective date for distribution of support collected for families receiving cash assistance is October 1, 1999. The effective date for the clerical amendments and provisions relating to the distribution of child support collected for families who formerly received cash assistance or who never received cash assistance is October 1, 1995. (p. 433)

Present Law

House Bill

4. PRIVACY SAFEGUARDS (Sec. 703 of House bill, Sec. 904 of Senate amendment)

Federal law limits the use or disclosure of information concerning recipients of Child Support Enforcement Services to purposes connected with administering specified Federal welfare programs.

States must implement safeguards against unauthorized use or disclosure of information related to proceedings or actions to establish paternity or to enforce child support. These safeguards must include prohibitions on release of information where there is a protective order or where the State has reason to believe a party is at risk of physical or emotional harm from the other party. This provision is effective October 1, 1997. (p. 294)

5. RIGHTS TO NOTIFICATION AND HEARING (Sec. 903 of Senate amendment)

Most States have procedural due process requirements with respect to wage withholding. Federal law requires States to carry out withholding in full compliance with all procedural due process requirements of the State.

No provision.

Identical provision. (p. 435)

Parties to child support cases under Title IV-D must receive notice of proceedings in which child support is established or modified and must receive a copy of orders establishing or modifying child support within 14 days of issuance. Individuals served by the child support program must also have access to a fair hearing or other complaint procedures. These rules and procedures become effective on October 1, 1997. (p. 434)

Present Law

House Bill

Subtitle B - Locate and Case Tracking**6. STATE CASE REGISTRY (Sec. 711 of House bill, Sec. 911 of Senate amendment)****A. Contents**

No provision.

The automated State Case Registry must contain a record on each case in which services are being provided by the State agency, as well as each support order established or modified in the State on or after October 1, 1998. (p. 295)

B. Linking of Local Registries

No provision.

The Registry may be established by linking local case registries of support orders through an automated information network. (p. 295)

C. Use of Standardized Data Elements

No provision.

The registry record will contain data elements on both parents, such as names, social security numbers and other uniform identification numbers, dates of birth, case identification numbers, and any other data the Secretary may require. (p. 296)

D. Payment Records

Federal law, with respect to wage withholding, requires that wage withholding be administered by a public agency capable of documenting payments of support and tracking and monitoring such payments.

Each case record will contain the amount of support owed under the order and other amounts due or overdue, any amounts that have been collected and distributed, the birth date of any child for whom the order requires the provision of support, and the amount of any lien imposed by the State. (p. 296)

Senate Amendment

Conference Agreement

Identical provision. (p. 437)

Identical provision. (p. 437)

Identical provision. (p. 437)

Identical provision. (p. 438)

Present Law

House Bill

E. Updating and Monitoring

Federal law requires that child support orders be reviewed and adjusted, as appropriate, at least once every 3 years.

The State agency operating the registry will promptly establish and maintain and regularly update case records in the registry with respect to which services are being provided under the State plan. Updating will be based on administrative actions and administrative and judicial proceedings and orders relating to paternity and support, as well as information obtained from comparison with Federal, State, and local sources of information, information on support collections and distributions, and any other relevant information. (p. 297)

F. Information Comparisons and Other Disclosures

No provision.

The State automated system will be used to extract data for purposes of sharing and matching with Federal and State data bases and locator services, including the Federal Case Registry of Child Support Orders, the Federal Parent Locator Service, Temporary Assistance to Needy Families and Medicaid agencies, and intra- and interstate information comparisons. (p. 297)

Senate Amendment**Conference Agreement**

Identical provision. (p. 438)

Identical provision. (p. 439)

Present Law

House Bill

7. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS (Sec. 712 of House bill, Sec. 912 of Senate amendment)**A. State Disbursement Unit**

No provision. But States may provide that, at the request of either parent, child support payments be made through the child support enforcement agency or the agency that administers the State's income withholding system regardless of whether there is an arrearage. States must charge the parent who requests child support services a fee equal to the cost incurred by the State for these services, up to a maximum of \$25 per year.

B. Operation

No provision.

C. Linking of Local Disbursement Units

No provision.

By October 1, 1998, State child support agencies are required to operate a centralized, automated unit for collection and disbursement of payments on child support orders enforced by the child support agency. The specifics of how States will establish and operate their State Disbursement Unit must be outlined in the State plan. (p. 299)

The State Disbursement Unit must be operated directly by the State agency, by two or more State agencies under a regional cooperative agreement, or by a contractor responsible directly to the State agency. (p. 301)

The State Disbursement Unit may be established by linking local disbursement units through an automated information network. The Secretary must agree that the system will not cost more nor take more time to establish than a centralized system. In addition, employers shall be given one location to which income withholding is sent. (p. 301)

Senate Amendment**Conference Agreement**

Identical provision. (minor differences in wording;
p. 441)

Identical provision. (p. 442)

Similar provision except that whereas the House
requires only that the system not cost more or take
more time to establish, the Senate adds the
condition that the system also cannot take more
time to operate. (p. 443)

Present Law

House Bill

D. Required Procedures

No provision.

The Disbursement Unit will be used to collect and disburse support payments, to generate orders and notices of withholding to employers, to keep an accurate identification of payments, to promptly distribute money to custodial parents or other States, and to furnish parents with a record of the current status of support payments. The Unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical. (p. 301)

E. Timing of Disbursements

No provision.

The Disbursement Unit must distribute all amounts payable within 2 business days after receiving money and identifying information from the employer or other source of periodic income, if sufficient information identifying the payee is provided. (p. 302)

F. Use of Automated System

No provision

States must use their automated system to facilitate collection and disbursement including at least:

- (1) transmission of orders and notices to employers within 2 days after receipt of the withholding notice;
- (2) monitoring to identify missed payments of support;
- (3) automatic use of enforcement procedures when payments are missed. (p. 302)

G. Effective Date

Not applicable.

This section of the bill will go into effect on October 1, 1998. (p. 304)

Senate Amendment

Conference Agreement

Identical provision. (p. 443)

Similar provision except Senate amendment permits the retention of arrearages in the case of appeals until they are resolved. (p. 444)

Identical provision. (p. 444)

Identical provision. (p. 446)

Present Law

House Bill

8. STATE DIRECTORY OF NEW HIRES

(Sec. 713 of House bill, Sec. 913 of Senate amendment)

A. State Plan Requirement

No provision.

State plans must include the provision that by October 1, 1997 States will operate a Directory of New Hires (as outlined below). (p. 304)

B. Establishment

No provision.

States are required to establish a State Directory of New Hires to which employers and labor organizations in the State must furnish a report for each newly hired employee, unless reporting could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission as determined by the head of an agency. (p. 305)

C. Employer Information

No provision.

Employers must furnish to the State Directory of New Hires the name, address, and social security number of every new employee and the name and identification number of the employer. Multistate employers may report to the State in which they have the most employees. (p. 306)

D. Timing of Report

No provision.

Employers must report new hire information within 15 days of the hire or on the date the employee first receives wages. (p. 307)

Senate Amendment

Conference Agreement

Identical provision. (different paragraph reference;
p. 446)

Identical provision. (different heading; p. 447)

Similar but allows multistate employers to report
to the State they designate. The employer must
notify the DHHS Secretary as to the name of the
designated State. (p. 448)

Employers must report new hire information
within 30 days of the hire or if the employer
reports by magnetic or electronic means, the
employer can report by the first business day of
the week following the date on which the
employee first receives wages. (p. 449)

Present Law

House Bill

E. Reporting Format and Method

No provision.

The report required in this section will be made on a W-4 form or the equivalent, and can be transmitted magnetically, electronically, or by first class mail. (p. 307)

F. Civil Money Penalties on Noncomplying Employers

(1) In general, no provision.

An employer failing to make a timely report is subject to a \$25 fine for each unreported employee. There is also a \$500 penalty on employers for every employee for whom they do not transmit a W-4 form if, under the laws of the State, there is shown to be a conspiracy between the employer and the employee to prevent the proper information from being filed. (p. 307)

(2) Section 1128 of the Social Security Act is an antifraud provision which excludes individuals and entities that have committed fraud from participation in medicare and State health care programs. Section 1128A pertains to civil monetary penalties and describes the appropriate procedures and proceedings for such penalties.

The House bill makes several but not all provisions of section 1128 applicable to employers that violate reporting requirements. (p. 307)
[Note: It appears the reference should be to Section 1128A of the Social Security Act]

G. Entry of New Hire Information

No provision.

No provision.

Senate Amendment**Conference Agreement**

Similar, but only allows the report to be filed on a W-4 form, not the equivalent. (p. 449)

States have the option of setting a civil money penalty which shall be less than \$25 or \$500 if, under State law, the failure is the result of a conspiracy between the employer and employee. (p. 450)

No provision.

New hire information must be entered into the State data base within 5 business days of receipt from employer. (p. 450)

Present Law

House Bill

H. Information Comparisons
Not applicable.

By October 1, 1997, each State Directory of New Hires must conduct automated matches of the Social Security numbers of reported employees against the Social Security numbers of records in the State Case Registry being enforced by the State agency and report the name, Social Security number, and employer number on matches to the State child support agency. (p. 308)

I. Transmission of Information
Not applicable.

Within two business days of the entry of data in the registry, the State must transmit a withholding order directing the employer to withhold wages in accord with the child support order. Within four days, the State Directory of New Hires must furnish employee information to the National Directory of New Hires for matching with the records of other State case registries. The State Directory of New Hires must also report quarterly to the National Directory of New Hires information on wages and unemployment compensation taken from the quarterly report to the Secretary of Labor now required by Title III of the Social Security Act. (p. 309)

Senate Amendment

Conference Agreement

Similar except Senate requires comparisons to begin by October 1, 1998 rather than 1997. (p. 450)

Similar provision except Senate requires State Directory to report to the National Directory within two, rather than four, days. (p. 451)

Present Law

House Bill

J. Other Uses of New Hire Information
Not applicable.

The State child support agency must use the new hire information for purposes of establishing paternity as well as establishing, modifying, and enforcing child support obligations. New hire information (pursuant to section 1137 of the Social Security Act) must also be disclosed to the State agency administering the Temporary Assistance to Needy Families, Medicaid, Unemployment Compensation, Food Stamp, SSI, and territorial cash assistance programs for income eligibility verification, and to State agencies administering unemployment and workers' compensation programs to assist determinations of the allowability of claims. (p. 310)

9. AMENDMENTS CONCERNING INCOME WITHHOLDING (Sec. 714 of House bill, Sec. 914 of Senate amendment)

Since November 1, 1990, all new or modified child support orders that were being enforced by the State's child support enforcement agency have been subject to immediate income withholding. If the noncustodial parent's wages are not subject to income withholding (pursuant to the November 1, 1990 provision), such parent's wages would become subject to withholding on the date when support payments are 30 days past due. Since January 1, 1994, the law has required States to use immediate income withholding for all new support orders, regardless of whether a parent has applied for child support enforcement services. There are two circumstances in which income withholding

States must have laws providing that all child support orders issued or modified before October 1, 1996, which are not otherwise subject to income withholding, will become subject to income withholding immediately if arrearages occur, without the need for judicial or administrative hearing. State law must also allow the child support agency to execute a withholding order through electronic means and without advance notice to the obligor. Employers must remit to the State disbursement unit income withheld within 2 working days after the date such amount would have been paid or credited to the employee. (p. 311)

Senate Amendment

Conference Agreement

Similar provision except Senate requires State and local government agencies to be included in quarterly wage reporting unless the agency performs intelligence or counterintelligence functions and it is determined that wage reporting could endanger the safety of the employee or compromise the investigation or intelligence mission. (p. 452)

Similar provision but Senate requires all child support orders which are not part of the State IV-D program to be processed through the State disbursement unit. In addition, States must notify noncustodial parents that income withholding has commenced and inform them of procedures for contesting income withholding. (p. 454)

Present Law

House Bill

does not apply: 1) one of the parents demonstrates and the court or administrative agency finds that there is good cause not to do so, or 2) a written agreement is reached between both parents which provides for an alternative arrangement. States must implement procedures under which income withholding for child support can occur without the need for any amendment to the support order or for any further action by the court or administrative entity that issued the order. States are also required to implement income withholding in full compliance with all procedural due process requirements of the State, and States must send advance notice to each nonresident parent to whom income withholding applies (with an exception for some States that had income withholding before enactment of this provision that met State due process requirements). States must extend their income withholding systems to include out-of-State support orders.

