

CSC

**CONGRESSIONAL BILL TRACKING
NOTEBOOK**

Child Support Legislation

104th United States Congress

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Austin, Texas

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Introduction to the CSC Congressional Bill Tracking Notebook

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By the end of the 104th Congress, the **CSC Congressional Bill Tracking Notebook** will contain copies of all major child support related legislation introduced during the 104th Congress. (In the case of some lengthy bills dealing with multiple subjects, only the sections from the bills that pertain to the child support program are included in the **Notebook**.) In addition to the copies of legislation, the CSC has prepared and included a "*Bill Status*" report and a "*Bill Analysis*" for each separate bill.

About every three months, the CSC will send updates to the **CSC Congressional Bill Tracking Notebook**. The updates include copies of major new child support legislation introduced in Congress since the previous update. Additionally, the updates will include the latest versions of legislation already included in the **Notebook** as the bills move through the U.S. Congress. Revised *Bill Status* and *Bill Analysis* reports will also accompany the latest versions of the legislation. Instructions will be included with each update to assist you in adding new materials and removing old ones from the **CSC Congressional Bill Tracking Notebook**.

Finally, those who receive the **CSC Congressional Bill Tracking Notebook** also benefit from the *CSC Congressional and Federal Update*, a quarterly publication which accompanies the **Notebook** update materials. The *CSC Congressional and Federal Update* is a comprehensive summary of current federal and congressional action involving the child support enforcement program and legislation relating to the program.

In addition to its publications, the CSC also performs other activities on behalf of its members and subscribers in the child support enforcement community. The CSC can provide speakers and presenters for family support council meetings or other conferences and meetings involving the child support program. The CSC also hosts an annual child support "Policies and Issues Forum" in Washington, D.C., which focuses on pending federal and congressional legislation. Conducting surveys and research for public and private child support agencies and businesses is another service provided by the CSC. If you have any questions or are interested in obtaining more information about the Child Support Council, its activities or services, please contact us at our headquarters in Austin at the following address and telephone number:

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Congressional and Federal Update



January, 1996

The first session of the 104th Congress ended in January without the enactment of welfare reform legislation which the Republican leadership had sought as part of the "Contract With America."

Earlier, the House and Senate each passed its version of HR4, the major Republican welfare reform bill which also provided for extensive changes in child support enforcement. However, the Republican majority leadership decided to delay further action on the bill until the Conference Report on Omnibus Budget Reconciliation Act (OBRA) had been adopted by both chambers and sent to the President for his signature. The budget legislation incorporated most of the child support enforcement provisions from the House and Senate versions of HR4, as agreed upon by the OBRA conference committee. On December 6, 1995, the President vetoed OBRA, as he had threatened he would do, for among other reasons, because of the sorts of changes to the Medicare and Medicaid programs contained in the bill.

With defeat of OBRA, the Republican leadership moved forward with HR4 as a free-standing welfare reform measure, but only after resolving differences among Republicans themselves over the bill's provisions for child nutrition programs. On December 21, 1995, the House adopted the Conference Report on HR4, followed the next day by the Senate. On January 9, 1996, the President then vetoed this bill, as well, because of what he saw as the damaging effects of the legislation upon children and its deficiencies with respect to helping welfare recipients move to continuing jobs and financial self-sufficiency. The vote in the two chambers along nearly party-lines

(245-178 in the House and 52-47 in the Senate) ensured that a presidential veto would not be overridden by Congressional Republicans.

Funding for most federal programs, including the Title IV-D program, also remained unresolved as the year ended, although a temporary agreement between Congress and the President reached in early January will continue IV-D funding through March 15, 1996.

Efforts to enact welfare reform legislation will continue during the second session of the 104th Congress, which began on January 23, 1996. The effort will likely be pursued as part of an overall, bipartisan budget compromise. Because of the strong bipartisan support for the child support enforcement provisions in the failed version of HR 4, it is expected that these provisions will reappear, probably unchanged, in any welfare reform legislation acceptable to the President.

The remainder of this issue of the CSC Congressional and Federal Update provides an overview of the failed version of HR 4 followed by a detailed analysis of its child support provisions.

I. Major Welfare Reform Provisions in the HR4 Conference Report.

Cash Assistance Benefits: The current Title IV-A individual entitlement program, Aid to Families with Dependent Children (AFDC), along with several related programs (Administration, Emergency Assistance, certain child care programs and IV-F JOBS

program) would be repealed and replaced with a new Temporary Assistance for Needy Families (TANF) block grant to the states. The amount of the grant would be the higher of the amount paid by the federal government to a state for those programs in fiscal 1995 or 1994 or the average of fiscal years 1992-1994. In order to qualify for the full amount of its proportionate share of the grant, a state would have to commit to matching state funds at not less than 75 percent of the amount spent by the state on AFDC and related programs during fiscal 1994. A state could elect to spend less than 75 percent, but its grant amount would be commensurately reduced.

Under the TANF block grant, states would have great latitude in setting eligibility criteria, but, because of the limits on federal funding for the grant, there would be no automatic entitlement to assistance even by those who met such criteria, unless a state undertook to meet all needs using state funds beyond the amounts required under the block grant. States would be permitted to use their grant funds in any manner reasonably calculated to meet the overall goals of the TANF program, as well as in any manner a state was authorized to use federal funds under current Titles IV-A and IV-F. States receiving TANF funding must maintain a IV-D program meeting federal requirements.

There would be some federally imposed restrictions on eligibility for assistance, however. An adult could not receive aid for more than five years in a lifetime, and adults receiving benefits would have to begin working within two years of receiving assistance. Moreover, a state would be prohibited from providing aid for children born of welfare recipients, unless that state passed specific legislation to opt out of this restriction. Also, states would have the option of denying benefits to unwed teenage parents until they reach 18 years of age and would be required to deny benefits to any unwed parent who failed to cooperate with the state in the establishment of paternity, with the option to deny such benefits to all members of the family.

States would be free to define cooperation, but responsibility for determining cooperation would fall to the state's IV-D agency. Cooperation could include requiring an applicant for, or recipient of, TANF or Medicaid assistance to identify and provide other information about a noncustodial parent. States must, however, require individuals to cooperate in

establishing paternity, including submitting to genetic testing, although a state may grant "good Cause" exceptions for non-cooperation, either continuing to have its IV-A and Medicaid agencies determine "good cause" or assigning that task to the IV-D agency.

Finally, states would be required to deny benefits to any family with an adult who failed to assign child support rights to the state and would be permitted to impose a financial penalty (reduction in the amount of benefits paid) on a family applying for aid in which there was a child for whom paternity was not established, until such time as that paternity was established or acknowledged.

Child Protection Block Grant and Foster Care and Adoption Assistance: Current Title IV-E (foster care and adoption assistance) is repealed and replaced with a new Title IV-B which would provide block grants for most child protective services, foster care maintenance, and adoption assistance programs under current titles IV-B and IV-E. The foster care maintenance and adoption assistance payments would continue as open-ended entitlement, and current Title IV-B child welfare services would remain a discretionary program subject to annual congressional appropriations.

Supplemental Security Income: Eligibility for Supplemental Security Income (SSI) benefits would be more limited than currently. Alcoholism, drug addiction, and substance abuse would no longer be considered disabilities eligible for SSI, and disability definitions for children would be tightened so that children not ruled severely disabled would be eligible for only 75 percent of the normal benefits under the program. Legal immigrants already residing in the country would be ineligible for SSI benefits, unless they had worked in the U.S. for at least 10 years.

Child Care: All existing federal child care programs (including those under AFDC and programs for the working poor) would be put into the current Child Care and Development Block Grant. Under this grant states would be given authority to shape and operate their own programs.

Child Nutrition: There would be an overall reduction of \$3.9 billion in federal funding for child nutrition programs over a seven-year period. Up to seven states could elect to receive their share of the

federal funds in the form of a block grant which would allow them greater control over the programs.

Food Stamps: Food stamp benefits would be reduced through the lowering of individual allotments and revisions to other funding formulas, and states could elect to receive federal food stamp funding as a block grant. Noncustodial parents, including alleged fathers, between the ages of 18 and 50 years who have no dependents and no disabilities would be required to work in order to receive food stamps. Legal immigrants already residing in the U.S. would not be eligible for food stamps. States would have the option of requiring food stamp recipients (custodial and non-custodial parents and any "caretaker" of a child) to cooperate with the IV-D agency in establishing paternity and obtaining support as a condition of eligibility. Delinquent obligors would be denied food stamps.

II. Child Support Enforcement.

1. STATE OBLIGATION TO PROVIDE IV-D SERVICES.

(a) A state IV-D agency must provide services in the case of:

(i) each child receiving IV-A, foster care maintenance or adoption assistance or Title XIX medical assistance benefits, unless the IV-D agency determines that it would not be in the child's best interests;

(ii) any other child with respect to whom there is an application for such services; and

(iii) nonresidents on the same terms as state residents.

(b) Services must be continued for families ceasing to receive temporary cash assistance, without the requirement of an application.

(c) IV-D Services and Food Stamp Program:

(i) A state may require that IV-D services be delivered to custodial parents whose families receive food stamps, subject to a determination by the IV-D agency that there is a good cause for non-cooperation.

(ii) A state may deny a non-custodial parent or putative father eligibility for food stamp benefits for refusal to cooperate with the IV-D agency in establishing paternity and/or providing child support.

(iii) A state must deny eligibility food stamp benefits to a noncustodial parent during any month the parent is delinquent in child support payments, unless a court has delayed payment or the parent is paying according to an approved plan.

2. COLLECTION AND DISTRIBUTION OF SUPPORT COLLECTIONS.

(a) Central Disbursement Unit.

- Effective October 1, 1998, the state IV-D agency must operate the "State Disbursement Unit," for the disbursement of support collected in cases being enforced by the agency.

- The unit may be operated either directly by the IV-D agency or in concert with 1 or more other state agencies or through a contractor responsible to the IV-D agency.

- The unit may be established by linking local disbursement units through the IV-D agency's automated system, if the Secretary agrees that such an arrangement will not cost more or take more time to establish and operate than a centralized unit and if there is a single location to which employers may remit wage withholdings.

- The unit must use automated procedures, electronic processes, and computer technology to the maximum extent feasible, economical, and efficient to:

(i) receive, identify, and promptly disburse inter- and intrastate support payments;

(ii) provide custodial and noncustodial parents, upon request, information on current status of support payments.

- Support must be distributed within 2 days of receipt from whatever source, if sufficient information identifying the payee is provided.

- Distribution of collections towards arrears may be delayed until there is a resolution of any timely appeal with respect to such arrearages.

(b) Use of IV-D Computer System for Collection/Distribution of Support.

- Effective October 1, 1998, the IV-D agency's automated system must assist the disbursement unit by:

(i) transmitting orders and notices (to employers and others), in formats authorized by the Secretary, for the withholding of wages and income within 2 business days of receiving notice of, and the income source subject to, withholding;

(ii) monitoring support payments for compliance; and

(iii) activating appropriate enforcement procedures when any delinquency occurs to compel compliance.

(c) Distribution Rules.

- Effective October 1, 1996 (or any earlier date, at the option of the state) with respect to families currently receiving assistance (AFDC or Title IV-E, prior to enactment of this legislation, or TANF, subsequent to enactment), the state may retain or pay the family the state share of collections and must pay the federal government the "federal share"

of collections. *The current \$50 "pass-through" is repealed, although states may continue to pay this amount out of the state's share of collections.*

- "Federal share" means:

(i) *if the amounts collected and retained by the state to reimburse for public assistance are equal to, or greater than, such amounts collected in FY 1995 (reduced in FY 1995 by payment of the \$50 "pass-through"), the highest "Federal Medical Assistance Percentage" [under Section 2122(c), Social Security Act] in effect in FY 1995 or any succeeding year.; or*

(ii) *if the amounts collected and retained by the state are less than such amounts collected in FY 1995 (reduced in FY 1995 by payment of the \$50 "pass-through"), the total amounts collected and retained by the state for public assistance reimbursement in FY 1995, less the state share of such retained collections in FY 1995. [This assures the state of its share of retained collections in an amount not less than its share in FY 1995.]*

- "State share" means 100% of collections retained in public assistance cases, less the "federal share."

- With respect to families formerly receiving assistance, after payment to the family of current support, the state must:

(i) *before October 1, 1997, follow current distribution rules regarding any amounts for pre- and post-assistance arrearages;*

(ii) *beginning October 1, 1997:*

- *collections representing current support are to be paid the family;*

- amounts collected through the income tax intercept are to be retained, to the extent necessary, to reimburse state and federal governments for public assistance paid the family;

- amounts for arrearages owed the family which accrue, and are collected, *after* the family leaves assistance are to be paid directly to the family;

- amounts collected toward pre-assistance arrearages owed the family and collected before *October 1, 2000* are to be retained to the extent necessary to reimburse state and federal governments for public assistance;

- any remaining collected amounts are to be paid the family.

- By *October 1, 1998*, the Secretary must report to the Congress the outcome of a study as to:

- (i) the effects of the distribution of post-assistance arrearages to families in helping them get and stay off welfare;

- (ii) the effects of the distribution of pre-assistance arrearage programs already enacted by some states in helping families to leave and stay off welfare;

- (iii) the overall impact of the child support amendments made by the Act in moving and keeping families off welfare; and

- (iv) what changes, if any, should be made in distribution policies and

procedures.

- Unless Congress acts sooner, as a result of the Secretary's study and report, beginning *October 1, 2000*:

- (i) amounts collected for current support and both pre- and post-assistance arrearages due a family (other than those amounts collected through the income tax intercept) are to be paid directly to the family;

- (ii) any remainder of collections, together with amounts collected through the tax intercept, are to be retained by the state, to the extent necessary, to reimburse state and federal governments for public assistance amounts actually paid the family; and

- (iii) any collected amounts remaining after reimbursement for public assistance are to be paid to the family.

- (iv) Any collected amounts representing payment toward support arrearages which accrued while the family was on assistance may be either retained by the state or passed through to the family, subject to the following order of distribution of arrearages laid out in (v) below.

- The state must treat any support arrearages as accruing in the following order:

- (i) to the period *after* the family left assistance;

- (ii) to the period *before* the family received assistance; and

- (iii) to the period *while* the family was receiving assistance.

- With respect to families never receiving assistance, all amounts collected go to the family.

- In general, these amendments to the distribution rules are effective October 1, 1996 or any earlier date set by the state.

(d) All wage withholding in child support cases in the state, both IV-D and non-IV-D, must be processed through the central disbursement unit, although the unit is expressly responsible only "for the collection and disbursement of payments under support orders in all cases being enforced by the State" in the IV-D caseload. [Note: it is not clear from the legislation whether or not in the processing of non-IV-D wage withholding cases within the disbursement unit (1) federal funds would be available and (2) the IV-D agency would have to use its automated system to execute the same sorts of activities as in IV-D cases--e.g., the transmission of orders and notices to employers and to monitor payments and to use automatic enforcement procedures when delinquencies occur.]

3. ASSIGNMENT OF SUPPORT RIGHTS; COOPERATION WITH THE STATE IV-D AGENCY.

(a) As a condition of eligibility, recipients of medical assistance must assign medical support rights and cooperate with the IV-D agency, as appropriate, in establishing paternity and securing support and payments, unless the recipient is a pregnant woman or the state has made a good cause exception.

(b) As a condition of eligibility, recipients of IV-A cash assistance must cooperate with the IV-D agency. If the agency determines that an individual is not cooperating, the state *must* deny that individual benefits and *may* deny benefits to the entire family.

(c) As a condition of eligibility, IV-A applicants and recipients must assign to the state rights to child and spousal support, *subject to the following*:

(i) amount assigned may not exceed amount of assistance received;

(ii) effective October 1, 1997, state may require assignment only of support which accrued *prior* to the family's leaving assistance;

(iii) if assignment occurs between October 1, 1997 and October 1, 2000, then, on or after the date the family leaves assistance, the assignment may not be applied to support (other than that collected by means of income tax intercept) which accrued *before* the family received assistance and which the state has not collected *by September 30, 2000*;

(iv) if the assignment occurs on or after October 1, 2000, it may not be applied to support (other than that collected through income tax intercept) which accrued *before* the family received assistance and which the state has not collected *by the date the family goes off assistance*;

(v) any assignment of support rights under IV-A in effect *on the day before* the enactment of this legislation shall remain in effect after such date.

4. RIGHT TO NOTIFICATION.

Effective October 1, 1997, all applicants for, and recipients of, IV-D services must receive notice of all proceedings in their cases and receive copies of all orders (or in the case of modification, a notice of determination that there should be no change in the order) issuing from such proceedings, within 14 days of the issuance of an order (or determination).

5. PRIVACY SAFEGUARDS.

Effective October 1, 1997, as a State Plan requirement, all states must institute safeguards against the unauthorized use or disclosure of information, including information concerning the physical whereabouts of one party to another where there is a protective order or reason to believe

that such disclosure may result in harm.

6. STATE REGISTRY OF SUPPORT ORDERS.

(a) By October 1, 1998, states must establish and operate, as a component of their required IV-D automated data and information retrieval systems, a "State case registry" containing records with respect to: (1) the IV-D caseload and (2), beginning October 1, 1998, all other orders established or modified in a state (although any of these cases could become part of the IV-D caseload upon application for services).

(h) The required registry system could be achieved through the automated linking of local registries.

(c) Records in the registry would use standardized data elements and, with respect to the IV-D cases only, contain comprehensive payment records, including the amount of any liens for child support. The IV-D case records would be updated and monitored to include current information on legal actions and support collections and distributions and information from comparison with federal, state, and local sources.

(d) The automated system must be capable of extracting and sharing data with the National Directory of Support Orders (to be established by the Secretary within the Federal Parent Locator Service by October 1, 1998), the Federal Parent Locator Service, the IV-A and Title XIX agencies, and of carrying out intra- and inter-state data comparisons. [Note: it is not clear from the legislation whether or not federal funds would be available for the processing of non-IV-D cases required to be recorded in the State Registry.]

7. STATE DIRECTORY OF NEW HIRES.

(a) Effective October 1, 1997, states must operate an automated "State Directory of New Hires" to which employers in a state (including governmental entities and labor organizations) must report all new hires except for those employees of a federal or state

agency engaged in intelligence work, the disclosure of whose identity could endanger the employee or compromise an on-going investigation. States which currently have new hires reporting laws may continue their programs under state law until October 1, 1997, by which time all states must have programs conforming to federal requirements. [Note: the state IV-D agency is not expressly responsible for operating the directory, although there must be an automatic linkage with the IV-D agency. The legislation makes no specific provision for any federal funds for the operation of the directory, even in IV-D cases.]

(b) Multistate employers may designate a single state to which to send new hires information, in which case they must notify HHS of the designated state.

(c) Federal employers must report new hires directly to the National Directory of New Hires, to be established within the Federal Parent Locator Service.

(d) New hires must be reported within 20 days of hiring (although states may establish any earlier time than 20 days), except that employers transmitting information by magnetic or electronic means may report by 2 monthly transmissions (if necessary) not less than 12 or more than 16 days apart.

(e) Employers would have the option of using the W-4 form "or equivalent" for purposes of reporting new hires.

(f) States would have the option of imposing civil penalties for failure of employers to report, but such penalties would have to be less than \$25 unless the failure was the result of a conspiracy between the employer and employee, in which case the penalty would have to be less than \$500.

(g) States would be allowed 5 days, after receipt, to enter data in state data base and 3 days thereafter to transmit such data to the national directory.

(h) State and local governments would be

required to make quarterly wage and unemployment compensation reports (just as currently private employers do under Department of Labor requirements), and the State Directory would furnish the National Directory quarterly extracts of information provided by private and public employers.

(i) Effective May 1, 1998, states must designate an agency which, directly or by contract, would be responsible for matching social security numbers provided by employers with social security numbers in the state case registry; if a match occurs, the directory of new hires must inform the IV-D agency of the match and provide locate information to the agency.

8. INCOME WITHHOLDING.

(a) In cases of support orders issued or modified before October 1, 1996, if wages are not otherwise subject to withholding, wage withholding must be initiated on the day the obligor fails to pay support amounting to one month's obligation. Such withholding would not require a judicial or administrative hearing, but would be subject to due process requirements, including a notice to the obligor that withholding has begun and a statement of procedures for contesting the withholding.

(b) In both IV-D and non-IV-D cases, wage withholding would be processed through the state's disbursement unit. Employers would be required to remit withheld wages to the disbursement unit within 2 business days after the employee's payday.

(c) Employers would comply with the procedural rules relating to withholding of the state in which the employee works, regardless of the state of origin of the withholding order or notice.

(d) States could execute a withholding order electronically, without advance notice to the employee.

(e) States would be required to impose penalties on any employer (1) who discriminates in any manner against an

employee because the employee is subject to withholding or (2) fails to withhold the required amount of child support or to pay that amount to the state disbursement unit.

9. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

States must have procedures under which federal and state child support enforcement agencies could gain access to any system used by a state to locate an individual for motor vehicle or law enforcement purposes.

10. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) The Federal Parent Locator Service (FPLS) would be expanded to include locate information on an individual under an obligation to provide child support or child custody or visitation rights and the individual to whom such obligation is owed. The information would include the social security numbers, most recent addresses, employer addresses, employer identification numbers, wages and benefits of employment, and the type, status, location and amount of any assets or debts.

(b) Absent parents could have access to information contained in the Federal Parent Locator Service for the purpose of enforcement of visitation or access rights, but they would have to request access through the child support agency or the court to ensure protection of custodial parents. No information from the FPLS would be given to an individual about whom the state has reasonable evidence of having committed domestic violence or child abuse and the disclosure of information would be harmful to the custodial parent or child.

(c) The Secretary may set reasonable rates for reimbursing federal and state agencies for providing information to, and receiving information from, the FPLS.

(d) The FPLS would be expanded to include:

(1) by October 1, 1998, a Federal Case

Registry of Child Support Orders containing abstracts of all orders recorded in the state case registries; and (2) by October 1, 1996, a National Directory of New Hires containing information received from state directories, entered within 2 days of receipt and compared at least every 2 days with information in the federal case registry, with reports of matches being sent to appropriate state child support agencies within 2 days of the matches.

(e) The Secretary must provide information from the components of the FPLS to appropriate federal agencies for verification and for their use.

(f) All federal agencies must make quarterly reports to the FPLS of the names, social security numbers, and wages of all employees in the previous quarter (except for those employees engaged in intelligence work).

(g) Entities under contract with the state IV-D agency to provide enforcement-related services may be given information on the location and social security number of an individual against whom support is to be established or enforced, as well as information on personal income tax refunds which could be intercepted for child support arrearages.

11. USE OF SOCIAL SECURITY NUMBERS FOR CHILD SUPPORT PURPOSES.

(a) Social security numbers must be recorded on applications for professional, commercial driver's, occupational, and marriage licenses, unless the state allows the use of a number other than the social security number, in which case it must notify applicants.

(b) The social security number of any individual subject to a divorce decree, support order, or paternity acknowledgment or determination must also be placed in records relating to the matter for IV-D purposes, and the social security number of any individual who has died must be recorded in the appropriate records and on the death certificate.

(c) State or other agencies responsible for

issuing licenses or permits relating to a commercial, professional, or occupational activity must require applicants to provide their social security numbers for purpose of responding to requests from the IV-D agency for such information.

12. UNIFORM STATE LAWS.

By January 1, 1998, states must have in effect the Uniform Interstate Family Support Act (UIFSA), amended to require for wage withholding purposes that employers follow the procedural rules of the state in which the obligor works.