10. LOCATOR INFORMATION FROM INTERSTATE NETWORKS (Sec. 715 of House bill, Sec. 915 of Senate amendment)

No provision.

All State and the Federal Child Support Enforcement agencies must have access to the motor vehicle and law enforcement locator systems of all States. (p. 314)

Senate Amendment

Conference Agreement

Identical provision (different heading; p. 457)

Present Law

House Bill

11. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE (Sec. 716 of House bill, Sec. 916 of Senate amendment)**A. Expanded Authority to Locate Individuals and Assets**

The law requires that the Federal Parent Locator Service (FPLS) be used to obtain and transmit information about the location of any absent parent when that information is to be used for the purpose of enforcing child support.

The purposes of the Federal Parent Locator Service are expanded. For the purposes of establishing parentage, establishing support orders or modifying them, or enforcing support orders, the Federal Parent Locator Service will provide information to locate individuals who owe child support or against whom an obligation is sought or to whom such an obligation is owed. Information in the FPLS includes social security number, address, name and address of employer, and wages and employee benefits (including information about health care coverage). (p. 315)

B. Reimbursements

Federal law requires that any department or agency of the United States must be reimbursed for costs incurred for providing requested information to the FPLS.

The Secretary is authorized to set reasonable rates for reimbursing Federal and State agencies for the costs of providing information to the FPLS and to set reimbursement rates that State and Federal agencies that use information from the FPLS must pay to the Secretary. (p. 316)

Senate Amendment**Conference Agreement**

Similar to House provision except Senate clarifies current law by stating that information from the Federal Parent Locator Service can be used to enforce visitation orders. Senate also allows FPLS to contain and provide information on assets and debts. (p. 457)

Identical provision. (p. 459)

Present Law

House Bill

C. New Components of FPLS

(1) Federal Case Registry of Child Support Orders
No provision.

The bill establishes within the FPLS an automated registry known as the Federal Case Registry of Child Support Orders. The Federal Case Registry contains abstracts of child support orders and other information specified by the Secretary (such as names, Social Security numbers or other uniform identification numbers, State case identification numbers, wages or other income, and rights to health care coverage) to identify individuals who owe or are owed support (or for or against whom support is sought to be established), and the State which has the case. States must begin reporting this information in accord with regulations issued by the Secretary, by October 1, 1998. (p. 317)

Senate Amendment

Conference Agreement

Similar provision (different heading: p. 460)

Present Law

House Bill

(2) National Directory of New Hires
No provision.

The bill establishes within the FPLS a National Directory of New Hires containing information supplied by State Directories of New Hires, beginning October 1, 1996. When fully implemented, the Federal Directory of New Hires will contain identifying information on virtually every person who is hired in the United States. In addition, the FPLS will contain quarterly data supplied by the State Directory of New Hires on wages and Unemployment Compensation paid. The Secretary of the Treasury must have access to information in the Federal Directory of New Hires for the purpose of administering section 32 of the Internal Revenue Code and the Earned Income Tax Credit. (p. 318)

Senate Amendment

Conference Agreement

Similar provision with several drafting and substantive differences:

- 1) the Senate amendment includes the requirement that the information for the National Directory of New Hires must be entered within 2 days of receipt;
- 2) the Senate amendment makes reference to section 453A(g)(2), whereas House bill cites 453A(f)(2); and
- 3) the Senate amendment requires the DHHS Secretary to maintain within the National Directory of New Hires a list of multistate employers who choose a State to send their report to and the name of the State so designated.
(different heading; p. 461)

Present Law

House Bill

D. Information Comparisons and Other Disclosures

Upon request, the Secretary must provide to an "authorized person" (i.e., an employee or attorney of a child support agency, a court with jurisdiction over the parties involved, the custodial parent, legal guardian, or attorney of the child) the most recent address and place of employment of any absent parent if the information is contained in the records of the Department of Health and Human Services, or can be obtained from any other department or agency of the United States or of any State. The FPLS also can be used in connection with the enforcement or determination of child custody and in cases of parental kidnapping. Federal law requires the Secretary of Labor and the Secretary of Health and Human Services to enter into an agreement to give the FPLS prompt access to wage and unemployment compensation claims information useful in locating a noncustodial parent or his employer.

The Secretary must verify the accuracy of the name, social security number, birth date, and employer identification number of individuals in the Federal Parent Locator Service with the Social Security Administration. The Secretary is required to match data in the National Directory of New Hires against the child support order abstracts in the Federal Case Registry at least every 2 working days and to report information obtained from matches to the State child support agency responsible for the case within 2 days. The information is to be used for purposes of locating individuals to establish paternity, and to establish, modify, or enforce child support orders. The Secretary may also compare information across all components of the FPLS to the extent and with the frequency that the Secretary determines will be effective. The Secretary will share information from the FPLS with several potential users including State agencies administering the Temporary Assistance to Needy Families program, the Commissioner of Social Security (to determine the accuracy of social security and Supplemental Security Income), and researchers under some circumstances. (p. 319)

Senate Amendment

Conference Agreement

Identical provision. (different heading; p. 462)

Present Law

House Bill

E. Fees

"Authorized persons" who request information from FPLS must be charged a fee.

The Secretary must reimburse the Commissioner of Social Security for costs incurred in performing verification of social security information and to States for submitting information on New Hires. States or federal agencies that use information from FPLS must pay fees established by the Secretary. (p. 321)

F. Restriction on Disclosure and Use

Federal law stipulates that no information shall be disclosed if the disclosure would contravene the national policy or security interests of the United States or the confidentiality of Census data.

Information from the FPLS cannot be used for purposes other than those provided in this section, subject to section 6103 of the Internal Revenue Code. (p. 322)

G. Information Integrity and Security

No provision.

The Secretary must establish and use safeguards to ensure the accuracy and completeness of information from the FPLS and restrict access to confidential information in the FPLS to authorized persons and purposes. (p. 323)

H. Quarterly Wage Reporting

Requires the Secretary of Labor to provide prompt access for the DHHS Secretary to wage and unemployment compensation claims information and data maintained by the Labor Department or State employment security agencies.

No provision.

Senate Amendment**Conference Agreement**

Identical provision. (different heading; p. 464)

Identical provision. (different heading; p. 465)

Identical provision. (different heading; p. 465)

Each department in U.S. shall submit name, social security number and wages paid the employee, on a quarterly basis to the FPLS. Quarterly wage reporting shall not be filed for a federal or State employee performing intelligence or counter-intelligence functions, if it is determined that filing such a report could endanger the employee or compromise an ongoing investigation. (p. 465)

Present Law

House Bill

I. Conforming Amendments

Not applicable.

This section makes several conforming amendments to Titles III and IV of the Social Security Act and the Federal Unemployment Tax Act. (p. 323)

J. Authorized Person for Information Regarding Visitation Rights

FPLS can also be used to provide information to authorized individuals and agencies making or entering a child custody or visitation order (see Sec. 463 of Social Security Act).

No provision.

12. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT (Sec. 717 of House bill, Sec. 917 of Senate amendment)

Federal law requires that in the administration of any law involving the issuance of a birth certificate, States must require each parent to furnish their Social Security number for the birth records. The State is required to make such numbers available to child support agencies in accordance with Federal or State law. States may not place social security numbers directly on birth certificates.

States must have laws requiring that Social Security numbers be placed on applications for professional licenses, commercial drivers licenses, and occupational licenses, marriage licenses, and in the records for divorce decrees, child support orders, and paternity determination or acknowledgment orders. Individuals who die will have their social security number placed in the records relating to the death and recorded on the death certificate. There are several conforming amendments. (p. 325)

Senate Amendment**Conference Agreement**

Similar provision except Senate amends section 303(h) to require State unemployment insurance agencies to report quarterly wage information to the Secretary of HHS or suffer financial penalties, while the House bill amends section 303(a) and simply requires quarterly reports to the Secretary of HHS. (p. 466)

Expands functions of FPLS by requiring that information be made available to non-custodial parents for purposes of seeking or enforcing child visitation orders. (p. 459)

Similar provision with different heading, a provision (p. 470, lines 10-12) that appears to give States the option of not including social security numbers on applications for licenses, and a provision (p. 471, lines 3-5) barring the placement of social security numbers on marriage licenses.

Subtitle C - Streamlining and Uniformity of Procedures**13. ADOPTION OF UNIFORM STATE LAWS**

(Sec. 721 of House bill, Sec. 921 of Senate amendment)

States have several options available for pursuing interstate child support cases including direct income withholding, interstate income withholding, and long-arm statutes which require the use of the court system in the State of the custodial parent. In addition, States use the Uniform Reciprocal Enforcement of Support Act (URESAs) and the Revised Uniform Reciprocal Enforcement of Support Act (RURESAs) to conduct interstate cases. Moreover, Federal law imposes a Federal criminal penalty for the willful failure to pay past-due child support to a child who resides in a State other than the State of the obligor. In 1992, the National Conference of Commissioners on State Uniform Laws approved a new model State law for handling interstate CSE cases. The new Uniform Interstate Family Support Act (UIFSA) is designed to deal with desertion and nonsupport by instituting uniform laws in all 50 States that limit control of a child support case to a single State. This approach ensures that only one child support order from one court or child support agency will be in effect at any given time. It also helps to eliminate jurisdictional disputes between States that

By January 1, 1997, all States must have enacted the Uniform Interstate Family Support Act (UIFSA) and have the procedures required for its implementation in effect. States are required to apply UIFSA to any case involving an order established or modified in one State that is sought to be modified in another State. States must also have a new provision on long-arm statutes and petitioning for modifications of orders, and are required to recognize as valid any method of service of process used in another State that is valid in that State. (p. 328)

Senate Amendment

Conference Agreement

Identical provision. Senate amendment permits States to use UIFSA in child support cases whereas House bill requires use of UIFSA. (different heading; p. 472)

Present Law

House Bill

are impediments to locating parents and enforcing child support orders across State lines. As of March, 1995, 23 States had enacted UIFSA, 15 verbatim and 8 with minor changes.

14. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS

(Sec. 722 of House bill, Sec. 922 of Senate amendment)

Federal law requires States to treat past-due support obligations as final judgments that are entitled to full faith and credit in every State. This means that a person who has a support order in one State does not have to obtain a second order in another State to obtain support due should the debtor parent move from the issuing court's jurisdiction. P.L. 103-383 restricts a State court's ability to modify a support order issued by another State unless the child and the custodial parent have moved to the State where the modification is sought or have agreed to the modification.

15. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES (Sec. 723 of House bill, Sec. 923 of Senate amendment)

No provision.

The provision clarifies the definition of a child's home State, makes several revisions to ensure that full faith and credit laws can be applied consistently with UIFSA, and clarifies the rules regarding which child support orders States must honor when there is more than one order. (p. 329)

States are required to have laws that permit them to send orders to and receive orders from other States without registering the underlying order unless the enforcement action is contested by the obligor on the grounds of mistake of fact or invalid order. The transmission of the order itself serves as certification to the responding State of

Senate Amendment**Conference Agreement**

Similar provision except that House language is "only one court" while Senate language is "more than 1 court" in Section (f)(3); the House language appears to be a drafting error. (p. 474)

Identical provision. (p. 477)

Present Law

House Bill

the arrears amount and of the fact that the initiating State met all procedural due process requirements. No court action is required or permitted by the responding State. In addition, each responding State must, without requiring the case to be transferred to their State, match the case against its data bases, take appropriate action if a match occurs, and send the collections, if any, to the initiating State. States must keep records of the number of requests they receive, the number of cases that result in a collection, and the amount collected. States must respond to interstate requests within 5 days. (p. 333)

16. USE OF FORMS IN INTERSTATE ENFORCEMENT (Sec. 724 of House bill, Sec. 924 of Senate amendment)

No provision.

The Secretary must issue forms that States must use for income withholding, for imposing liens, and for issuing administrative subpoenas in interstate cases. The forms must be issued by June 30, 1996 and States must be using the forms by October 1, 1996. (p. 335)

Senate Amendment

Conference Agreement

Requires the DHHS Secretary to establish an advisory committee which must include State child support directors, and not later than June 30, 1996, after consultation with the advisory committee to issue forms that States must use for income withholding, for imposing liens, and for issuing administrative subpoenas in interstate cases. The forms must be issued by June 30, 1996 and States must be using the forms by October 1, 1996. (p. 479)

Present Law

House Bill

17. STATE LAWS PROVIDING EXPEDITED PROCEDURES (Sec. 725 of House bill, Sec. 925 of Senate amendment)**A. Administrative Action by State Agency**

States must have procedures under which expedited processes are in effect under the State judicial system or under State administrative processes for obtaining and enforcing support orders and for establishing paternity.

States must adopt a series of procedures to expedite both the establishment of paternity and the establishment, enforcement, and modification of support. These procedures provide for:

- (1) ordering genetic testing in appropriate cases;
- (2) entering a default order upon a showing of service of process and any other showing required by State law to establish paternity if the putative father refuses to submit to genetic testing and to establish or modify a support order when a parent fails to appear for a hearing;
- (3) issuing subpoenas to obtain information necessary to establish, modify or enforce an order, with appropriate sanctions for failure to respond to the subpoena;
- (4) obtaining access to records including: records of other State and local government agencies, law enforcement records, and corrections records, including automated access to records maintained in automated data bases;
- (5) directing the parties to pay support to the appropriate government entity;
- (6) ordering income withholding;
- (7) securing assets to satisfy arrearages by intercepting or seizing periodic or lump sum payments from States or local agencies; these payments include Unemployment Compensation, workers' compensation, judgements, settlements, lottery winnings, assets held by financial

Similar provision except requires States to include the following additional procedures:

- (1) requiring all entities in the State (including for-profit, nonprofit, and governmental employers) to provide information on employment, compensation and benefits of any employee or contractor in response to a request from the State IV-D agency;
- (2) obtaining access to a variety of public and private records including: vital statistics, State and local tax records, real and personal property, occupational and professional licenses and records concerning ownership and control of corporations, partnerships and other business entities, employment security records, public assistance records, motor vehicle records, corrections records, customer records of public utilities and cable TV companies, and records of financial institutions;
- (3) imposing liens to force the sale of property and distribution of proceeds;
- (4) requiring financial institutions (subject to the limitation on liabilities arising from affording such access) to provide information held by them on individuals who owe or are owed child support (or against or with respect to whom a support obligation is sought) to State child support agencies; and
- (5) requiring that due process safeguards be followed.

Present Law

House Bill

B. Substantive and Procedural Rules

Federal regulations provide a number of safeguards, such as requiring that the due process rights of the parties involved be protected.

C. Automation of State Agency Functions

No provision.

institutions, and public and private retirement funds; and

(8) increasing automatically the monthly support due to include amounts to offset arrears. (p. 336)

States must follow a series of procedural rules that apply to all of the expedited procedures outlined in the preceding section:

(1) **Locator Information and Notice**—requires parties in paternity and child support actions to file and update information about identity, address, and employer with the tribunal and with the State Case Registry upon entry of the order. The tribunal can deem due process requirements for notice and service of process to be met in any subsequent action upon delivery of written notice to the most recent residential or employer address filed with the tribunal.

(2) **Statewide Jurisdiction**—grants the child support agency and any administrative or judicial tribunal with authority to hear child support and paternity cases, to exert Statewide jurisdiction over the parties, and to grant orders that have Statewide effect; also permits transfer of cases between administrative areas without additional filing or service of process. (p. 340)

The automated systems being developed by States are to be used, to the maximum extent possible, to implement the expedited procedures. (p. 341)

Senate Amendment**Conference Agreement**

The amendment does not include the House provision regarding default orders in paternity cases upon a showing of service of process. (p. 480)

Identical provision. (p. 485)

Identical provision. (p. 486)

Identical provision. (p. 487)

Subtitle D - Paternity Establishment

**18. STATE LAWS CONCERNING
PATERNITY ESTABLISHMENT (Sec. 731 of
House bill, Sec. 931 of Senate amendment)**

**A. Establishment Process Available From
Birth Until Age 18**

Federal law requires States to strengthen their paternity establishment laws by requiring that paternity may be established until the child reaches age 18. As of August 16, 1984, these procedures would apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because of statute of limitations of less than 18 years was then in effect in the State.

Same as current law. (p. 342)

B. Procedures Concerning Genetic Testing

Federal law requires States to implement laws under which the child and all other parties must undergo genetic testing upon the request of a party in contested cases.

The child and all other parties must undergo genetic testing upon the request of a party, where the request is supported by a sworn statement establishing a reasonable possibility of parentage or nonparentage. When the tests are ordered by the State agency, States must pay for the costs, subject to recoupment at State option from the father if paternity is established. (p. 343)

Senate Amendment**Conference Agreement**

Similar provision except Senate requires paternity establishment until age 21 rather than 18. (p. 487)

Similar provision. House mandates genetic tests in certain cases while Senate allows States with laws against genetic testing in some cases to follow State law. (different heading; p. 488)

Present Law

House Bill

C. Voluntary Paternity Acknowledgment**(1) Simple Civil Process**

Federal law requires States to implement procedures for a simple civil process for voluntary paternity acknowledgment, including hospital-based programs.

States must have procedures that create a simple civil process for voluntary acknowledging paternity under which benefits, rights and responsibilities of acknowledgement are explained to unwed parents. (p. 344)

(2) Hospital-Based Program

See (1) above.

States must have procedures that establish a paternity acknowledgement program through hospitals and birth record agencies (and other agencies as designated by the Secretary). (p. 345)

(3) Paternity Establishment Services

No provision.

States must have procedures that require the agency responsible for maintaining birth records to offer voluntary paternity establishment services. The Secretary must issue regulations, including regulations on other State agencies that may offer voluntary paternity acknowledgement services and the conditions such agencies must meet. (p. 345)

(4) Federal Paternity Acknowledgement Affidavit

No provision.

States must have procedures that require agencies to use a uniform affidavit developed by the Secretary that is entitled to full faith and credit in any other State. (p. 346)

Senate Amendment

Conference Agreement

Similar provision; Senate does not include language requiring that the explanation of alternatives, legal consequences, and rights and responsibilities be "in a language that each can understand." (different heading; p. 489)

Similar provision except States must also establish good cause exceptions for not trying to establish paternity. (different heading; p. 489)

Identical provision. (different heading; p. 489)

Similar provision, but Senate amendment allows States to develop their own voluntary paternity acknowledgement form as long as they follow all the basic elements of a form developed by the Secretary. (p. 490)

Present Law

House Bill

D. Status of Signed Paternity Acknowledgment**(1) Legal Finding of Paternity**

Federal law requires States to implement procedures under which the voluntary acknowledgment of paternity creates a rebuttable, or at State option, a conclusive presumption of paternity.

States must have procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity unless rescinded within 60 days. (p. 347)

(2) Contest

No provision.

States must have procedures under which a paternity acknowledgment can be challenged in court only on the basis of fraud, duress, or material mistake of fact. (p. 347)

(3) Rescission

No provision.

States must have procedures under which minors who sign a voluntary paternity acknowledgement are allowed to rescind it until age 18 or the date of the first proceeding to establish a support order, visitation, or custody rights. (p. 348)

E. Bar on Acknowledgment Ratification Proceedings

Federal law requires States to implement procedures under which such voluntary acknowledgment is admissible as evidence of paternity and the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without requiring any further proceedings to establish paternity.

No judicial or administrative proceedings are required or permitted to ratify a paternity acknowledgement which is not challenged by the parents. (p. 348)

Senate Amendment

Conference Agreement

Adds the requirement that the name of the father appear in the birth records only if there is a paternity acknowledgement signed by both parents or paternity has been established by court order; Senate omits heading. (p. 491)

Identical provision. (different heading; p. 491)

No provision.

Identical provision. (different heading; p. 492)

Present Law

House Bill

F. Admissibility of Genetic Testing Results

Federal law requires States to implement procedures which provide that any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence. If no objection is made, the test results must be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

States must have procedures for admitting into evidence accredited genetic tests, unless any objection is made within a specified number of days, and if no objection is made, clarifying that test results are admissible without the need for foundation or other testimony. (p. 349)

G. Presumption of Paternity in Certain Cases

Federal law requires States to implement procedures which create a rebuttable or, at State option, conclusive presumption of paternity based on genetic testing results indicating a threshold probability that the alleged father is the father of the child.

States must have laws that create a rebuttable or, at State option, conclusive presumption of paternity when results from genetic testing indicate a threshold probability that the alleged father is the father of the child. (p. 350)

H. Default Orders

Federal law requires States to implement procedures that require a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

A default order must be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by the State law. (p. 350)

I. No Right to Jury Trial

No provision.

State laws must state that parties in a contested paternity action are not entitled to a jury trial. (p. 350)

Senate Amendment**Conference Agreement**

Identical provision. (different heading; p. 492)

Identical provision. (different heading; p. 493)

Identical provision. (different heading; p. 493)

Identical provision. (different heading; p. 493)

Present Law

House Bill

J. Temporary Support Based on Probable Paternity

No provision.

Upon motion of a party, State law must require issuance of a temporary support order pending an administrative or judicial determination of parentage if paternity is indicated by genetic testing or other clear and convincing evidence. (p. 350)

K. Proof of Certain Support and Paternity Establishment Costs

No provision.