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

Federal full faith and credit requirements for child support orders would be amended to make those requirements more consistent with UIFSA with respect to rules for the modification of a support order.

14. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

States would be required to respond within 5 business days to a request from another state to enforce an order and such request: (1) may be made by electronic or other means; (2) must contain sufficient information to enable the recipient state to act; and (3) shall not constitute a transfer of the case to the recipient state.

15. USE OF FORMS IN INTERSTATE ENFORCEMENT.

After consultation with state IV-D directors, the Secretary must issue standardized forms for use in interstate enforcement.

16. STATE LAWS PROVIDING EXPEDITED PROCESSES.

(a) States must have administrative procedures for establishing paternity and establishing, modifying, and enforcing support obligations in IV-D cases, including taking the

following actions without the necessity of obtaining an administrative or court order and recognizing and enforcing the same actions taken by a IV-D agency of any other state:

- (1) ordering genetic testing;
- (2) issuing subpoenas for financial and other information and imposing sanctions for failure to respond;
- (3) requiring all public and private entities in the state to respond to request from the state IV-D agency or the IV-D agency of another state for information about the employment of any individual;
- (4) accessing certain records appropriate for IV-D purposes maintained by public and private entities - subject to privacy safeguards - including vital statistics, tax records, employment records; property records, public assistance records, motor vehicle and corrections records, and the records of public utilities and financial institutions;
- (5) effecting change of payee in IV-D cases upon notice to the obligor and obligee;
- (6) ordering income withholding;
- (7) intercepting and seizing assets to satisfy support arrearages (including winnings, judgments, assets in financial institutions, unemployment compensation, public and private retirement funds);
- (8) imposing liens and, as appropriate, forcing sale to satisfy arrearages; and
- (9) increasing the amounts of monthly support payments to include amounts payable towards arrearages.

(b) States must have procedures under which:

(1) each party to a paternity or support action must, upon the entry of an order, keep the tribunal and state case registry informed of current locate information (including social security number, residential and employment addresses, telephone numbers, driver's license number) and; (2) the requirements of due process shall have been met in any subsequent action if a written notice is delivered to the last recorded residential or employment address.

(c) States must have procedures under which any tribunal having authority to hear child support issues exerts statewide jurisdiction over the parties and any order issued in a state may be transferred statewide with the need of any additional filing.

(d) The IV-D automated system must be used to the fullest extent possible in implementing the required expedited processes.

17. STATE LAWS ON PATERNITY ESTABLISHMENT.

(a) States must permit the establishment of paternity at any time up a child's eighteenth birthday. (Note: Current federal statute.)

(b) States must order genetic testing upon the request of either party, "unless otherwise barred by State law" (e.g., res judicata), if such request is supported by a sworn statement setting forth facts establishing "a reasonable possibility" that the requisite sexual contact did or did not take place.

(c) States must have simple civil procedures for the voluntary acknowledgment of parentage under which the mother and putative father must be given an explanation of the legal consequences and rights of voluntary paternity acknowledgment. These procedures must include hospital-based programs for voluntary acknowledgments, subject to "good cause" exceptions the state may establish. The procedures must also require the state's agency responsible for birth records to offer voluntary establishment services. Hospitals, birth records agencies, and any other entities

authorized to offer acknowledgment services must follow regulations set by the Secretary regarding the standardized procedures, materials, and training to be used.

(d) States must develop an affidavit for parentage acknowledgment incorporating elements identified by the Secretary and must give full faith and credit to such an affidavit from any other state.

(e) States must have procedures under which the name of the father may be included on the birth certificate only if (1) both parents had signed an acknowledgment or (2) if an administrative or judicial order of paternity had been issued. Such procedures, however, would not preclude a state agency from securing an admission of paternity from the father for submission in a judicial or administrative proceeding or prohibit the issuance of an order from an administrative or judicial proceeding which bases the legal finding of paternity upon an admission by the father and any other showing required by state law.

(f) States must have procedures under which a signed acknowledgment of parentage is considered "a legal finding" of paternity which may be rescinded by any signatory the earlier of 60 days or any administrative or judicial proceedings related to the child (including the setting of support). After this period of time, the acknowledgment may only be contested in court on the grounds of duress, fraud, or material mistake of fact, with the proof burden falling upon the challenger. During any period of contest the legal responsibilities of any signatory arising from the acknowledgment (including support obligations) continue in effect.

(g) Unchallenged acknowledgments of paternity would not require ratification by any tribunal.

(h) Genetic evidence would be admitted into evidence only if the genetic testing were: (1) of a type acknowledged as reliable by accreditation bodies identified by the Secretary; and (2) performed by an accredited

laboratory. Absent any objections to testing results--which would have to be made in writing within a specified number of days prior to any hearing on the evidence--testing results would be admitted into evidence without the need for any foundation testimony or other proof of accuracy.

(i) Under state law, genetic evidence indicating a threshold probability of paternity would create a rebuttable, or at the option of the state, conclusive presumption.

(j) Default orders would have to be entered upon a showing of service of process on the defendant and any other showing required by the state.

(k) Parties to a paternity action would not be entitled to a jury trial.

(l) Temporary support orders must be issued upon the motion of any party pending the final adjudication of parentage.

(m) Bills for testing, pregnancy and childbirth must be admissible as evidence without requiring third-party foundation testimony and must be regarded as prima facie evidence of the amount incurred.

(n) Under state law, putative fathers must be given a reasonable opportunity to initiate a paternity action.

(o) Voluntary acknowledgments and paternity adjudications must be filed with the state registry of births for comparison with information in the state case registry.

18. FEDERAL IV-D FUNDING.

(a) By June 1, 1996 and after consultation with state IV-D directors, the Secretary must present to House Ways and Means and Senate Finance, a new, revenue neutral incentive system which would provide states with funding, in addition to federal financial participation (FFP), based upon IV-D program performance.

(b) The IV-D "substantial compliance" paternity establishment percentage (PEP) would be raised from the current 75% to 90%. States would, however, have the option of using as the PEP the paternity establishment rate of *all* out-of-wedlock births in the state, instead of just the rate of establishment in IV-D cases.

20. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) Following standards and procedures set by the Secretary and using their automated systems to extract data, state IV-D programs would be required to report annually on program performance, including the use of expedited processes.

(b) The Secretary would review the annual reports submitted by states and make appropriate recommendations for corrective action and technical assistance. In addition, the Secretary would conduct at least once every 3 years a complete audit of each state IV-D program's performance and its financial management.

21. AUTOMATED SYSTEMS.

(a) All states would be required to have a single, statewide automated data processing and information retrieval system meeting the requirements of this Act, including controlling and accounting for the use of funds in operating the IV-D program and maintaining data required for federal reporting requirements.

(b) States must have policies and procedures (including training of personnel and the imposition of penalties) pertaining to access to, and control of, data in the automated system.

(c) The deadline for meeting the requirements of the Family Support Act of 1988 and the 90% enhanced federal funding of automated systems provided by that Act would be extended for two years, to October 1, 1997, although the 90% funding would be limited to

those expenditures approved in an advance planning document submitted by a state on or before May 1, 1995. [Note: Federal law already extends by two years the deadline for meeting the 1988 Act's requirements.] From October 1, 1997, the federal matching rate for automated systems would be 80%. All enhanced federal funding, however, during the 5-year period of FY 1996 - 2000 could not exceed \$400 million in the aggregate for all states.

(d) States would have until October 1, 1999 to meet the requirements of this Act, except that the deadline would be extended by one day for every day the Secretary fails to meet the deadline for issuing implementing regulations (i.e., 2 years from the date of enactment of this Act).

22. TECHNICAL ASSISTANCE.

An amount equal to 1 percent of the federal share of support collections may be used by the Secretary for technical assistance to the states, staffing studies and training of state and federal IV-D staff, and research and demonstration grants relating to the IV-D program. Another 2 percent of these funds must be used to operate the expanded FPLS.

23. REPORTS AND DATA COLLECTION BY THE SECRETARY.

The Secretary would be required to include in her annual report to the Congress specific data about the performance of state IV-D programs, including the degree to which they meet statutory deadlines for responding to interstate cases and distributing collected support.

24. REVIEW AND ADJUSTMENT OF SUPPORT ORDERS.

(A) States must review and, as appropriate, adjust support obligations every 3 years at the request of either parent or the state, if there is an assignment in effect, without a showing of substantial change in circumstances of either parent.

(b) Also, states must conduct a review at the request of either party if there is a showing of substantial change in circumstances of either parent.

(c) The state must notify custodial parents at least once every 3 years of the right to request review.

(d) Reviews may be conducted by automated means.

25. CONSUMER REPORTS FOR CHILD SUPPORT ENFORCEMENT.

Consumer credit agencies must provide to a requesting child support enforcement agency the credit report of an individual for the purpose of determining that individual's capacity to pay support or the appropriate level of support, if the requesting agency certifies that:

(1) the individual's paternity of the child for whom the support is intended has been established or acknowledged;

(2) the individual has been notified by certified or registered post of the request at least 10 days prior to the request's being made; and

(3) the report will be kept confidential.

26. NONLIABILITY FOR DEPOSITORY INSTITUTIONS.

(a) A depository institution would not be liable for disclosing financial information of an individual to a child support agency.

(b) Any unauthorized disclosure of such information by state officers or employees would be subject to specified civil damages.

27. IRS FEES FOR FULL COLLECTION SERVICES.

The current IRS practice of charging an additional fee each time a state updates the

amount of arrearages to be collected in the same case would be eliminated.

27. CONSENT BY THE UNITED STATES TO SUPPORT ENFORCEMENT OF FEDERAL AND MILITARY EMPLOYEES.

(a) Current provisions relating to federal employees would be consolidated under an amended 42 U.S.C. 659.

(b) Current provisions would be clarified to specify that all branches and agencies of federal government, along with the District of Columbia, are subject to income withholding in accordance with state law, pursuant to Title IV-D law and regulations of the Secretary, to the same extent as a private person would be.

(c) Each agency of federal government would be required to designate an agent for service of process and to publish such designations (identified by title or position, along with mailing address and telephone number) annually in the Federal Register. A designated agent served with process, an order, or interrogatory with respect to a child support or alimony obligation must send a written notice of receipt within 15 days and a response to any order, process, or interrogatories within 30 days of effective service.

(d) Withholding for child support obligations would have priority over any other garnishment process. Income (excluding taxes, insurance premiums, etc.) would be subject to withholding for child support or alimony includes, in addition to regular compensation (wages, sick pay, incentive pay, etc.), periodic payments (currently not subject to garnishment) under insurance and pension plans, federal programs relating to "black lung" benefits, workers' compensation and veterans disability, but not payments for expenses relating to employment.

(e) Withholding must be executed with respect to any administrative or judicial support and would not be limited to those included in, or accompanied by, a divorce decree or

property settlement. Payment must be made to a central state collections unit or other public payee.

(f) The Secretary of Defense must establish a central personnel locator service containing current residential and station addresses of all military personnel. The service must be updated within 30 days of any change of address and would be available to the FPLS. Regulations would be issued by appropriate authority to permit members of the armed services to attend hearings to establish paternity or support obligations. Also, payments for child support would be made directly to any state to which a custodial parent had assigned rights as a condition for receiving public assistance. The Secretary of Defense would have authority to withhold for both current support and any arrearages without the need for a recent certification of an order's authentication.

(g) Provisions of this section would be effective 6 months after enactment.

28. VOIDING OF FRAUDULENT TRANSFERS.

States must have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or an equivalent law against the transfer of income or property in order to avoid payment of child support.

29. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

States must have laws under which the court may order delinquent obligors in public assistance cases to pay past-due support according to a court or IV-D agency payment plan or, unless incapacitated, to participate in work activities deemed appropriate by the court or IV-D agency.

30. DEFINITION OF SUPPORT ORDER.

"Support order" would be defined broadly to include any judicial or administrative order for the support and maintenance of a child,

including monetary support, health care, arrearages, and related costs and fees such as penalties, interest, income withholding, and attorney's fees.