Bills for pregnancy, childbirth, and genetic testing must be admissible in judicial proceedings without foundation testimony. (p. 351)

L. Standing of Putative Fathers

No provision.

Putative fathers must have a reasonable opportunity to initiate paternity action. (p. 351)

M. Filing of Acknowledgments and Adjudications in State Registry

No provision.

Both voluntary acknowledgements and adjudications of paternity must be filed with the State registry of birth records for data matches with the central Case Registry of Child Support Orders established by the State. (p. 351)

N. National Paternity Acknowledgment Affidavit

No provision.

The Secretary is required to develop an affidavit to be used for voluntary acknowledgement of paternity which includes the Social Security number of each parent. (p. 351)

Senate Amendment**Conference Agreement**

Identical provision. (different heading; p. 493)

Identical provision. (different heading; p. 493)

Identical provision. (different heading; p. 494)

Identical provision. (different heading; p. 494)

Identical provision. (p. 494)

Present Law

House Bill

19. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT (Sec. 732 of House bill, Sec. 932 of Senate amendment)

States are required to regularly and frequently publicize, through public service announcements, the availability of child support enforcement services.

States must publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support. (p. 352)

20. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY ASSISTANCE TO NEEDY FAMILIES (Sec. 733 of House bill, Sec. 933 of Senate amendment)

AFDC applicants and recipients are required to cooperate with the State in establishing the paternity of a child and in obtaining child support payments unless the applicant or recipient is found to have good cause for refusing to cooperate. Under the "good cause" regulations, the child support agency may determine that it is against the best interests of the child to seek to establish paternity in cases involving incest, rape, or pending procedures for adoption. Moreover, the agency may determine that it is against the best interest of the child to require the mother to cooperate if it is anticipated that such cooperation will result in the physical or emotional harm of the child, parent, or caretaker relative.

Individuals who apply for or receive public assistance under the Temporary Assistance to Needy Families program must cooperate with child support enforcement efforts (establishing paternity, establishing, modifying or enforcing a support order) by providing specific identifying information about the other parent, unless the applicant or recipient is found to have good cause for refusing to cooperate. "Good cause" is defined by States. States may also require the applicant and child to submit to genetic testing. (See also Prohibitions in Title I, Section 101 of the house bill) (p. 352)

Identical provision. (p. 494)

Similar except Senate amendment places additional specific requirements on State procedures. These include requiring the mother to appear at interviews, hearings, and legal proceedings; requiring the State child support agency to notify the mother and the IV-A and Medicaid agencies of whether she is cooperating and if not what she must do to cooperate; and requiring that when determining the mother's cooperation States take into account the best interests of the child. The Senate amendment also requires the individual and the child to submit to genetic tests pursuant to a judicial or administrative order. Responsibility for determining failure to cooperate is shifted from the agency that administers the Temporary Assistance program to the agency that administers the child support program. (p. 495)

Present Law

House Bill

Subtitle E - Program Administration and Funding

21. FEDERAL MATCHING PAYMENTS (Sec. 741 of House bill)

The Federal Government currently reimburses each State at the rate of 66 percent for the cost of administering its child support enforcement program. The Federal Government also reimburses States 90 percent of the laboratory costs of establishing paternity, and through FY 1995, 90 percent of the costs of developing comprehensive Statewide automated systems. (There is no maintenance of effort provision in current law.)

The Federal matching payment for child support activities is maintained at 66 percent. The bill also adds a maintenance of effort requirement that the non-Federal share of IV-D funding for FY 1997 and succeeding years not be less than such funding for FY 1996. (p. 353)

Senate Amendment**Conference Agreement**

No provision. Maintains present law with respect to the Federal match rate of 66 percent.

Present Law

House Bill

**22. PERFORMANCE-BASED INCENTIVES
AND PENALTIES (Sec. 742 of House bill, Sec.
941 of Senate amendment)****A. Incentive Adjustments to Federal
Matching Rate**

The Federal government reimburses approved administrative expenditures of States at a rate of 66%. In addition, the Federal government pays States an incentive amount ranging from 6 percent to 10 percent of both AFDC and non-AFDC collections.

Beginning in 1999, a new incentive system will reward good State performance by increasing the State's basic matching rate by up to 12 percentage points for outstanding performance in establishing paternity and by up to an additional 12 percentage points for overall performance (as measured by the percentage of cases that have support orders, the percentage of cases in which support is being paid, the ratio of child support collected to child support due, and cost-effectiveness). The Secretary will design the specific features of the system. In doing so, she will maintain overall Federal reimbursement of State programs through the combined matching rate and incentives at the level projected for the current combined matching and incentive payments to States. The effect of this provision is to change Federal financing so that relatively more Federal dollars will be awarded to States for good performance. The State must spend the money from incentive payments on their child support enforcement program. (p. 354)

B. Conforming Amendments
Not applicable.

Two conforming amendments are made in Section 454 of the Social Security Act. (p. 358)

As under current law, the Senate amendment provides for an incentive payment to States, the funds for which come from the reimbursement of cash welfare payments to the Federal Government that is the Federal share of child support collections paid on behalf of families. Under the Senate amendment, not later than 60 days after enactment, the DHHS Secretary is required to establish a committee, which must include State child support directors, which must develop for the Secretary's approval a formula for the distribution of incentive payments to the States. The State's incentive payment is based on its comparative performance as measured by five criteria and seven factors that are stipulated in the amendment. (p. 496)

No provision.

C. Calculation of IV-D Paternity Establishment Percentage

States are required to meet Federal standards for the establishment of paternity. The standard relates to the percentage obtained by dividing the number of children in the State who are born out of wedlock, are receiving AFDC or child support enforcement services, and for whom paternity has been established by the number of children who are born out of wedlock and are receiving AFDC or child support enforcement services. To meet Federal requirements, this percentage in a State must be at least 75 percent or meet the following standards of improvement from the preceding year: 1) if the State paternity establishment ratio is between 50 and 75 percent, the state ratio must increase by 3 or more percentage points from the ratio of the preceding year; 2) if the State ratio is between 45 and 50, the ratio must increase at least 4 percentage points; 3) if the State ratio is between 40 and 45 percent, it must increase at least 5 percentage points; and 4) if the State ratio is below 40 percent, it must increase at least 6 percentage points. If an audit finds that the State's child support enforcement program has not substantially complied with the requirements of its State plan, the State is subject to a penalty. In accord with this penalty, the Secretary must reduce a State's AFDC benefit payment by not less than 1 percent nor more than 2 percent for the first failure to comply; by not less than 2 percent

The IV-D paternity establishment percentage for a fiscal year is equal to: (1) the total number of children in the State who were born out-of-wedlock, who have not reached age 1 and for whom paternity is acknowledged or established during the fiscal year, divided by (2) the total number of children born out-of-wedlock in the State during the fiscal year. The requirements for meeting the standard are the same as current law except the 75 percent rule is increased to 90 percent. The noncompliance provisions of the child support program are modified so that the Secretary must take overall program performance into account and the minimum paternity establishment percentage is raised from 75 to 90. (p. 358)

Senate Amendment

Conference Agreement

Identical provision. (p. 501)

Present Law**House Bill**

nor more than 3 percent for the second consecutive failure to comply; and by not less than 3 percent nor more than 5 percent for third or subsequent consecutive failure to comply.

D. Effective Dates

Not applicable.

The new incentive payments go into effect on October 1, 1997, but procedures for computing the State incentive payments are not actually based on the new system until fiscal year 1999; the changes in penalty procedure become effective upon enactment. (p. 360)

23. FEDERAL AND STATE REVIEWS AND AUDITS (Sec. 743 of House bill, Sec. 942 of Senate amendment)**A. State Agency Activities**

States are required to maintain a full record of child support collections and disbursements and to maintain an adequate reporting system.

States are required to annually review and report to the Secretary, using data from their automatic data processing system, both information adequate to determine the State's compliance with Federal requirements for expedited procedures and timely case processing as well as the information necessary to calculate their levels of accomplishment and rates of improvement on the performance indicators in the bill. (p. 360)

Senate Amendment

Conference Agreement

Effective upon enactment, except present law applies for purposes of incentive payments for fiscal years before FY 2000. (p. 502)

Similar provision except Senate amendment does not include requirement that States submit process information on State compliance with federal mandates on timely case processing. (p. 503)

Present Law

House Bill

B. Federal Activities

The Secretary must collect and maintain, on a fiscal year basis, up-to-date State-by-State statistics on each of the services provided under the child support enforcement program. The Secretary is also required to evaluate the implementation of State child support enforcement programs and conduct audits of these programs as necessary, but not less often than once every 3 years (or annually if a State has been found to be out of compliance with program rules).

C. Effective Date

Not applicable.

24. REQUIRED REPORTING PROCEDURES

(Sec. 744 of House bill, Sec. 943 of Senate amendment)

The Secretary is required to assist States in establishing adequate reporting procedures and must maintain records of child support enforcement operations and of amounts collected and disbursed, including costs incurred in collecting support payments.

The Secretary is required to determine the amount (if any) of incentives or penalties. The Secretary must also review State reports on compliance with Federal requirements and provide States with recommendations for corrective action. Audits must be conducted at least once every 3 years, or more often in the case of States that fail to meet Federal requirements. The purpose of the audits is to assess the completeness, reliability, accuracy, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the State program. (p. 362)

These provisions take effect beginning with the calendar quarter that begins 12 months after enactment. (p. 363)

The Secretary is required to establish procedures and uniform definitions for State collection and reporting of information necessary to measure State compliance with expedited processes and timely case processing. (p. 363)

Senate Amendment**Conference Agreement**

Identical provision. (p. 504)

Identical provision. (p. 506)

Similar provision, except Senate does not mention
timely case processing. (p. 506)

Present Law

House Bill

**25. AUTOMATED DATA PROCESSING
REQUIREMENTS** (Sec. 745 of House bill, Sec.
944 of Senate amendment)**A. In General**

Federal law requires that by October 1, 1995, States have an operational automated data processing and information retrieval system designed to control, account for, and monitor all factors in the support enforcement and paternity determination process, the collection and distribution of support payments, and the costs of all services rendered.

B. Program Management

Federal law requires that the automated data processing system be capable of providing management information on all IV-D cases from initial referral or application through collection and enforcement.

C. Calculation of Performance Indicators

No provision.

States are required to have a single Statewide automated data processing and information retrieval system which has the capacity to perform the necessary functions, as described in this section. (p. 365)

The State data system must be used to perform functions the Secretary specifies, including controlling and accounting for the use of Federal, State, and local funds and maintaining the data necessary to meet Federal reporting requirements in carrying out the program. (p. 365)

The automated system must maintain the requisite data for Federal reporting, calculate the State's performance for purposes of the incentive and penalty provisions, and have in place systems controls to ensure the completeness, reliability, and accuracy of the data. (p. 366)

Senate Amendment

Conference Agreement

Identical provision. (p. 507)

Identical provision. (p. 508)

Identical provision. (p. 508)

Present Law

House Bill

D. Information Integrity and Security

Federal law requires that the automated data processing system be capable of providing security against unauthorized access to, or use of, the data in such system.

The State agency must have safeguards to protect the integrity, accuracy, and completeness of, and access to, data in the automated systems (including restricting access to passwords, monitoring of access to and use of the system, training, and imposing penalties). (p. 367)

E. Regulations

No provision.