31. REPORTING ARREARAGES TO CREDIT BUREAUS.

Subject to due process safeguards, IV-D agencies must report "periodically" to credit bureaus the names of delinquent obligors and the amounts of past-due support.

32. LIENS.

States must have procedures for imposing liens on the real and personal property for amounts of past-due support owed by a person who resides or owns property in the state and must accord full faith and credit to liens of other states, without the requirement of the registration of the underlying support order.

33. DENIAL OF PASSPORTS.

The Secretary of State would be required to deny, limit, or revoke a passport of an obligor who owed \$5,000 or more in past due child support, upon certification by a state IV-D agency to the Secretary of Health and Human Services who, in turn, would notify the Secretary of State.

34. INTERNATIONAL CHILD SUPPORT.

(a) With the concurrence of the Secretary of Health and Human Services (HHS), the Secretary of State would be authorized to negotiate reciprocal child support enforcement agreements with other nations. The Secretary of HHS would be required to develop uniform forms for international enforcement and provide information from the FPLS on the location of an obligor.

(b) In the absence of federal agreements, states would be permitted to enter into reciprocal agreements with foreign countries.

(c) States would be required to process international cases and would not be allowed to require an application or charge costs

against the foreign country or obligor.

35. FINANCIAL INSTITUTION DATA MATCHES.

(a) State IV-D agencies must enter into agreements with in-state financial institutions:

(1) to develop and operate a data match system whereby the financial institutions would provide, on a quarterly basis, information concerning obligors identified by the IV-D agency as owing past-due support; and

(2) to encumber or surrender assets held by the institutions on behalf of any noncustodial parent who is subject to a child support lien.

(b) The state IV-D agency may pay a reasonable fee to an institution for conducting a match, not to exceed the actual cost of that activity.

36. ENFORCEMENT OF ORDERS AGAINST PATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

States would have the option, in IV-A cases, of making the parents of a minor noncustodial parent liable for payment of child support owed by the minor parent.

37. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

A debt for public assistance provided the child of a debtor under Title IV-A would not be dischargeable in bankruptcy.

38. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

(a) The definition of a medical child support order in the Employee Retirement Income Security Act of 1974 (ERISA) would be expanded to clarify that orders or judgments issued either through an administrative process

or by a court has the force and effect of law.

(b) All child support orders enforced under Title IV-D must have medical support provisions. Whenever a noncustodial parent changes employment, the IV-D agency would have to provide the new employer with a notice of the parent's health care coverage obligation and that notice would automatically operate to enroll a dependent child in the parent's new health plan, unless contested by that parent.

39. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

The Secretary would be authorized to make grants to supplement state funds for the establishment and administration of state programs to support and facilitate noncustodial parents' access to their children, including mediation, counseling, education, visitation enforcement, and the development of visitation guidelines and alternative custody arrangements.

40. EFFECTIVE DATES.

Except where specifically provided, these provisions would become effective with respect to periods beginning on or after October 1, 1996. If a change in state laws is required, then the effective date would be the effective date of the amended state laws, but not later than the 1st day of the 1st calendar quarter after the close of the 1st regular session of the state legislature that begins after the enactment of this Act. If a change in state constitution is required, then the effective date of the affected provision, for a state not to be found out of compliance with the requirement, would be the earlier of 1 year after the constitutional amendment or 5 years after the enactment of this Act.

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Congressional and Federal Update



September, 1995

When HR4, the "Welfare Reform Plan" of the Republican's "Contract With America," passed the House last March 29th and was referred to the Senate Finance Committee, the chair of that committee, Senator Bob Packwood (R-OR) indicated that the bill would undergo major changes in committee. Indeed, what issued from the committee on May 26th was an amendment to the House version of HR4 in the form of a substitute which reflected not only Packwood's views, but more especially those of a handful of Republican governors.

During the Summer, members of the Senate Finance Committee, along with Senate Majority Leader Bob Dole, worked to fashion a welfare reform bill that could pass in the more moderate Senate, still be acceptable to the conservative Republican majority in the House of Representatives, and perhaps even win approval by President Clinton.

An August rebellion by some of the Senate's most conservative Republicans, including Senator Phil Gramm (R-TX), to several controversial provisions in the more moderate Senate Finance Committee version of HR 4 (and to other changes to the bill favored by Majority Leader Dole in his S. 1120) forced the Majority Leader to abandon his efforts to pass welfare reform prior to the Senate's August recess. Instead, back room efforts at compromise continued through August and into the first part of September.

At the time of publication of this issue of the Congressional and Federal Update, Senate passage of HR 4 is expected to occur by late September. Thereafter, a joint House-Senate Conference Committee will try to resolve differences between the

House and Senate versions of HR 4 before the proposal receives final Congressional approval and goes to President Clinton for his consideration. As a result of continuing differences between the House and Senate over several emotional welfare reform issues contained in HR 4, the conference committee's version of HR 4 may not be approved before November and may then still face the threat of a veto by President Clinton.

Differences Between the House Passed Version and the Senate Finance Committee's Version of HR 4

As expected, the Senate Finance Committee's bill followed the House version of HR4 in shifting the cash assistance (AFDC) program to the states in the form of a block grant. It did not, however, follow the House in repealing Title IV-E (foster care) or refashioning IV-B (child welfare/adoption assistance/family preservation) into a block grant. Democrats on the committee--notably Daniel Patrick Moynihan, the primary architect of the 1988 Family Support Act--tried, unsuccessfully, to retain (with changes) the current Title IV-A program. Moynihan saw the revocation of the entitlement status of welfare as "a constitutional moment"--one, he said, he "could not have imagined 10 years ago, or even five years."

But opposition to the bill's provisions affecting cash assistance welfare was not limited to Democrats. Thirty senators from the South and Southwest (many of them Republicans) insisted on a funding formula different from the one in the bill which would, in their judgment, bring "severe budget and human

consequences" to their states. In addition, there was opposition from a group of conservative Republican senators who were displeased that the bill did not directly force states to reduce "illegitimacy."

The key differences between the House and the Senate Finance Committee's versions of HR4 are laid out below:

1. Welfare Programs.

Besides differing from the House bill with respect to changing Title IV-B, repealing IV-E, and block granting child care, the Senate bill imposes fewer federal restrictions on eligibility for cash assistance benefits (including aid to unmarried parents or a child born while the mother is on welfare or benefits for legal immigrants) leaving that matter largely to the states.

Like the House bill, the Senate version imposes a time-limit of 5 years for receipt of welfare, along with the requirement that recipients engage in "work activities" (including skills-training) within 2 years of receiving benefits.

With respect to the food stamp and nutrition programs, although Packwood personally favors a block grant to the states, he left those matters to the Agriculture Committee. The Agriculture Committee has now reported out a bill which will be offered by its chair, Senator Lugar (R-IN), as a floor amendment to HR4, when the measure comes up for floor consideration. Like the food stamp and nutrition provisions of the House bill, the Lugar bill refrains from making the programs a block grant but does accord the states greater flexibility in their administration. Moreover, the bill provides states with the option to make cooperation with the IV-D agency by a custodial parent (with a child under the age of 18 who has an absent parent) a condition of eligibility for participation in the food stamp and nutrition programs. It also allows states to require that, as a condition of eligibility for receiving food stamps, the non-custodial parent cooperate with the IV-D agency and to lose benefits if that parent becomes delinquent in paying child support.

2. Child Support Enforcement.

With a few exceptions, the child support

provisions of the Senate Finance Committee's bill are identical to the House version of HR4. Where there are provisions in the Senate bill not found in the House bill, the Senate bill has drawn from either S. 456 by Bill Bradley (D-NJ) or S.442 by Olympia Snowe (R-ME). The differences between the child support provisions in the Senate Finance Committee's bill and the House bill are these:

1. Rights to Notification and Hearings:

The Senate bill requires states to have procedures whereby applicants for, and recipients of IV-D services, as well as "parties in cases to which services are being provided": (1) receive notice of all proceedings in which support obligations may be established or modified and a copy of any order resulting from such proceedings; and (2) have access to a fair hearing or other formal complaint process, meeting standards set by the Secretary, which ensures prompt consideration and resolutions of complaints regarding IV-D services.

2. Employer Information to State Directory of New Hires:

Unlike the House bill, the Senate version does not provide that an employer with employees in two or more states may transmit required information on new employees to the state in which the greatest number of that employer's employees are located.

3. New Hires Information: The Senate bill makes October 1, 1998, rather than October 1, 1997, the date by which a designated state agency must begin to make comparisons between the social security numbers recorded in the new hires directory and the state support order registry. It also makes four days, rather than two, the time period within which state directories must transmit new hire information to the national directory.

4. Expansion of the Federal Parent Locator Service:

The Senate bill provides that the functions of the FPLS be expanded to include the enforcement of visitation rights and that the information contained in the FPLS include--besides an obligor's and obligee's social security numbers, addresses, wages and benefits of employment (as in the House bill)--"information on the type, status, location, and amount of any assets of, or debts owed by or to," the obligor and obligee.

5. State Laws Providing Expedited

Processes: The Senate bill expands the House bill's provisions to require "all entities in the State" (including private and government) to provide the IV-D agency with information on the employment, compensation, and benefits of any individual employed by an entity and to sanction failure to respond to a request for such information. It also provides that the IV-D agency have access to the records of other state and local government agencies and to customer records of public utilities and cable television companies, as well as to information on assets and liabilities of individuals contained in records of financial institutions. In addition, the IV-D agency must be able, using expedited processes, not only to impose liens for past-due support, but also to force sale of property and distribution of proceeds.

6. Eligibility for IV-D Services: The Senate bill includes the House bill's requirement that the IV-D agency provide services to recipients of cash benefits under the House's new Title IV-B child welfare program, even though the Senate bill does not provide for the establishment of such program.

7. Paternity Establishment: The Senate bill changes to 21 years the age up to which states must permit paternity establishment. It requires states to develop a voluntary acknowledgment affidavit, following standards set by the Secretary, rather than requiring the use of a federal form. It requires the signatures of both the mother and the father on an acknowledgment affidavit before the father's name may be included on the birth certificate. Finally, unlike the House bill, the Senate bill has no specific provisions enabling a minor to rescind a signed acknowledgment.

8. Cooperation by Welfare Applicants and Recipients: The Senate bill broadens the cooperation requirements contained in the House bill to include a periodic "redetermination" by the IV-D agency of the good faith cooperation of a welfare recipient in establishing paternity or support or modifying or enforcing a support obligation. It also requires the IV-D agency to notify the IV-A agency of each determination and redetermination and if noncooperation is determined and the basis for that determination.

9. IV-D Automation Requirements: The Senate bill extends by two years, to October 1, 1997, the deadline for states to have an automated system meeting IV-D requirements enacted by, or before, the

Family Support Act of 1988. Also, it limits availability of enhanced funding at a 90 percent federal match to the amount approved for states in advance planning documents submitted on or before May 1, 1995.

10. National Child Support Guidelines Commission: The Senate bill provides for the establishment of a national commission to determine whether national guidelines are appropriate, and, if they are appropriate, to develop and recommend such guidelines to Congress.

11. Review and Adjustment of Support Orders: The Senate bill makes the review of any support order dependent upon the request of either parent or (in the case of an assignment of support rights) the state, unlike the House bill which requires a review every three years in every IV-D case.

12. Furnishing Consumer Reports for Child Support Purposes: The Senate bill, like the House bill, amends the Fair Credit Reporting Act to require consumer credit agencies to make consumer credit reports available to child support enforcement agencies, upon request, for the purpose of establishing a support obligation but adds the requirement that the paternity of the consumer for the child to whom the obligation relates has been established or acknowledged by that consumer.

13. Nonliability for Depository Institutions Providing Information in Child Support Cases: The Senate bill provides that a depository institution which discloses information to a state child support enforcement agency is not liable under federal or state law to any person for such disclosure and that a child support agency may not redisclose any information provided by a depository institution.