The Secretary shall prescribe final regulations for implementation of this section no later than 2 years after the date of the enactment of this Act. (p. 368)

F. Implementation Timetable

No provision.

The statutory provisions for State implementation of Federal automatic data processing requirements are revised to provide that, first, all requirements enacted on or before the date of enactment of the Family Support Act of 1988 are to be met by October 1, 1995. The requirements enacted on or before the date of enactment of this bill must be met by October 1, 1999. The October 1, 1999 deadline will be extended by one day for each day by which the Secretary fails to meet the 2-year deadline for regulations. (p. 368)

Senate Amendment**Conference Agreement**

Identical provision. (p. 509)

Identical provision. (p. 511)

Similar provision except Senate allows States to meet requirements of the Family Support Act by October 1, 1997 rather than 1995. (p. 511)

Present Law

House Bill

**G. Special Federal Matching Rate for
Development Costs of Automated Systems**

The Federal Government, through FY 1995, reimburses States at a 90 percent matching rate for the costs of developing comprehensive Statewide automated systems.

The federal government will provide 90 percent matching funds for fiscal year 1996 that will be applied to all State activities related to developing a comprehensive statewide automated system. For fiscal years 1997 through 2001, the matching rate for the provisions of this bill and other authorized provisions will be the higher of 80 percent or the matching rate generally applicable to the State IV-D program, including incentive payments (which could be as high as 90 percent). (p. 369)

**H. Temporary Limitation on Payments
Under Special Federal Matching Rate**
No provision.

The Secretary must create procedures to cap these payments at \$260,000,000 over 5 years (FY 1996-2000) to be distributed among States by a formula set in regulations which takes into account the relative size of State caseloads and the level of automation needed to meet applicable automatic data processing requirements. (p. 370)

Senate Amendment

Conference Agreement

Similar provision except Senate amendment continues the 90 percent matching rate for 1996 and 1997 in the case of provisions outlined in advanced planning documents submitted before May 1, 1995. (p. 512)

Identical provision. (p. 513)

Present Law

House Bill

26. TECHNICAL ASSISTANCE (Sec. 746 of House bill, Sec. 945 of Senate amendment)

Annual appropriations are made to cover the expenses of the Administration for Children and Families, which includes the Federal Office of Child Support Enforcement (OCSE). Among OCSE's administrative expenses are the costs of providing technical assistance to the States.

The Secretary can use .1 percent of the Federal share of child support collections on behalf of families in the Temporary Assistance for Needy Families program the preceding year to provide technical assistance to the States. Technical assistance can include training of State and Federal staff, research and demonstration programs, and special projects of regional or national significance. The Secretary must use up to 2 percent of the Federal share of collections for operation of the Federal Parent Locator Service to the extent that costs of the Parent Locator Service are not recovered by user fees. (p. 371)

Senate Amendment

Conference Agreement

Identical provision. (p. 514)

Present Law

House Bill

**27. REPORTS AND DATA COLLECTION BY
THE SECRETARY (Sec. 747 of House bill, Sec.
946 of Senate amendment)**

The Secretary is required to submit to Congress, not later than 3 months after the end of the fiscal year, a complete report on all child support enforcement activities.

In addition to current reporting requirements, the Secretary is required to report the following data to Congress in her annual report each fiscal year:

- (1) the total amount of child support payments collected;
- (2) the cost to the State and Federal governments of furnishing child support services;
- (3) the number of cases involving families that became ineligible for aid under part A with respect to whom a child support payment was received;
- (4) the total amount of current support collected and distributed;
- (5) the total amount of past due support collected and distributed as arrearages; and
- (6) the total amount of support due and unpaid for all fiscal years.

These requirements apply to fiscal year 1996 and succeeding fiscal years. (p. 373)

Senate Amendment**Conference Agreement**

Similar provision with minor differences in wording plus a Senate provision that requires the Secretary to include information on the degree to which States met federal statutory time limits in responding to interstate requests and in distributing child support collections. (p. 516)

Present Law

House Bill

Subtitle F - Establishment and Modification of Support Orders

**28. NATIONAL CHILD SUPPORT
GUIDELINES COMMISSION** (Section 951 of
Senate amendment)

No provision.

No provision.

Senate Amendment

Conference Agreement

Establishes a National Child Support Guidelines Commission that is responsible for deciding whether it is appropriate to develop national child support guidelines for consideration by the Congress or for adoption by individual States and the benefits and deficiencies of such models. Several matters the Commission must consider, such as the feasibility of adapting uniform terms in all child support orders, are outlined. The Commission is to be comprised of 12 individuals, 2 each appointed by the Chairman of Finance and Ways and Means, 1 each by the ranking member of Finance and Ways and Means, and 6 by the Secretary. The Commission report must be issued within 2 years. (p. 519)

Present Law

House Bill

29. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS (Sec. 751 of House bill, Sec. 952 of Senate amendment)

A child support order legally obligates noncustodial parents to provide financial support for their child and stipulates the amount of the obligation and how it is to be paid. In 1984, P.L. 98-378 required States to establish guidelines for establishing child support orders. In 1988, P.L. 100-485 made the guidelines binding on judges and other officials who had authority to establish support orders. P.L. 100-485 also required States to review and adjust individual child support orders once every 3 years under some circumstances. States are required to notify both resident and nonresident parents of their right to a review.

States must review and, as appropriate, adjust the support order every 3 years. States may adjust child support orders by either applying the State guidelines and updating the reward amount or by applying a cost of living increase to the order. Both parties must be given 30 days after notice of adjustment to contest the results. States may use automated methods to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders based on the threshold established by the State. States must also review and, upon a showing of a change in circumstances, adjust orders pursuant to the child support guidelines upon request of a party. States are required to give parties one notice of their right to request review and adjustment, which may be included in the order establishing the support amount. (p. 376)

Senate Amendment**Conference Agreement**

Identical provision except adds that review and adjustment must be done "upon the request of either parent or the State." If neither parent requests a review, States have the option of avoiding the 3-year review requirement. (p. S24)

Present Law

House Bill

30. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT (Sec. 752 of House bill, Sec. 953 of Senate amendment)

P.L. 102-537 amends the Fair Credit Act to require consumer reporting agencies to include in any consumer report information on child support delinquencies provided by or verified by a child support enforcement agency, which antedates the report by 7 years.

This section amends the Fair Credit Reporting Act. In response to a request by the head of a State or local child support agency (or a State or local government official authorized by the head of such an agency), consumer credit agencies must release information if the person making the request: certifies that the consumer report is needed to establish an individual's capacity to make child support payments or determine the level of payments; gives the consumer credit agency 10 days notice that the report is being requested; and provides assurances that the consumer report will be kept confidential, will be used solely for child support purposes, and will not be used in connection with any other civil, administrative, or criminal proceeding or for any other purpose. Consumer reporting agencies must also give reports to a child support agency for use to set an initial or modified award. (p. 378)

31. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS (Sec. 954 of Senate amendment)

No provision.

No provision.

Senate Amendment

Conference Agreement

Similar provision except Senate also requires that the consumer must have been shown to be the father (i.e., paternity must be established).
(p. 526)

Depository institutions are not liable for information provided to child support agencies. Child support agencies can disclose information obtained from depository institutions only for child support purposes. Individuals who knowingly

Subtitle G - Enforcement of Support Orders**32. FEDERAL INCOME TAX REFUND
OFFSET (Sec. 761 of House bill)****A. Changed Order of Refund Distribution
Under Internal Revenue Code**

Since 1981 in AFDC cases, and 1984 in non-AFDC cases, Federal law has required States to implement procedures under which child support agencies can collect child support arrearages through the interception of Federal income tax refunds.

Child support arrearages obtained through Federal income tax refunds are distributed to the State and are retained by the State for arrearages owed to it under the AFDC assignment. States must reimburse the Federal government for their share of these arrearage payments. If no arrearages are owed the State, the money is used to pay arrearages to the family.

The Internal Revenue Code is amended so that offsets of child support arrearages owed to individuals take priority over most debts owed Federal agencies. Proceeds from tax intercepts will be distributed as follows:

- (1) for Federal education debts and debts to the Department of Health and Human Services;
- (2) for child support owed to individuals;
- (3) for child support arrearages owed to State governments; and
- (4) for other Federal debts.

The provision also amends the Internal Revenue Code so that the order of priority for distribution of tax offsets follows the distribution rules for child support payments specified in subtitle A of this bill. (p. 380)

Senate Amendment

Conference Agreement

disclose information from financial records can have civil actions brought against them in federal district court; the maximum penalty is \$1,000 for each disclosure or actual damages plus, in the case of "willful disclosure" resulting from "gross negligence," punitive damages, plus the costs of the action. (p. 528)

No provision.

Present Law

House Bill

B. Elimination of Disparities in Treatment of Assigned and Non-Assigned Arrearages

Federal rules set different criteria for AFDC and non-AFDC cases. For example, in AFDC cases arrearages may be collected through the income tax offset program regardless of the child's age. In non-AFDC cases, the tax offset program can be used only if the postminor child is disabled (pursuant to the meaning of disability under titles II or XVI of the SSA). Moreover, the arrearage in AFDC cases must be only \$150 or more, whereas the arrearage in non-AFDC cases must be at least \$500.

The bill eliminates disparate treatment of families not receiving public assistance by repealing provisions applicable only to support arrears not assigned to the State. The Secretary of the Treasury is given access to information in the National Directory of new Hires for tax purposes. (p. 381)

33. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES (Sec. 961 of Senate amendment)

If the amount of overdue child support is at least \$750, the Internal Revenue Service can enforce the child support obligation through its regular collection process, which may include seizure of property, freezing accounts, or use of other procedures if the child support enforcement agencies requests assistance according to prescribed rules (e.g., certifying that the delinquency is at least \$750, etc.)

No provision.

Senate Amendment

Conference Agreement

No provision.

Amends the Internal Revenue Code so that no additional fees can be assessed for adjustment to previously certified amounts for the same obligor, effective October 1, 1997. (p. 531)

Present Law

House Bill

34. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES (Sec. 762 of House bill, Sec. 962 of Senate amendment)**A. Consolidation and Streamlining of Authorities****(1) Consent to Support Enforcement**

Federal law allows the wages of Federal employees to be garnished to enforce legal obligations for child support or alimony. Federal law provides that moneys payable by the United States to any individual are subject to being garnished in order to meet an individual's legal obligation to provide child support or make alimony payments. An executive order issued 2/27/95 establishes the Federal government as a model employer in promoting and facilitating the establishment and enforcement of child support.

Federal Employees are subject to wage withholding and other actions taken against them by State Child Support Enforcement Agencies. (p. 383)

(2) Consent to Requirements Applicable to Private Person

By Executive Order on 2/27/95, all Federal agencies, including the Uniformed Services, are required to cooperate fully in efforts to establish paternity and child support and to enforce the collection of child and medical support. All Federal agencies are to review their wage withholding procedures to ensure that they are in full compliance.

Federal agencies are responsible for wage withholding and other child support actions taken by the State as if they were a private employer. (p. 384)

Senate Amendment

Conference Agreement

Identical provision. (p. 532)

Identical provision. (p. 533)

Present Law

House Bill

(3) Designation of Agent; Response to Notice or Process

Beginning no later than July 1, 1995, the Director of the Office of Personal Management must publish annually in the Federal Register the list of agents (and their addresses) designated to receive service of withholding notices for Federal employees.