14. Centralized State Disbursement Unit: The Senate bill follows the House bill in allowing states to establish a centralized unit for the disbursement of collected support through the automated linking of local units, as long as this sort of network does not cost more or take more time to establish, but the Senate bill adds "to operate."

15. Internal Revenue Service and Child Support Enforcement: Unlike the House bill, the Senate bill has no provision for access to IRS information by private entities under contract with the

state IV-D agency. The Senate bill also gives the offset of child support arrearages owed individuals priority over most debts owed federal agencies (including, unlike the House bill, debts for student loans). Moreover, the Senate bill prohibits the IRS from assessing any additional fee for adjustments to a child support amount previously certified with respect to the same obligor.

16. Work Requirement for Persons Owing Child Support: The Senate bill requires the state to seek a court or administrative order requiring an obligor in any IV-D case (not just an obligor in a public assistance case, as in the House bill) either to pay support in accordance with a court-approved plan or to participate in work activities, if the obligor is not already working or incapacitated. Also, it provides states with greater flexibility in determining the appropriate "work activity" (not just limited to those identified in the IV-A title of the bill, as is the case with the House version of HR4).

17. Definition of Child Support Order: The Senate bill expands the definition of a support order to include temporary, as well as final, orders and to specify that the order may be for support and maintenance of a child who has attained the age of majority or for a child and the parent with whom the child is living and that the order may include, besides monetary support and health care, related costs and fees, interest and penalties, income withholding, attorneys' fees, "and other relief."

18. Reporting Arrearages to Credit Bureaus: The Senate bill adds a provision amending current law to require the state IV-D agency to report the name of any parent delinquent in paying child support, without regard to the amount of delinquency, and the amount of the past-due support, without waiting for a request for such information or charging a fee for providing it. The report may be made only if the obligor has been afforded due process to contest the accuracy of the information and the entity being provided the information is, to the satisfaction of the state, a credit reporting agency.

19. Denial of Passports for Nonpayment of Child Support: The Senate bill provides for the denial, revocation, or limitation of a passport to any obligor certified by the Secretary to owe child support in an amount exceeding \$5,000 or exceeding 24 months of child support.

20. Medical Support Enforcement: The Senate bill provides that states have procedures whereby when an obligor provides health care coverage for a child, and that parent changes employment, the state IV-D agency must transfer the coverage to the new employer, unless the obligor contests the notice of transfer.

21. Grants for Access and Visitation Programs: The Senate bill authorizes grants to states for access and visitation programs, including mediation, counseling, education, development of parenting plans, and visitation enforcement.

S.1120 by Dole and S.1117 by Daschle.

Recognizing that the bill produced by the Senate Finance Committee would not satisfy a sufficient number of Senators to ensure its passage, Majority Leader, Bob Dole (R-KS), worked with Senator Packwood and other Republican leaders during June and July to reshape the welfare reform measure. On August 3, 1995, Senator Dole introduced S.1120, with 36 Republican co-sponsors, to replace the Finance Committee's version of HR4. Although S.1120 was designed to accommodate the concerns of the very conservative members of the Republican party, it quickly came under attack by conservatives, lead by Senator Phil Gramm (R-TX), who believe that it does not effectively deal with what they perceive as the fundamental problems with the current welfare system. Senator Gramm and Senator Lauch Faircloth (R-NC) announced that they would introduce legislation, for themselves and like-minded conservative Republican senators, which would be more like the House version of HR4, including restrictions on welfare benefits for unmarried teenage mothers and their out-of-wedlock children, as well as legal immigrants, and 9 block grants (instead of the 1 block grant in the Finance Committee's bill) to replace current federally-funded or assisted social service programs for child care, child nutrition and child welfare systems, food stamps, job training, and housing assistance.

Senator Dole scheduled floor action on welfare legislation, as HR4, for August 7, 1995, delaying the summer recess of the Senate by a full week, with the declared intent of seeing its passage by week's end. On August 8, however, Senator Dole, sensing insufficient support for the measure, decided to pull the

bill, deferring further consideration until after the Labor Day recess, in order to seek compromises with the conservative faction. On August 11th, Dole introduced a number of modifications to S.1120, many of which reflected those compromises. Many of the child support provisions likely to be included as part of the Senate's final version of HR 4 will probably look very much like those contained in S.1120.

Democrats in the Senate, lead by Senator Tom Daschle (D-ND), introduced their own welfare reform bill, S.1117, on August 3, 1995, as a counter-measure to the Dole bill. Although not nearly as extreme as the Republican proposal, the Democratic leadership's bill shows a movement far from the Clinton Administration's welfare reform bill introduced in the last Congress. To the dismay of those Democrats, including Senator Moynihan, who are committed to retaining, although improving, the current AFDC system, the bill introduced by Senator Daschle abolishes AFDC, creating a new "Temporary Employment Assistance" program as a conditional individual entitlement of limited duration, based on criteria set by the states.

Welfare Provisions in S.1120 and S.1117.

S.1120 is based upon four different bills reported out of Senate committees. The basic elements for the cash welfare (the new IV-A) program, Supplemental Security Income (SSI) amendments, and child support enforcement (title IV-D) come from the Senate Finance Committee's version of HR4. Child care provisions are taken from S.850; provisions affecting food stamps and nutrition, from S.904; and job training provisions, from S.143.

With respect to cash welfare benefits, S.1120 and S.1117 both replace the current IV-A (AFDC) entitlement program with a block grant to the states. Under S.1120, states would have wide discretion to determine who would receive assistance; under S.1117, the grant would constitute a limited entitlement for those individuals who met eligibility requirements. Federal funding for the program from fiscal years 1996 through 2000 would be tied to the level of federal funding to each state for AFDC during fiscal year 1994, with a 2.5 percent incremental adjustment, beginning FY 1997, for those states with high rates of population growth and low welfare benefits. In addition, \$1.7 billion would be available to provide

emergency funds to states. States could contribute any amount of their own funds for welfare assistance after the first two years; during FY 1996 and FY 1997, states must contribute not less than 75% of what they spent on IV-A during FY 1994.

In S.1117, the Democratic leadership's bill, states would still be required to match federal funding for the program, which would be set at the Medicaid match rate, varying each year, based on state need. Because the entitlement status of the program is retained in S.1117, there would be no "rainy day fund," as in the Republican bills, but there would be a bonus system for states meeting work-placement requirements. This bonus money could be used for work programs or child care.

While federal control over state expenditure of block grant monies is minimal, certain restrictions are imposed by S.1120 (some of which were added to the bill on August 11 by Senator Dole, arising out of negotiations with more conservative Republicans). No federal funds could be provided as assistance to any adult for more than 5 years (or less, at the state's option). S.1117 also imposes a 5-year lifetime limit on the receipt of assistance, with a reduction in the amount of a grant to parents who refuse "workfare" or community service. In the case of a family which had followed all the rules but was still unable to achieve financial stability within the 5-year limit, a voucher in the amount of the child's portion of the cash assistance would be issued to a third party in order to continue assistance to the child.

Under S.1120, in order to receive any benefits, unwed teenage parents would be required to live at home or in an adult-supervised setting and to attend school. States, however, would have the option to deny all benefits to any unmarried teenage parent. States could also deny benefits to children born of unwed mothers or of current welfare recipients. (These options with respect to unwed mothers and their children are not available under the Democratic leadership's bill.) Moreover, under both bills benefits would be withheld from those unwed mothers who did not cooperate in the establishment of the paternity of their children.

Under both bills, adults receiving benefits would be required to work whenever a state deemed that they were ready to do so, but at least within 2 years of receiving benefits. States would be required

to place at least 25% of their welfare recipients in work activities in FY 1996, and by FY 2000, 50% of their recipients must have been placed. If a state did not meet the work participation rate for any particular year, it would have its federal grant cut, under S.1120, by 5% the following fiscal year. Under S.1117, the Secretary could make recommendations for improvement the first time a state failed to meet participation rates; the second time of failure would result in a 10% cut in the federal grant. Individuals who failed to meet the work requirement would experience a reduction in benefits at an amount set by the state. ("Work activities" in S.1120 include unsubsidized and subsidized employment, on-the-job training, job search and job readiness, and community service; in S.1117, private sector work or subsidized employment.)

The current JOBS program would be repealed (consolidated with AFDC and child care funding and frozen at FY 1994 funding levels for 5 years); states would be required to create their own programs for welfare recipients. (In the Democratic bill, JOBS would also be abolished, but a new Work First Employment Block Grant would provide states with funds to ensure that no unfunded mandates are passed on to the states in meeting the work requirements of the bill.)

S.1120 would provide child care for working parents with children below the age of 6 years, but the total amount of federal funding for such care, having been consolidated with the cash assistance program, would be frozen and not increased to meet higher participation rates. In S.1117 existing child care programs would be consolidated into one block grant. Those parents required to work or prepared for work would be guaranteed child care. In addition, under both bills one year of transitional Medicaid coverage would be provided to those who began working. (In the Democratic bill, there is also one year transitional coverage which may be extended for a further year on a sliding fee scale.)

Among the modifications made to S.1120 by Senator Dole on August 11, 1995, in an effort to secure more support from fellow Republicans, were these: (1) the setting of annual goals to be met by the states in reducing out-of-wedlock pregnancies, particularly among teenagers; (2) annual ranking of states according to the increase or decrease in out-of-wedlock births to assistance recipients; (3) annual

ranking of states based on the success in reducing their welfare caseloads and in diverting individuals from ever going on welfare; (4) an option to states to continue their current AFDC programs for 9 months after the effective date of the bill, with no change in funding for the new block grant for FY 1996; (5) Bureau of the Census to begin collecting data on grandparents who are the primary care givers for their grandchildren for purpose of determining the effect of welfare reform on these grandparents; (6) allow a recipient who provides unpaid child care services to count as a work activity for purposes of calculating work participation rates; (7) require disclosure of use of federal funds if funds are used by any organization in any way intended to promote public support or opposition to any policy of federal, state, or local government; (8) requirement that states work with local governments and the private sector in the design of their welfare services; (9) provide states with the option to require welfare recipients to assign child support rights to the state; and (10) require states to spend on their welfare services during FY 1996 and FY 1997 seventy-five percent of what they spent during FY 1994.

Comparison of Child Support Enforcement Provisions in H.R. 4 (as passed by House), S.1120, and S.1117.

I. ELIGIBILITY FOR SERVICES; DISTRIBUTION OF SUPPORT PAYMENTS.

1. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES; ELIGIBILITY FOR SERVICES.

Current Law: Requires the state's Title IV-D agency: (1), absent a "good cause" exception made by the IV-A or XIX agency, to establish paternity in the case of a child born out of wedlock to whom an assignment under IV-A or Title XIX is effective and to establish and/or enforce and modify a support obligation in the case of a child with respect to whom there is an assignment under IV-A, IV-E, or XIX; and (2) to provide all appropriate services, upon the filing of an application, to "any individual not otherwise eligible." 42 U.S.C. (4);(6)

HR4: IV-D services must be provided: (1) in all cases in which families are receiving cash assistance or cash benefits under (new, block-grant) Titles IV-A or IV-B (child protective services) or under Title XIX, unless the IV-D agency determines that it would be against the best interests of the child to provide services; and (2) in all other cases in which an application for services has been filed. Services must be provided to both residents and non-residents. Recipients of IV-A cash assistance would have to assign child support rights; current requirement of an assignment of medical support rights under Title XIX continues. No change in current fee requirements with respect to public assistance and non-public assistance cases.

Requires a recipient for temporary cash assistance under the new IV-A program: (1) to cooperate with the IV-D agency in establishing paternity and support obligations and in modifying and enforcing obligations; and (2) to assign support rights. No similar requirements made in new Title IV-B cases. It would be the determination of the IV-D agency (a IV-D state plan requirement) as to whether or not an applicant for cash assistance were cooperating, prior to the furnishing of assistance [See 405 and 733 of bill].