The head of each Federal agency must designate an agent and place the agent's name, title, address, and telephone number in the Federal Register annually. The agent must, upon receipt of process, send written notice to the individual involved as soon as possible, but no later than 15 days, and to comply with any notice of wage withholding or respond to other process within 30 days. (p. 384)

(4) Priority of Claims

No provision.

Amends existing law governing allocation of moneys owed by a Federal employee to give priority to child support, to require allocation of available funds, up to the amount owed, among child support claimants, and to allocate remaining funds to other claimants on a first-come, first-served basis. (p. 386)

(5) No Requirement to Vary Pay Cycles

No provision.

A government entity served with notice of process for enforcement of child support is not required to change its normal pay and disbursement cycle to comply with the legal process. (p. 387)

Senate Amendment**Conference Agreement**

Identical provision. (p. 533)

Identical provision. (p. 534)

Identical provision. (p. 535)

Present Law

House Bill

(6) Relief from Liability

Federal law states that neither the United States nor any disbursing officer or government entity shall be liable with respect to any payment made from moneys due or payable from the United States pursuant to the legal process.

Similar to current law, the U.S., the government of the District of Columbia, and disbursing officers are not liable for child support payments made in accord with this section; nor is any Federal employee subject to disciplinary action or civil or criminal liability for disclosing information while carrying out the provisions of this section. (p. 387)

(7) Regulations

No provision.

The President has the authority to promulgate regulations to implement this section as it applies to Federal employees of the Administrative branch of government; the President Pro Tempore of the Senate and Speaker of the House can issue regulations governing their employees; and the Chief Justice can issue regulations applicable to the Judicial branch. (p. 387)

(8) Moneys Subject to Process

Federal law provides that money that may be garnished includes compensation for personal services, whether such compensation is denominated as wages, salary, commission, bonus, pay, or otherwise, and includes but is not limited to, severance pay, sick pay, incentive payments, and periodic payments.

This section broadens the definition of income to include funds such as insurance benefits, retirement and pension pay, survivor's benefits, compensation for death and black lung disease, veteran's benefits, and workers' compensation; but to exclude from income funds paid to defray expenses incurred in carrying out job duties, owed to the U.S., used to pay federal employment taxes and fines and forfeitures ordered by court martial, withheld for tax purposes, used for health insurance or life insurance premiums, normal retirement contributions, or life insurance premiums. (p. 388)

Senate Amendment**Conference Agreement**

Identical provision. (p. 535)

Identical provision. (p. 536)

Identical provision. (p. 537)

Present Law

House Bill

(9) Definitions

Includes definitions of "United States", "child support", "alimony", "private person", and "legal process".

This section includes definitions of "United States", "child support", "alimony", "private person", and "legal process". (p. 392)

B. Conforming Amendments
No provision.

This section includes conforming amendments to Title IV of the Social Security Act and Title 5 of the United States Code. (p. 395)

C. Military Retired and Retainer Pay
No provision.

This section expands the definition of court to include an administrative or judicial tribunal which includes the child support enforcement agency. (p. 395)

D. Effective Date
Not applicable.

This section goes into effect 6 months after the date of enactment. (p. 397)

Senate Amendment**Conference Agreement**

Identical provision. (p. 540)

Identical provision. (p. 543)

Identical provision. (p. 543)

Identical provision. (p. 545)

Present Law

House Bill

35. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES (Sec. 763 of House bill, Sec. 963 of Senate amendment)

A. Availability of Locator Information

The Executive Order issued 2/27/95 requires a study which would include recommendations related to how to improve service of process for civilian employees and members of the Uniformed Services stationed outside of the United States.

The Secretary of Defense must establish a central personnel locator service that contains residential or, in specified instances, duty addresses of every member of the Armed Services (including retirees, the National Guard, and the Reserves). The locator service must be updated within 30 days of the time an individual establishes a new address. Information from the locator service must be made available to the Federal Parent Locator Service. (p. 397)

B. Facilitating Granting of Leave for Attendance at Hearings

No provision.

The Secretary of Defense must issue regulations to facilitate granting of leave for members of the Armed Services to attend hearings to establish paternity or to establish child support orders. (p. 399)

Senate Amendment

Conference Agreement

Identical provision. (p. 545)

Identical provision. (p. 547)

Present Law

House Bill

C. Payment of Military Retired Pay in Compliance With Child Support Orders

Federal law requires allotments from the pay and allowances of any member of the uniformed service when the member fails to pay child (or child and spousal) support payments.

The Secretary of each branch of the Armed Forces (including retirees, the Coast Guard, the National Guard, and the Reserves) is required to make child support payments directly to any State to which a custodial parent has assigned support rights as a condition of receiving public assistance. The Secretary of Defense must also ensure that payments to satisfy current support or child support arrears are made from disposable retirement pay. Payroll deductions must begin within 30 days or the first pay period after 30 days of receiving a wage withholding order. (p. 400)

36. VOIDING OF FRAUDULENT TRANSFERS (Sec. 764 of House bill, Sec. 964 of Senate amendment)

No provision.

States must have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or an equivalent law providing for voiding transfers of income or property in order to avoid payment of child support. (p. 402)

Senate Amendment**Conference Agreement**

Identical provision. (p. 548))

Identical provision. (different heading; p. 550)

Present Law

House Bill

37. SENSE OF THE CONGRESS THAT STATES SHOULD SUSPEND DRIVERS', BUSINESS, AND OCCUPATIONAL LICENSES OF PERSONS OWING PAST-DUE CHILD SUPPORT (Sec. 765 of House bill)

No provision.

It is the sense of Congress that each State should suspend any driver's license, business license, or occupational license issued to any person who owes past-due child support. (p. 403)

38. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT (Sec. 766 of House bill, Sec. 965 of Senate amendment)

P.L. 100-485 required the Secretary to grant waivers to up to 5 States allowing them to provide JOBS services on a voluntary or mandatory basis to noncustodial parents who are unemployed and unable to meet their child support obligations. (In their report the conferees noted that the demonstrations would not grant any new powers to the States to require participation by noncustodial parents. The demonstrations were to be evaluated.

States must have laws that direct courts to order individuals owing past-due child support for a child receiving assistance under the Temporary Family Assistance program either to pay the support due or to participate in work activities. "Past-due support" is defined. (p. 403)

Senate Amendment

Conference Agreement

No provision.

Similar provision but Senate refers to "support" rather than "past-due support." Thus, the Senate includes a much larger number of non-resident parents for whom States would be required to provide a work program. (p. 551)

Present Law

House Bill

39. DEFINITION OF SUPPORT ORDER (Sec. 767 of House bill, Sec. 966 of Senate amendment)

No provision.

A support order is defined as an order issued by a court or an administrative process established under State law that requires support of a child or of a child and the parent with whom the child lives. (p. 405)

40. REPORTING ARREARAGE TO CREDIT BUREAUS (Sec. 967 of Senate amendment)

Federal law requires States to implement procedures which require them to periodically report to consumer reporting agencies the name of debtor parents owing at least 2 months of overdue child support and the amount of child support overdue. However, if the amount overdue is less than \$1,000, information regarding it shall be made available only at the option of the State. Moreover, any information may only be made available after the noncustodial parent has been notified of the proposed action and has been given reasonable opportunity to contest the accuracy of the information. States are permitted to charge consumer reporting agencies that request child support arrearage information for a fee, not to exceed the actual cost.

No provision.

A support order is defined as a judgement, decree, or order (whether temporary, final, or subject to modification) issued by a court or an administrative agency for the support (monetary support, health care, arrearages, or reimbursement) of a child (including a child who has reached the age of majority under State law) or of a child and the parent with whom the child lives. (p. 552)

States are required to have procedures to periodically report to consumer credit reporting agencies the name of any noncustodial parent who is delinquent in the payment of support and the amount of overdue support owed by the parent. (p. 552)

Present Law

House Bill

41. LIENS (Sec. 768 of House bill, Sec. 968 of Senate amendment)

Federal law requires States to implement procedures under which liens are imposed against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State.

States are required to have procedures to accord full faith and credit and to enforce in accordance with State law a lien from another State. The lien must be accompanied by a certification from the State issuing the lien of the amount of overdue support and a certification that due process requirements have been met. The second State is not required to register the underlying order, unless contested on the grounds of mistake of fact. (p. 405)

42. STATE LAW AUTHORIZING SUSPENSION OF LICENSES (Sec. 769 of House bill, Sec. 969 of Senate amendment)

No provision.

States have the authority to withhold, suspend, or restrict the use of drivers' licenses, professional and occupational licenses, and recreational licenses of individuals owing past-due support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings. (p. 406)

Senate Amendment**Conference Agreement**

Identical provision. (p. 553)

Identical provision. (different heading; p. 554)

Present Law

House Bill

**43. DENIAL OF PASSPORTS FOR
NONPAYMENT OF CHILD SUPPORT (Sec.
970 of Senate amendment)**

No provision.

No provision.

**44. INTERNATIONAL CHILD SUPPORT
ENFORCEMENT (Sec. 971 of Senate
amendment)**

The United States has not signed any of the major treaties regarding international support enforcement. Pursuant to the Uniform Reciprocal Enforcement of Support Act (URESA), most States have reciprocal agreements with at least one foreign country regarding reciprocal enforcement of support orders. States do not have the power to enter into treaties.

No provision.

**45. DENIAL OF MEANS-TESTED FEDERAL
BENEFITS TO NONCUSTODIAL PARENTS
WHO ARE DELINQUENT IN PAYING
CHILD SUPPORT (Sec. 972 of Senate
amendment)**

No provision.

No provision.

Senate Amendment**Conference Agreement**

If an individual owes arrearages in excess of \$5,000 of child support, the Secretary must request that the State Department deny, or revoke, or limit the individual's passport. State child support agencies must have procedures for certifying arrearages in excess of \$5,000 and for notifying individuals who are in arrears. (p. 554)

The Secretary of State is authorized to negotiate reciprocal agreements with foreign nations on behalf of the States, territories, and possessions of the United States regarding the international enforcement of child support obligations. (p. 556)

Noncustodial parents who are more than 2 months delinquent in paying child support are not eligible to receive means-tested Federal benefits. (p. 557)

Present Law

House Bill

**46. CHILD SUPPORT ENFORCEMENT FOR
INDIAN TRIBES (Sec. 973 of Senate
amendment)**

There are about 340 federally recognized Indian tribes in the 48 contiguous States. Among these tribes there are approximately 130 tribal courts and 17 Courts of Indian Offenses. Most tribal codes authorize their courts to hear parentage and child support matters that involve at least one member of the tribe or person living on the reservation. This jurisdiction may be exclusive or concurrent with State court jurisdiction, depending on specified circumstances.

No provision.

Senate Amendment

Conference Agreement

Requires States to make reasonable efforts to enter into cooperative agreements with an Indian tribe or organization if the tribe or organization has an established tribal court system to establish paternity, establish and enforce support orders, and enter support orders in accordance with guidelines established by the tribe or organization. Such agreements shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funds collected by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute the funds according to the agreement. The DHHS Secretary in appropriate cases is authorized to send Federal funds directly to the tribe or organization. (p. 558)

Present Law

House Bill

**47. FINANCIAL INSTITUTION DATA
MATCHES (Sec. 974 of Senate amendment)**

No provision.