SI120: Similar to HR4, except that Title IV-E (foster care), instead of HR4's new IV-B, is specified.

Since its initial introduction, the bill has been modified to give states the option of requiring the assignment of support right as a condition of eligibility for the receipt of cash benefits under the new IV-A block grant, although assignments in effect prior to the enactment of the legislation remain in effect for the purposes of child support collection and disbursement. Adds a new State plan requirement that families leaving IV-A would be entitled to continuation of IV-D services without having to apply for, or otherwise request, them (currently required under 42 U.S.C. 657(c)).

SI117: IV-D services must be provided in all IV-A, IV-E, and XIX (Medicaid-only) cases, in which there has been an assignment of support rights to the state, unless the IV-D agency makes a good cause determination that it would be against the best interests of the child to provide those services. In addition, services must be provided to all cases in the central state case registry (which, beginning October 1, 1998,

must include the IV-D caseload and all other new or modified orders entered on or after that date) in which (1) an application for services has been made or (2), at the option of the state, all other orders recorded in the state registry, except where the custodial parent has declined those services. Services must be provided to both residents and non-residents of the state. No fees may be imposed for recording orders in the registry, but, may be imposed for services in non-public assistance cases.

Requires states to have procedures under which child support is paid through a centralized collections unit, beginning October 1, 1998, in all IV-D cases and, beginning October 1, 1999, in all other orders recorded in the state registry, upon the request of either party subject to an order.

Also, provides that states must have outreach programs to increase access to service, including making services available to parents outside usual working hours and to parents lacking proficiency in English.

Adds requirement within this section of the bill that states have procedures for requiring any absent parent owing support arrearages to enter into a repayment plan, engage in community service, or face imprisonment. (The other two bills have specific work requirements for obligated parents who owe past-due support, along with the requirement of a payment plan. See below under Section III.)

2. **COOPERATION REQUIREMENT AND GOOD CAUSE EXCEPTION.**

Current Law: Applicants for, and recipients of, assistance under Title IV-A and Title XIX are required as a condition of eligibility for receipt of assistance: (1) to cooperate, as appropriate, with the state's Title IV-D program in establishing paternity and support obligations and in collecting child/medical support, unless the IV-A or Medicaid agency has determined that there is "good cause" for not cooperating; and (2) to assign rights to child/medical support. [42 U.S.C. 402(a)(26); 42 U.S.C. 1396(k)]

HR4: Requires a recipient for temporary cash assistance under the new IV-A program: (1) to cooperate in establishing paternity and support obligations and in modifying and enforcing obligations;

and (2) to assign support rights. No similar requirements made under the new Title IV-B block grant, proposed by the bill.

The IV-D agency would determine whether or not an applicant for cash assistance were cooperating in the establishment of paternity and/or a support order or in modifying or enforcing an order. Under a proposed new state plan requirement [Sec. 733], it would be the responsibility of the of the IV-D agency to require an individual applying for, or receiving, public assistance to cooperate, unless there is a finding of good cause or "other exceptions as the State may establish".

Under the new Title IV-A block grant provisions [Sec. 101], states must withhold from a family either \$50 a month or, at the option of the state, 15 percent of assistance which would be provided if there is in the family a child whose paternity has not been established. The withheld amounts would be held in escrow and paid out in a lump sum, once the paternity of the child is established. If the paternity were not established and the custodial parent left welfare, the escrowed amount would revert to the state.

S1120: Similar to HR4, except there is no provision respecting holding back assistance until paternity has been established. The IV-D agency would have the responsibility for making "good cause" determinations for non-cooperation of public assistance recipients in establishing paternity and/or support obligations or enforcing those obligations. As in HR4, there are no specific criteria laid out in the bill for making good cause determinations--only, in general, "the best interests of the child."

Extends the good cause determination by the IV-D agency to XIX (Medicaid-only) cases and requires the IV-D agency to notify individual and the other agency of a determination of good cause or of noncooperation. The IV-D agency must require the individual to supply whatever information it needs for establishing paternity and/or establishing, modifying, or enforcing an obligation, as well as to require the individual and child to submit to genetic tests, pursuant to an administrative or judicial order.

S1117: Similar to S1120, except that the IV-D agency must: (1) advise individuals, orally and in writing, of the grounds for good cause exceptions; (2) take the best interests of the child into consideration in making a determination; (3) make an initial

determination within 10 days after an individual is referred to the IV-D agency; (4) in the case of a child born 10 or more months after the enactment of the legislation, require the individual to furnish sufficient information to verify the identity of the putative father, unless the agency is satisfied that the mother is cooperating but lacks knowledge; (5) notify the appropriate agency if a custodial parent, initially determined not to be cooperating, is later determined to be cooperating; and (6) in the case of a custodial parent initially determined to be cooperating, notify the appropriate agency if a subsequent determination of noncooperation is made.

3. *DISTRIBUTION OF COLLECTED SUPPORT.*

Current Law: Recipients of AFDC: beyond the \$50 "disregard" paid to family, collected support (under assignment) retained by state to reimburse state and federal governments for public assistance paid to family in current month; then any remainder paid to family up to full amount of support obligation; any collected support remaining goes to reimburse arrears owed state and federal governments, under the assignment, for past AFDC; if no AFDC arrears, then remainder goes to family for family arrears. Former AFDC recipients: collected support to family for current month's support obligation; then, at option of state, reimbursement to family for support arrears or to governments for past unreimbursed AFDC assistance. Non- and never-AFDC recipients: to family for current support and any arrears owed family. 42 U.S.C. 654(5); 657.

HR4: Appears to do away with the "disregard" (no provision for such in either the IV-A or IV-D titles of the bill) and, effective October 1, 1995, in cash assistance/cash benefits cases (including the new IV-A and IV-B block grants authorized by the bill, as well as the former IV-A, IV-B, and IV-E programs) allows a state the option of retaining its share of collections to reimburse for the cash assistance/cash benefits programs or paying its share to the family (but, in either scenario, paying the federal government its share, as computed by the federal medical assistance percentage or by the "federal reimbursement percentage," as defined in the bill, which is the total amount of federal aid under the IV-A block grant divided by the total amount of state funds put into the IV-A block grant program).

Effective October 1, 1999, in former public assistance cases, after payment to family of an amount equal to the current month's support obligation, all arrears owed the family must be satisfied before reimbursement to the state and federal governments for cash benefits/cash assistance paid the family. (Families leaving the new IV-A cash assistance program must be continued in the IV-D caseload without the requirement of an application or application fee.)

S1120: Similar to HR4, except that, if the state has chosen the option, provided by this bill, to require the assignment of support rights (as a condition for receiving public assistance under Titles IV-A, IV-E, or XIX)) the state may retain all or a part of its share of the arrearage which accrued before or while the family received assistance to the extent the retained amount does not exceed the actual amount of assistance provided to the family. (The federal government must be paid its full share.) In addition, any support assigned to the state prior to the enactment of this Act remains assigned for the purposes of collection and distribution.

In general, the new distribution requirements would become effective on October 1, 1999, except the requirement pertaining to families currently receiving assistance become effective on October 1, 1995, and the requirement pertaining to former assistance recipients (where there is the requirement of an assignment of support rights) may, at the state's option, become effective at a time earlier than October 1, 1999, upon the implementation of the state registry and disbursement unit.

S1117: Retains the \$50 pass-through to families receiving public assistance and gives states the option to pay the full amount of current support to the family, before retaining any of the support collection assigned to reimburse for assistance paid the family. In former assistance cases, requires payment to the family first of all pre- and post-assistance arrearages owed the family before retaining amounts equal to arrearages of assigned support. The effective date for the new distribution requirement in former assistance cases is October 1, 1999. For families receiving assistance, the distribution requirements become effective October 1, 1996, or, at state option, at a later date to coincide with operation of the new state registry and distribution unit.

J. RIGHTS TO NOTIFICATION AND HEARINGS.

Current Law: No similar provision.

HR4: No provision.

S1120: Requires states to have procedures whereby applicants for, and recipients of, IV-D services, as well as "parties in cases in which services are being provided": (1) receive notice of all proceedings in which support obligations may be established or modified and receive a copy of any order resulting from such proceedings; and (2) have access to a fair hearing or other formal complaint process, meeting standards set by the Secretary, which ensures prompt consideration and resolutions of complaints regarding IV-D services.

S1117: Similar to S1120, but extends the right to fair hearing to applicants for services; as well as recipients of services, and adds a requirement of notice of determination, within 14 days of such determination, if no change will be made in support amount, following a review of the order. No complaint process other than fair hearing is specified.

Also, prohibits the state IV-D agency from providing "representation" to a noncustodial parent in a proceeding to establish or modify a support order. Such "representation," if provided at all by the state, must be made outside the IV-D agency.

5. PRIVACY SAFEGUARDS.

Current Law: The Social Security Act generally restricts the use or release of information concerning recipients of benefits of programs under the Act to purposes directly related to the administration of those programs. See, e.g., Sec. 402(a)(9) of the Act.

HR4: Amends state plan requirements to provide that there be safeguards with respect to confidential information handled by the IV-D agency, including safeguards against (1) unauthorized use or disclosure of information relating to proceedings to establish paternity or establish or enforce support obligation, (2) disclosure on whereabouts of one party to another against whom there is a protective order,

and (3) release of information on whereabouts of a party where the release might result in physical or emotional harm to that party.

S1120: Identical to HR4.

S1117: Similar to S1120 and HR4.

II. LOCATE AND CASE TRACKING.

I. AUTOMATED DATA PROCESSING REQUIREMENTS.

Current Law: States are required to have in effect, by October 1, 1995, an operational data processing and retrieval system, approved by the Secretary, which meets all Title IV-D program requirements. Enhanced FFP at 90 percent is available through September 31, 1995, for the development of these systems. 42 U.S.C. 654(16), (24); 42 U.S.C. 652(d).

HR4: Amends current law to redefine the requirements of the automated systems states are required to have. The redefined requirements include broader identifications of: (1) functions (including controlling and accounting for use of federal funds, maintaining data for federal reporting purposes, and calculating performance indicators for audit purposes); (2) information security and integrity; (3) access and monitoring of access; and (4) training.

Requires the IV-D agency to have administrative procedures for imposing penalties (up to and including dismissal) for violations of confidentiality.

Retains the current October 1, 1995, deadline for a fully operational system meeting the requirements of the 1988 Family Support Act (and those prior to that Act); imposes an October 1, 1999 deadline for meeting requirements subsequent to the 1988 Act, which would be extended 1 day for each day, if any, which the Secretary fails to publish regulations for the new automation requirements authorized by this legislation, within 2 years of the enactment of the legislation.

In addition, enhanced FFP for automated systems at 90 percent is extended through fiscal 1996; beyond that time and through fiscal 2001, the enhanced FFP becomes the higher of 80 percent or the amount of

federal financial participation (FFP) for state program administration, plus any incentive adjustments, earned by the state, to a maximum of 90 percent. However, the bill imposes a cap of \$260 million on what may be expended by the Secretary for the automated systems of all the states from FY 1996 through FY 2000. These limited funds would be allocated among the states in accordance with regulations promulgated by OCSE, taking into consideration relative caseloads and the level of automation needed in any particular state to meet the post-1988 IV-D requirements.

S1120: Same as HR4, except that the October 1, 1995 is extended by two years to October 1, 1997, with the enhanced federal match of 90% also extended, although actual reimbursement at this rate will be limited to amounts approved in a state's advance planning document submitted on or after May 1, 1995 (a modification made to the bill subsequent to its initial filing which had been written as "on or before" May 1, 1995). The new federal match (the greater of 80% or the rate of federal match for program operations at 66%, plus any incentive enhancements of that rate, not to exceed 90% of the total amount expended by a state program for costs of operation) will be available from fiscal year 1997 through 2001. As in HR4, the aggregate amount authorized for expenditures on automation (FY 1996 through FY 2000) is capped at \$260 million. The formula for allocating the capped funds will take into consideration the relative size of state caseloads and the level of automation needed to meet the data processing requirements of the Act.