No provision.

**48. ENFORCEMENT OF ORDERS AGAINST
PATERNAL GRANDPARENTS IN CASES OF
MINOR PARENTS (Sec. 977 of Senate
amendment)**

No provision. However, Wisconsin and Hawaii
have State laws that make grandparents financially
responsible for their minor children's dependents.

No provision.

Senate Amendment

Conference Agreement

States are required to implement procedures under which the State child support agency shall enter into agreements with financial institutions doing business within the State to develop and operate a data match system, using automated data exchanges to the maximum extent feasible, in which such financial institutions are required to provide for each calendar quarter the name, address, social security number, and other identifying information for each noncustodial parent identified by the State who has an account at the institution and, in response to a notice of lien or levy, to encumber or surrender assets held by the institution on behalf of the noncustodial parent who is subject to the child support lien. Includes definition of the term "financial institution." (p. 560)

States would be required to implement procedures under which any child support order enforced by a child support enforcement agency would be enforceable against the paternal grandparents of a minor father if the child's minor mother were receiving benefits from the Temporary Assistance to Needy Families block grant program. (p. 564)

Present Law

House Bill

Subtitle H - Medical Support**49. TECHNICAL CORRECTION TO ERISA
DEFINITION OF MEDICAL CHILD
SUPPORT ORDER (Sec. 771 of House bill, Sec.
975 of Senate amendment)**

P.L. 103-66 requires States to adopt laws to require health insurers and employers to enforce orders for medical and child support and forbids health insurers from denying coverage to children who are not living with the covered individual or who were born outside of marriage. Under P.L. 103-66, group health plans are required to honor "qualified medical child support orders."

This provision expands the definition of medical child support order in ERISA to clarify that any judgement, decree, or order that is issued by a court of competent jurisdiction or by an administrative adjudication has the force and effect of law. (p. 406)

**50. ENFORCEMENT OF ORDERS FOR
HEALTH CARE COVERAGE (Sec. 976 of
Senate amendment)**

Federal law requires the Secretary to require IV-D agencies to petition for the inclusion of medical support as part of child support whenever health care coverage is available to the noncustodial parent at reasonable cost.

No provision.

Identical provision. (p. 561)

All orders enforced under this part must include a provision for health care coverage. If the noncustodial parent changes jobs and the new employer provides health coverage, the State must send notice of coverage, which shall operate to enroll the child in the health plan, to the new employer. (p. 563)

Present Law

House Bill

Subtitle I - Enhancing Responsibility and Opportunity for Non-Residential Parents**51. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS (Sec. 781 of House bill, Sec. 981 of Senate amendment)****A. In General**

In 1988, Congress authorized the Secretary to fund for FY 1990 and FY 1991 demonstration projects by States to help divorcing or never-married parents cooperate with each other, especially in arranging for visits between the child and the nonresident parent.

The bill authorizes grants to States for access and visitation programs including mediation, counseling, education, development of parenting plans, and visitation enforcement. Visitation enforcement can include monitoring, supervision, neutral drop-off and pick-up, and development of guidelines for visitation and alternative custody agreements. States are required to monitor and evaluate their programs and are given the authority to subcontract the program to courts, local public agencies, or private non-profit agencies. Programs operating under the grant do not have to be Statewide. Funding is authorized as capped spending under section IV-D of the Social Security Act. Projects are required to supplement rather than supplant State funds. (p. 408)

B. Amount of Grant
Not applicable.

The amount of the grant to a State is equal to either 90 percent of the State expenditures during the year for access and visitation programs or the allotment for the State for the fiscal year. (p. 409)

Senate Amendment

Conference Agreement

Identical provision. (p. 564)

Identical provision. (p. 565)

Present Law

House Bill

C. Allotment to States
Not applicable.

The allotment to the State bears the same ratio to the amount appropriated for the fiscal year as the number of children living in the State with one biological parent divided by the national number of children living with one biological parent. The Administration for Children and Families must adjust allotments to ensure that no State is allotted less than \$50,000 for fiscal years 1996 or 1997 or less than \$100,000 for any year after 1997.
(p. 409)

D. State Administration
Not applicable.

States may use the money to create their own programs or to fund grant programs with courts, local public agencies, or non-profit organizations. The programs do not need to be statewide. States must monitor, evaluate, and report on their programs in accord with the regulations issued by the Secretary. (p. 410)

Senate Amendment**Conference Agreement**

Identical provision. (p. 565)

Identical provision. (p. 566)

Present Law

House Bill

Subtitle J - Effect of Enactment**52. EFFECTIVE DATES (Sec. 791 of House bill, Sec. 991 of Senate amendment)**

Not applicable.

Except as noted in the text of the bill for specific provisions, the general effective date for provisions in the bill is October 1, 1996. However, given that many of the changes required by this bill must be approved by State Legislatures, the bill contains a grace period tied to the meeting schedule of State Legislatures. In any given State, the bill becomes effective either on October 1, 1996 or on the first day of the first calendar quarter after the close of the first regular session of the State Legislature that begins after the date of enactment of the bill. In the case of States that require a constitutional amendment to comply with the requirements of the bill, the grace period is extended either 1 year after the effective date of the necessary State constitutional amendment or 5 years after the date of enactment of the bill.
(p. 410)

Senate Amendment

Conference Agreement

Identical provision. (p. 566)

Title IV - Noncitizens

Present Law

House Bill

I. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION (Sec. 400 of House bill)

No provision.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

- (i) Self-sufficiency has been a basic principle of U.S. immigration law since this country's earliest immigration statutes;
 - (ii) It continues to be the immigration policy of the U.S. that aliens within the nation's borders depend not on public resources, but rely on their own capabilities and the resources of their families and sponsors and that the availability of public benefits not constitute an incentive for immigration;
 - (iii) Aliens have been applying for and receiving public benefits at increasing rates;
 - (iv) Current eligibility rules and unenforceable financial support agreements have proved incapable of assuring that individual aliens not burden the public benefits system;
 - (v) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements to assure that aliens become self-reliant; and
 - (vi) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.
- (p. 162)

Senate Amendment

Conference Agreement

No provision.

Subtitle A - Eligibility for Federal Benefits Programs**2. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN FEDERAL BENEFITS PROGRAMS** (Sec. 401 of House bill, Secs. 501, 502, 505, and 507 of Senate amendment)

Current law limits alien eligibility for most major Federal assistance programs, including restrictions on, among other programs, Supplemental Security Income, Aid to Families with Dependent Children, housing assistance, and Food Stamps Programs. Current law is silent on alienage under, among other programs, school lunch and nutrition, Special Supplemental Food Program for Women, Infants, and Children (WIC), Head Start, migrant health centers, and the earned income tax credit.

Under the programs with restrictions, benefits are generally allowed for permanent resident aliens (also referred to as immigrants and green card holders), refugees, asylees, and parolees, but benefits (other than emergency Medicaid) are denied to nonimmigrants (or aliens lawfully admitted as, e.g., tourists, students, or temporary workers) and illegal aliens. Benefits are permitted under AFDC, SSI, unemployment compensation, and nonemergency Medicaid to other aliens permanently residing in the U.S. under color of law (PRUCOL).

Any alien who is not lawfully present in the U.S. shall not be eligible for any Federal means-tested public benefits program (see definitions below), with the exception of non-cash, in-kind emergency assistance, including emergency medical services. Housing-related assistance, which allows limited assistance for households containing both eligible and ineligible individuals, remains prohibited as under current law. (p. 164)

The Attorney General is to decide which aliens are lawfully present for purposes of benefit eligibility. In doing so, the Attorney General is not required to consider an alien to be lawfully present solely because the alien is considered to be permanently residing under color of law (PRUCOL) under current standards. (p. 179)

Any individual who is not lawfully present in the U.S. is ineligible for any Federal benefit (see definitions below) other than emergency medical services under Medicaid; short-term emergency disaster relief; assistance under the National School Lunch Act or the Child Nutrition Act of 1966; and public health assistance for immunizations and, if found necessary by HHS, testing for and treatment of communicable diseases. (p. 400) Similarly, States which administer a federally-funded benefit program (or provide benefits pursuant to such a program) are not required to assist aliens who are not lawfully present. (p. 402)

An individual is lawfully present for purposes of qualifying for benefits if the individual is a citizen, non-citizen national (i.e. American Samoan), permanent resident alien, refugee, asylee (including an alien who has had his/her deportation stayed because it would return the alien to a country which would persecute him/her), or an alien who has been paroled into the U.S. by the Attorney General for at least 1 year. (p. 401)

Noncitizens are not lawfully present for the purposes of the SSI program merely because they are considered to be permanently residing under color of law (PRUCOL).

3. INELIGIBILITY OF NONIMMIGRANTS, ASYLEES, AND PAROLEES FOR CERTAIN FEDERAL BENEFITS PROGRAMS (Sec. 402 of House bill, Secs. 501, 502 and 507 of Senate amendment)

A. In General

The Immigration and Nationality Act lists 19 categories of nonimmigrant aliens, including tourists, business visitors, foreign students, exchange visitors, temporary workers, and diplomats. Aliens granted political asylum and aliens allowed into the U.S. under the Attorney General's discretionary parole power are not among the nonimmigrant categories. Nonimmigrants generally are denied benefits under public benefits programs that have alienage restrictions. By contrast, asylees and parolees are not disqualified.

B. Excepted Programs

Of Federal programs with alien eligibility restrictions, nonimmigrants are eligible for emergency services under Medicaid. Temporary agricultural workers may receive legal services funded through the Legal Services Corporation with respect to their wages, housing, and other employment rights covered by their employment contract. Those nonimmigrants whose wages are not exempt from unemployment taxes (FUTA) may qualify for unemployment compensation under certain circumstances.

Aliens who are lawfully in the U.S. as nonimmigrants are ineligible for means-tested Federal benefits (see definitions below), other than the programs excepted below. Nonimmigrants admitted as temporary agricultural workers are not to be treated as nonimmigrants for public benefits purposes, but rather are to be treated as immigrants (see below). Other aliens who also are not to be treated as nonimmigrants include aliens granted asylum and aliens paroled into the U.S. for 1 year or longer. However, aliens paroled into the U.S. for a period briefer than 1 year are subject to the nonimmigrant restrictions. (p. 165)

Exception to the bill's blanket denial of Federal means-tested assistance to nonimmigrants is made for Emergency Assistance, including non-cash emergency medical services. Housing-related assistance is not covered by the bill's general rule, but rather existing restrictions under housing programs are to continue to apply. These restrictions deny assisted housing to nonimmigrants except as they may incidentally benefit as members of mixed families. However, all aliens granted parole are eligible for housing assistance. (p. 165)

Nonimmigrant aliens are not considered lawfully present for federal benefits purposes, and are thus ineligible for any Federal benefit (see definitions below) other than the programs excepted below. (p. 400)

Permits nonimmigrants (and all others who are not lawfully present) to receive: emergency medical services under Medicaid; short-term emergency disaster relief; school lunch and child nutrition assistance; and public health assistance for immunizations and, if found necessary by HHS, testing for and treatment of communicable diseases. (p. 400)

Present Law

House Bill

C. Treatment of Aliens Paroled Into the U.S.

Aliens paroled into the U.S. generally are entitled to public benefits while they remain in parole status to the same extent that permanent residents are.