S1117: Similar to HR4 and S1120 with respect to the data processing and system operation requirements which a state must meet. Extends by one year the current October 1, 1995, deadline for implementation of automated systems meeting the requirements of the Family Support Act of 1988, as well as the 90% enhanced federal match, and sets an October 1, 1999 deadline for the additional requirements imposed by this Act, with an extension of one day for each day the Secretary fails to publish automation rules. As in HR4 and S1120, makes a new federal match of the greater of 80% or the federal match for general administrative expenditures (the normal federal financial participation, plus any incentive enhancements, to a maximum of 90%) and imposes a cap of \$260 million for automation expenditures from FY 1996 through FY2000, with allocations to the states based on the same sort of formula specified in the other two bills.

2. STATE CASE REGISTRY.

Current Law: No similar provision.

HR4: As a State plan requirement, the IV-D automated system would include a "State case registry" containing records with respect to: (1) the IV-D caseload (which would include, in addition to cases from the new IV-A cash assistance block grant and from the new IV-B child protective services block grant, cases for which there was an application for services); and (2), beginning October 1, 1998, all other orders established or modified in a state (although any of these cases could become part of the IV-D caseload upon application for services).

The required registry system could be achieved through the automated linking of local registries. Records in the registry would use standardized data elements and, with respect to the IV-D cases only, contain comprehensive payment records, including the amount of any liens for child support. The IV-D case records would be updated and monitored to include current information on legal actions and support collections and distributions and information from comparison with federal, state, and local sources. The automated system must be capable of extracting and sharing data with the federal case registry (established by the bill), the FPLS, the IV-A and Title XIX agencies, and of carrying out intra- and inter-state data comparisons.

S1120: Identical to HR4 (except that the IV-D caseload would include only those IV-A, IV-E, and XIX cases in which services were being provided, along with non-public assistance cases opened upon an application for services).

S1117: Similar to HR4 and S1120, although there is no provisions for linking local units to create the registry. The IV-D agency's automated system must itself be capable of performing the functions of a central registry, containing records of all IV-D cases and, as of October 1, 1998, all other cases established or modified in the state (although with respect to these cases, the state may elect to make them part of the IV-D caseload, subject to an opportunity of the custodial parent to decline IV-D services).

The registry functions must include maintaining and updating case records, including comprehensive payment records on all orders recorded

in the case registry, and extracting, receiving, and sharing data with other data sources, both state and federal, including the federal Data Bank of Child Support Orders (established under this Act), the FPLS, the IV-A and Medicaid agencies, and other agencies of the state and agencies of other states.

3. CENTRAL SUPPORT COLLECTIONS DISBURSEMENT UNIT.

Current Law: States may provide, at the request of either parent and although no arrearage is involved and no income withholding has been instituted that support payments in IV-D cases be made either through the IV-D agency or through the state agency or other entity responsible for administering the state's income withholding system, and an annual handling fee of up to \$25 may be charged the requesting parent. 42 U.S.C. 666(c). OCSE has interpreted this provision to mean that, beginning January 1, 1994 with the onset of universal, mandatory wage withholding (under 42 U.S.C. 666(a)(8), except where there is a showing to the court of "good cause" by one of the parties or both parties have agreed in writing to an alternative arrangement), the IV-D agency or whatever other agency or entity is responsible for handling IV-D wage withholding must also handle non-IV-D wage withholding.

HR4: As a new State plan requirement, effective October 1, 1998, the state IV-D agency must operate an automated centralized collections/distribution unit--the "State Disbursement Unit"--as a component of the state's IV-D automated system. The unit would be responsible for collecting, disbursing, monitoring, and enforcing support payments in IV-D cases in the registry.

The state may have the IV-D agency operate the unit directly or have it operated by 2 or more state agencies--if there are sufficient numbers of state employees to staff it--or commit the operation to a contractor responsible to the IV-D agency. The unit may be comprised of local disbursement units linked by automated systems (but the Secretary must agree that this kind of network of local units would not cost more or take more time to establish than as a central unit). Disbursements of support must take place within 2 working days of receipt of payment from employers or other income sources, although the unit may delay distribution with respect to arrearages until there is a resolution of any contest about the amount of the

arrears. Employers must be given only one location to which to remit income withheld for support.

To the maximum extent, the unit must use automated procedures and computer-driven technology in receiving and disbursing payments, identifying payments, and furnishing to parents, upon request, information on the current status of payments. Using the automated system, the unit must be able to generate withholding orders and notices, in uniform formats prescribed by the Secretary, to employers and other income sources within 2 working days of receiving from a court, another state, employer, the (new) National Directory of New Hires or any other source notice of an income source subject to withholding. It must also be capable of monitoring support collections for delinquency of timely payment and triggering automatic enforcement mechanisms if a delinquency in payment occurs.

§1120: Identical to HR4, except adds that the Secretary must agree that the automatic linking of local units does not cost more or take more time to establish "or operate."

§1117: Similar to the other two bills, except that there is no provision for linking local units instead of establishing a centralized unit. The unit would be responsible for collecting and distributing child support in: (1) all IV-D cases (which, at state option, could include all new or modified orders entered on or after October 1, 1998, where there had not been a declination of IV-D services); (2) on and after October 1, 1998, all child support orders subject to wage withholding; and (3) on and after October 1, 1999, any non-IV-D order recorded in the registry upon the request of either party to the order. Also, instead of 2 days, the central collections unit must generate wage withholding orders and notices to employers within 10 days after receipt of information concerning an income source subject to withholding for child support.

4. **STATE DIRECTORY OF NEW HIRES.**

Current Law: No provision.

HR4 By October 1, 1997, states must establish a "State Directory of New Hires" containing information from employers and labor unions on newly hired employees. (Employees of federal or state agencies doing intelligence or counterintelligence functions are excepted if the head of such an agency

determines that release of the information would endanger the employee or compromise the functioning of the agency.)

An employer with employees in more than 1 state may submit the required information (magnetically or electronically) to the state in which the employer has the greatest number of employees. The information--containing names, addresses, and social security numbers of new employees and the IRS identifying number of the employer--must be submitted on the W-4 form (or equivalent) not later than the later of: either 15 days of the hiring; or the initial receipt of wages--subject to a \$25 fine or a \$500 fine if there is evidence of collusion between the employer and the employee.

Not later than October 1, 1997, an agency of the state - or under contract with the state - must match the information provided by employers and the information contained in the state case registry, and if there is a match, the State Directory of New Hires must contact the IV-D agency which, in turn, must, within 2 days, send a notice of withholding to the employer (unless the employee's wages are not subject to withholding under 42 U.S.C. 666(b)(3) which allows good cause exceptions or a written agreement between the parties for an alternative arrangement).

The State Directory must also, within 4 business days of receiving information from employers, transmit that information to the National Directory of New Hires (within the Federal Parent Locator Service), and must also send to the National Directory, on a quarterly basis, wage and unemployment compensation information which is normally provided the Secretary of Labor by the state agency administering the employment security and workers' compensation programs.

Information contained in the State Directory must be used by the IV-D agency to locate absent parents and must be made available to agencies administering XIX (Medicaid) funds, as well as to state workers' compensation agencies.

§1120: Similar to HR4, except that a multistate employer sending reports to a single state, must inform the Secretary in writing about which state will receive such reports. Also, employers must report, using the W-4 form, new hires within 30 days of hiring or, in the case of reports by magnetic or electronic means, by the first business day of the week

following the day on which the new employee first receives wages or other compensation. Furthermore, information about new hires must be entered into the State Directory within 5 business days of receipt of information from an employer.

Not later than October 1, 1998, the state must designate an agency which, either directly or by contract, will conduct automated comparisons of the social security numbers reported by employers and the numbers appearing in the records of the state case registry. If there is a match, the State Directory of New Hires must report it to the IV-D agency, which, in turn, within 2 business days may transmit a notice to the employer to withhold wages for ordered support, unless the employee's wages are not subject to wage withholding under 42 U.S.C. 666(b)(3).

Within 2 days of receiving information about a new hire, the State Directory of New Hires must report the information to National Directory of New Hires. The State Directory must also provide the National Directory with quarterly reports on the wages and unemployment compensation of employees, including state and local governmental employees, except those engaged in intelligence or counterintelligence activities, where disclosure of information would constitute an endangerment of the safety of those employees or a compromise of an ongoing investigation or other intelligence activity.

As in HR4, the state IV-D agency must use the information provided by the State Directory of New Hires to locate absent parents for purposes of establishing paternity and support obligations and enforcing those obligations, and the state Medicaid (Title XIX) agency and workers' unemployment compensation agencies must have access to the information.

§1117: Similar to the other two bills, An employer must report, using the W-4 form or equivalent, within 15 days of hiring a new employee or by the 1st business day of the week following the date on which the employee is first paid wages. The penalty for noncompliance by an employer is \$250. Information from an employer must be entered into the Directory within 5 business days of receipt of such information.

By October 1, 1998, an agency designated by the state, either directly or by contract, must make

matches of social security numbers recorded in the Directory with those recorded in the case registry. If a match is made, the Directory must provide the IV-D agency with information on the case, and within 5 days of receiving the information, the IV-D agency must issue a notice of withholding to an employer.

As in the other two bills, the State Directory must furnish the National Directory of New Hires information about a new hire within 5 days of receiving that information from an employer, and on a quarterly basis, must provide the National Directory with quarterly reports on wages and workers' compensation. Information in the State Directory must be used for locate purposes by the IV-D agency and be available to the Medicaid and employment security agencies of the state.

5. *INCOME WITHHOLDING.*

Current Law: Beginning November 1, 1990, all IV-D orders are subject to immediate income withholding (except where there is a "good cause" finding or the parties agree in writing to an alternative arrangement, unless arrearages occur or, if earlier, upon a request of a party or such earlier date as the state selects). Beginning January 1, 1994, all new support orders are subject to income withholding, whether or not being enforced by the IV-D agency (except where there is a "good cause" finding or the parties execute written agreement to another arrangement, unless arrearages occur). Payment of withheld wages to be made through entity administering state wage withholding system, capable of tracking and monitoring payments. 42 U.S.C. (b)(3);(a)(8).

States must have procedures whereby income withholding for child support can occur without the need for any amendment to the order or any other administrative or judicial action. 42 U.S.C. 666(b)(2). Institution of income withholding subject to due process requirements. 42 U.S.C. 666(b)(4). Income withholding must be extended to out-of-state support orders. 42 U.S.C.(b)(9).

HR4: Amends current law to require states to have procedures under which all orders issued or modified prior to October 1, 1996 are subject to income withholding under 42 U.S.C. 666(b) if arrearages occur, without the need for an administrative or judicial hearing. Payment of withheld wages in IV-D cases must be made through the state

disbursement unit and, at the option of the state, payment in non-IV-D wage withholding cases, as well. Employers must remit withheld wages within 2 business days of the time employees would have been paid or credited with the wages.

States must impose a fine on any employer who discriminates against an employee because of withholding order or who fails to withhold support from wages or to pay withheld support to collections unit. Also, states must procedures for enabling the IV-D agency to execute a wage withholding order by electronic means and without the prior consent of the obligor.

S1120: Similar to HR4, except that there is no provision for a state option in having non-IV-D wage withholding collected and distributed through the state disbursement unit. Also, specific provision is made for protection of due process rights when wages are withheld for child support, including the opportunity of the obligor to contest the amount of wages withheld for support.

S1117: Identical to the other bills with respect to the requirement that all new and modified orders issued before October 1, 1996, and not otherwise subject to wage withholding, become subject to wage withholding if arrearages occur. Effective October 1, 1998, requires employers to remit withheld wages in both IV-D and non-IV-D cases to the State centralized collections unit within 5 working days after wages would otherwise have been paid to the employee. Contains similar provisions with respect to penalties on employers who discriminate against employees subject to wage withholding or fails to withhold wages for child support, as ordered.