Aliens paroled into the U.S. for less than 1 year are treated as nonimmigrants for benefits purposes (i.e., general ineligibility) but aliens paroled into the U.S. for longer than 1 year are treated as immigrants (i.e. somewhat broader, but still limited, eligibility). (p. 166)

4. LIMITED ELIGIBILITY OF LAWFULLY PRESENT ALIENS (OTHER THAN NONIMMIGRANTS) FOR FEDERAL BENEFITS (Sec. 403 of House bill, Secs. 501, 502, 504 and 505 of Senate amendment)**A. In General**

There is no statutory definition of "lawful presence". With the exception of certain buy-in rights under Medicare, immigrants (or aliens lawfully admitted for permanent residence) are eligible for major Federal benefits, but the ability of some immigrants to meet the needs tests for SSI, AFDC, and food stamps may be affected by the sponsor-to-alien deeming provisions discussed below.

Refugees, asylees, and parolees also generally are eligible. Benefits are permitted under AFDC, SSI, unemployment compensation, and nonemergency Medicaid to other aliens permanently residing in the U.S. under color of law (PRUCOL).

With certain specific exceptions noted below, any alien who is lawfully present in the U.S. shall not be eligible for any of the following Federal means-tested public benefits programs (except as they provide non-cash, in-kind emergency services): Supplemental Security Income, Temporary Assistance for Needy Families, Social Services Block Grant (Title XX), Medicaid, and Food Stamps. (p. 166)

Under programs other than the foregoing 5 major benefits programs, the eligibility of lawfully present aliens (other than nonimmigrants) for benefits would continue to be governed by current law as modified by the sponsor-to-alien deeming provisions discussed below. The Attorney General is to determine which aliens are "lawfully present" and is not bound in doing so by current interpretations of "PRUCOL", or "permanently

Senate Amendment

Conference Agreement

Aliens who have been paroled into the U.S. for a period of less than 1 year are not considered to be lawfully present for benefits purposes and therefore are generally ineligible for benefits. (Aliens who have been paroled into the U.S. for a period of 1 year or longer are considered to be lawfully present.) (p. 401)

Except for specific classes noted below, all aliens are to be denied SSI. (p. 394)

Except for specific classes and programs noted below, all aliens arriving after enactment are ineligible for all Federal needs-based assistance for 5 years after entry. (p. 397)

Except for specific classes and programs noted below, States may deny noncitizens need-based assistance funded by the Federal Government (e.g., Temporary Assistance for Needy Families and similar block grants). (p. 383)

For lawfully present aliens who are in the U.S. on the date of enactment and who have been here 5 years, current rules will continue to apply to programs other than SSI, except as eligibility may be affected by the State option to deny noncitizens

Present Law

House Bill

residing under color of law."

B. Excepted Programs

Not applicable. (See above.)

Only exception is for non-cash, in-kind emergency services, as described above.

C. Excepted Classes

Not applicable. (See above.)

Excepted are:

(i) Refugees during their first 5 years in the U.S.

(ii) Aliens who have been lawfully admitted to the U.S. for permanent residence, are over 75 years of age, and have resided in U.S. for at least 5 years.

(iii) Honorably discharged veterans and active duty personnel or their spouses and unmarried

needs-based assistance funded by Federal funds.
(p. 383)

The 5-year bar on Federally-funded assistance to new arrivals does not apply to: (1) emergency medical services under Medicaid; (2) short-term emergency disaster relief; (3) assistance under the National School Lunch Act or the Child Nutrition Act of 1966; (4) the Head Start program; (5) foster care and adoption assistance (but foster parents or adoptive parents cannot be aliens who are ineligible for benefits due to this provision); (6) public health assistance for immunizations and, if found necessary by HHS, testing for and treatment of communicable diseases; and (7) programs specified by the Attorney General that (i) deliver services at the community level, (ii) do not condition assistance on the recipient's income or resources, and (iii) are necessary to protect life, safety, or public health (e.g. soup kitchens). (p. 387)

States may deny needs-based assistance funded by the federal government to all noncitizens except (1) programs described above in 1, 2, 3, 4, 6, or 7; or (2) assistance to noncitizens in the classes described below.

Excepted are:

(i) Refugees during their first 5 years in the U.S.

(ii) Not excepted.

(iii) Honorably discharged veterans (if determined by the Attorney General to be lawfully present).

Present Law**House Bill**

dependent children lawfully residing in any State or territory or possession of the U.S.

(iv) Aliens lawfully residing in any State or Territory or Possession of the U.S. during the first year of enactment.

(v) Immigrants who are unable to comply with naturalization requirements because of disability or mental impairment.

(vi) Not excepted.

(vii) Not excepted.

(viii) Not excepted. (p. 167)

Senate Amendment

Conference Agreement

and their spouses and unmarried dependent children.

(iv) Aliens receiving SSI benefits on the date of enactment (whose eligibility would end) will remain eligible for SSI until January 1, 1997.

(v) Not excepted.

(vi) Asylees (including those who have had deportation stayed because it would return them to a country which would persecute them) during their first 5 years in the U.S.

(vii) Noncitizens who have worked long enough to be fully insured for Social Security or disability insurance benefits are exempt from the ban on SSI and the prospective 5 year ban.

(viii) Agencies may exempt individuals who have been battered or subjected to extreme cruelty from the denial of state-administered federal benefits (and the sponsor-alien "deeming" provision discussed below) if the resulting denial of assistance will endanger their well-being.

(p. 416)

Present Law

House Bill

D. Effective Date(s)

Not applicable.

In general, applies to applicants for benefits after the date of enactment. For current residents of the U.S. on the date of enactment, restriction on eligibility does not apply until 1 year after enactment. (p. 168)

E. Reapplication

An individual who is eligible for SSI but who thereafter becomes ineligible for a period of 12 consecutive months must reapply for benefits.

No provision.

5. NOTIFICATION (Sec. 404 of House bill, Sec. 504 of Senate amendment)

Under regulation, individual advance written notice must be given of an intent to suspend, reduce, or terminate SSI benefits.

Each Federal Agency that administers an affected program shall post information and provide general notification to the public and to program recipients of changes regarding eligibility. (p. 169)

6. VERIFICATION AND INFORMATION SHARING (Secs. 506 and 507 of Senate amendment)

State agencies that administer most major Federal programs with alienage restrictions generally use the SAVE (Systematic Alien Verification for

No provision.

Senate Amendment

Conference Agreement

In general, applies to benefits on or after the date of enactment. (p. 395) Current SSI recipients lose eligibility after January 1, 1997. (p. 396) The Attorney General must adopt regulations to verify the eligibility of applicants for Federal benefits no later than 18 months after enactment. States must have a verification system that complies with these regulations within 24 months of their adoption. (p. 402)

Individuals receiving SSI benefits on the date of enactment who are notified of their termination of eligibility shall reapply for benefits within 4 months after the date of enactment. The Commissioner of Social Security shall determine within 1 year of enactment the eligibility of individuals who reapply within 1 year after enactment. (p. 396)

The Commissioner of Social Security shall notify noncitizens made ineligible for SSI benefits within 3 months after the date of enactment. (p. 396)

The Attorney General must adopt regulations to verify the lawful presence of applicants for Federal benefits no later than 18 months after enactment.

Present Law

House Bill

Entitlements) system to verify the immigration status of aliens applying for benefits.

AFDC and SSI require safeguards that restrict the use or disclosure of information concerning applicants or recipients to purposes connected to the administration of needs-based Federal programs.

Senate Amendment

Conference Agreement

States must have a verification system that complies with these regulations within 24 months of their adoption. (p. 402)

The agencies which administer SSI, housing assistance programs under the United States Housing Act of 1937, or block grants for temporary assistance for needy families (the successor program to AFDC) are required to furnish information to the Immigration and Naturalization Service (INS) about aliens they know to be unlawfully in the United States at least 4 times annually and upon INS request. (p. 398)

Subtitle B — Eligibility for State and Local Public Benefits Programs**7. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS (Sec. 411 of House bill)**

Under Plyler v. Doe (457 U.S. 202 (1982)), States may not deny illegal alien children access to public elementary and secondary schools. However, the narrow 5-4 Supreme Court decision may imply that illegal aliens may be denied at least some State benefits and that Congress may influence the eligibility of illegal aliens for State benefits. Many, but not all, State general assistance laws currently deny illegal aliens means-tested general assistance.

No alien who is not lawfully present in the U.S. shall be eligible for any State and local means-tested public benefits programs (see definitions below). The only exception is emergency medical services. (p. 170)

8. INELIGIBILITY OF NONIMMIGRANTS FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS (Sec. 412 of House bill)

Currently, there is no Federal law barring nonimmigrants from State and local needs-based programs. In general, States are restricted in denying assistance to nonimmigrants where the denial is inconsistent with the terms under which the nonimmigrants were admitted. Where a denial of benefits is not inconsistent with Federal immigration law, however, States have broader authority to deny benefits and States often do deny certain benefits to nonimmigrants. Also, aliens in most nonimmigrant categories generally may have difficulty qualifying for many State and local benefits because of requirements that they be State "residents."

No alien who is lawfully present in the U.S. as a non-immigrant shall be eligible for any State and local means-tested public benefit programs. Exceptions for: non-cash emergency assistance (including emergency medical services) aliens granted asylum, and certain temporary agricultural workers who are treated as immigrants for purposes of application for State and local means-tested benefits (see below). Aliens paroled into the U.S. for a period of less than 1 year are considered to be nonimmigrants under this part. (p. 170)

Senate Amendment

Conference Agreement

No provision affects programs wholly administered and funded by State or local governments. Aliens who are not lawfully present are ineligible for benefits paid with Federal funds under State-administered programs (or paid with State funds pursuant to such programs). (p. 400)

No provision affects programs wholly administered and funded by State or local governments. Nonimmigrants are not considered to be lawfully present for Federal benefits purposes and are thus ineligible for benefits paid with Federal funds under State-administered programs (or paid with State funds pursuant to such programs). (p. 400)

Present Law

House Bill

**9. STATE AUTHORITY TO LIMIT
ELIGIBILITY OF IMMIGRANTS FOR
STATE AND LOCAL MEANS-TESTED
PUBLIC BENEFITS PROGRAMS (Sec. 413 of
House bill)**

Under *Graham v. Richardson* (403 U.S. 365 (1971)), States are barred from denying legal permanent residents from State-funded assistance that is provided to equally needy citizens.

States are authorized to determine eligibility requirements for aliens who are lawfully present in the U.S. for any State and local means-tested public benefit program (other than non-cash emergency assistance, including emergency medical services), with exception of:

- (i) Refugees during their first 5 years in the U.S.;
- (ii) Aliens who have been lawfully admitted to the U.S. for permanent residence, are over 75 years of age, and have resided in U.S. for five years;
- (iii) Honorably discharged veterans and active duty personnel or their spouses and unmarried dependent children lawfully residing in any State or territory or possession of the U.S.; and
- (iv) Aliens lawfully residing in any State or Territory or possession of the U.S. during the first year after the date of enactment. Aliens lawfully present would remain eligible for emergency medical services.

In addition to enhancing State discretion to impose alienage restrictions, eligibility for State and local needs-based benefits also would be restricted by application of new sponsor-to-alien deeming requirements discussed below. (p. 172)