6. **LOCATOR INFORMATION FROM INTERSTATE NETWORKS AND LABOR UNIONS.**

Current Law: No similar provision.

HR4: Requires states to have laws enabling state and federal IV-D agencies to gain access to any system used by a state to locate an individual for purposes related to law enforcement or motor vehicles.

S1120: Identical to HR4.

S1117: Same intent as the other two bills, but

worded to prohibit states from funding or using for any purpose an automated interstate network or system used to locate individuals for purposes relating to the use of motor vehicles or providing information to law enforcement agencies, unless such network or system is also available to the federal and state IV-D program.

7. **EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE; NATIONAL CASE REGISTRY; NATIONAL DIRECTORY OF NEW HIRES.**

Current Law: The Federal Parent Locator Service, established by the Secretary, is to be used to obtain and transmit information relating to the whereabouts of any absent parent for the purpose of enforcing child support obligations. Upon request, the Secretary must provide "an authorized person" (i.e., a IV-D agency, court with personal jurisdiction over the parties, a custodial parent, legal guardian or attorney of the child) with the most recent address and place of employment of any absent parent if the information is contained in the FPLS or can be obtained from any other department or agency of the U.S. or of any state. The FPLS may also be used in the determination or enforcement of child custody and in cases of parental kidnapping. 42 U.S.C. 653, 663.

The Secretaries of HHS and of Labor must 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 employee. 42 U.S.C. 453(e)(3).

HR4: Identifies the use of the Federal Parent Locator Service (FPLS) for purposes of establishing parentage and establishing, setting the amount of, modifying, or enforcing support obligations and providing locate information on an obligor or obligee or anyone against whom a support order is sought. Such locate information would include information on wages or other income and employment benefits, including group health care coverage.

By October 1, 1998, a Federal Case Registry of Child Support Orders must be established within the FPLS for the purpose recording abstracts of orders and related information (specified in regulations) contained in state case registries.

By October 1, 1996, the Secretary must establish a National Directory of New Hires within the

FPLS which would contain information furnished by state directories of new hires.

Information on individuals and employers identified in the national directory and national registry would be verified with the Social Security Administration, and information on new hires would be made available to the Social Security Administration to determine accuracy of payments of various benefits. Not less often than every 2 days the information in the new hires directory would be compared with information in the national case registry, and within 2 days of a match with respect to an individual, the information would be reported to the state IV-D agency responsible for the case.

The Secretary is authorized to reimburse appropriate state and federal agencies for furnishing or verifying information. Information in the FPLS systems (including the case registry and new hires directory) would only be released subject to IRS confidentiality guidelines.

S1120: Similar to HR4, but adds the enforcement of visitation rights to the functions of the FPLS. Also, specifies that information in the FPLS include, besides the obligor's and obligee's social security numbers, address, wages and benefits of employment, information on the type, status, location and amount of any assets or debts. Furthermore, specifies that the Secretary of the Treasury shall have access to information in the FPLS for purposes related to the administration of the Earned Income Tax Credit and to federal income taxes. Authorizes the Secretary of HHS to charge for the release of information in the FPLS to state and federal agencies, as well as to reimburse state and federal agencies for providing information. Requires all departments and agencies of the federal government to report to the FPLS on a quarterly basis the names of employees, their social security numbers, and their wages, except when such reporting would endanger the safety of an employee engaged in intelligence or counterintelligence activity or would compromise an on-going investigation or intelligence activity. Requires quarterly reports on wages and unemployment benefits, subject to protection of such information, from state employment security agencies.

S1117: Similar to S1120 with respect the information to be contained in the service, as well as to the general functions of the FPLS, except that the

visitation of enforcement is not included. Also, the FPLS contained information provided by consumer reporting agencies, and state and local IV-D agencies would have access to the entire consumer report of an individual for purposes of support enforcement. The federal, state, and local IV-D agencies, as well as any entity under contract with them, would also have access to IRS information.

By October 1, 1998, the Secretary must establish within the FPLS a "Data Bank of Child Support Orders" (containing information furnished by state case registries) and a "National Directory of New Hires" (containing information provided by state directories. The remaining provisions with respect to data matches and the use of information in the FPLS are very close to those in S1120.

8. *COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.*

Current Law: In the administration of any law requiring the issuance of a birth certificate, states must require parents to furnish their social security numbers (unless there is good not to do so), and these numbers must be furnished to the state IV-D agency. However, the numbers may not be recorded on birth certificates or used for any purpose other than IV-D actions, unless the state is not prohibited by the Privacy Act of 1974 from disclosing the numbers. 42 U.S.C. 405(c)(2)(C)(ii).

HR4: Requires disclosure of social security numbers for the purposes of issuing professional licenses, commercial driver's licenses, occupational licenses, and marriage licenses (to be recorded on the applications for all these licenses). Requires recordation of numbers on divorce decrees, support orders, paternity determinations or acknowledgements, and on records relating to the death of an individual, including the death certificate.

Requires states to have parties to a marriage certificate or license furnish their social security numbers. Requires state agencies or political subdivisions to require all applicants for the issuance or renewal of a license for a profession, occupation, or commerce, to furnish their social security numbers for the purpose of responding to requests for information from the state IV-D agency.

S1120: Identical to HR4.

S1117: Amends current law to require that states have procedures for requiring the recording of social security numbers on marriage licenses, divorce decrees, birth records, and child support and paternity orders and on applications for motor vehicle and professional licenses. Clarifies federal law to restrict the disclosure of social security numbers to Title IV-D purposes.

III. STREAMLINING AND UNIFORMITY OF PROCEDURES.

I. *ADOPTION OF UNIFORM STATE LAWS; IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS; ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES; AND USE OF FORMS IN INTERSTATE ENFORCEMENT.*

Current Law: States have various options for enforcing interstate obligations: URESA; RURESA; UIFSA; direct income withholding, interstate income withholding; long-arm statutes; application of the criminal penalty provisions of P.L. 102-521 (10 U.S.C. 228) for willful failure to pay past due support with respect to a child residing in another state.

28 U.S.C. 1738B, Full Faith and Credit of Support Orders, currently restricts a state's ability to modify a child support order issued by another state unless the child and custodial parent have moved to the state where the modification is sought or have agreed to the modification.

HR4: Requires all states to have in effect by January 1, 1996, the Uniform Interstate Family Support Act, as amended by this bill, and to apply the provisions of the state law embodying UIFSA to any case involving the modification or enforcement of an order established or modified in another state.

UIFSA is amended to remove the current nonresidence requirement for the petitioner in an action to modify the child support order of another state [UIFSA §611(a)(1)]. Also requires that in any UIFSA proceeding process may be served by any means which is acceptable to either the initiating or responding state.

Provides for amendments to 28 U.S.C. 1738B full faith and credit provisions to conform them to UIFSA. Adds to these provisions a definition of "child's home state" identical to "home state" in the Uniform Child Custody Jurisdiction Act. Amends the provisions to provide that, for the purpose of modifying or modifying and enforcing an order, the party or a state support enforcement agency may register that order in a state with jurisdiction over the nonmovant when neither of the parents nor the child resides in the state originally issuing the order.

Adds provisions regarding administrative enforcement in interstate cases, so that a response must be made within 5 business days to a request by another state for enforcement of an order, assistance may be requested of another state by the electronic transmission of specific information in a case, and if assistance is provided by another state, neither state may count the case as part of its caseload but a responding state must maintain records of the number of requests its receives, the number of cases for support is collected in response to a request, and the amount of support collected in such cases.

Requires the Secretary to promulgate standardized forms for use in interstate cases for the purposes of collecting child support through income withholding, imposing liens, and issuing administrative subpoenas.

S1120: Identical to HR4.

S1117: Similar to HR4 with respect to the adoption of UIFSA and modifications to full faith and credit provisions, except that there is no amendment of the full faith and credit provisions, as there is in HR4, to provide for the registration of an order for purposes of modifying or enforcing that order and also permits states, in lieu of §501 of UIFSA, to have laws allowing collections of income withholding for multiple orders and interstate withholding in a centralized collection unit.

Furthermore, no provisions regarding administrative enforcement in interstate cases or the promulgation of forms by the Secretary for interstate cases.

2. *STATE LAWS PROVIDING EXPEDITED PROCEDURES.*

Current Law: States must have procedures for using either administrative or judicial expedited processes for establishing paternity and support obligations and for enforcing obligations. 42 U.S.C. 666(a)(2).

HR4: Requires states to have procedures which provide the state IV-D agency with authority: (1) to take certain actions relating to the establishment of paternity and the establishment, modification, and enforcement of support orders, without the necessity of obtaining any other judicial or administrative order, but subject to substantive and procedural rules (including specified due process safeguards and an opportunity for an appeal on the record); and (2) to recognize and enforce the same authority of IV-D agencies of other states.

These administrative procedures include: (1) ordering genetic testing for parentage determination; (2) entering default order, upon a showing of service of process and any additional showing of state law, for establishing paternity where a putative father refuses to submit to testing and for establishing or modifying a support obligation, where a parent fails to respond to notice to appear; (3) issuing a subpoena to compel production of financial or other needed information and imposing sanctions for failure to comply; (4) obtaining access to pertinent records of state and local government agencies; (5) directing the obligor or other payee to change the payee to the appropriate government entity in cases where support is subject to assignment or to payment through the state disbursement unit; (6) ordering income withholding; (7) intercepting and seizing certain periodic or lump-sum payments and attaching and seizing assets or retirement funds of an obligor for past-due support; and (8) increasing the amount of support due to include amounts for arrearages.

Requires parties to an action under the expedited processes to give the tribunal and state case registry identifying information upon the entry an order and to keep the information updated. In any subsequent action due process requirements will have been satisfied for notice and due process by delivery to the most recent address held by the tribunal.

Requires statewide jurisdiction of the IV-D agency and any administrative or judicial tribunal over the parties for purposes of paternity and support establishment and statewide effect of any orders issued.

as well as intrastate transfer of cases without need for additional filing or service of process.

Requires use of automated systems to fullest extent possible in expedited processes.

S1120: Similar to HR4, except that there is no provision for the use of administrative processes to enter default orders for the establishment of paternity and support orders or the modification of support. Also, requires all entities, both private and governmental, to provide information sought by the IV-D agency on the employment, compensation, and benefits of any employee and provides the agency with authority to sanction for failure to respond to such request. Enumerates the types of records which may be accessed by the IV-D agency, including those of government agencies, vital statistics, state and local tax and revenue authorities, real and titled personal property records, occupational and professional licenses and partnership and corporation records, employment security records, corrections records, the records of utilities and private entities (including financial institutions). Gives the agency the authority to impose, and execute on, liens.

S1117: Identical to HR4 with respect to the kinds of administrative procedures which are authorized for the state agency and identical to S1120 with respect to range of records which must be made available to the IV-D agency. Adds to the authority of the agency the power to suspend drivers' licenses for overdue support. Changes the requirement concerning the filing of locate information by parties to an order to specify that the information be provide only to the tribunal issuing the order and that it be provide before the order is entered.

Prohibits the Secretary from granting waivers with respect to procedures for paternity establishment, modification of orders, recording of orders in central registry, recording of social security numbers, interstate enforcement, and expedited processes.

Provides that to the extent possible the IV-D automated system be used to implement the required administrative procedures.

3. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

Current Law: States are required to have and use laws and procedures for a simple civil process for the voluntary acknowledgement of paternity in which due process rights are safeguarded, including hospital-based programs. Under these state procedures, a voluntary acknowledgement creates, at the option of the state, either a rebuttable or "conclusive" presumption of paternity and must be admissible as evidence of paternity and must be recognized as the basis for seeking a support order without further proceedings. Furthermore, by state law, paternity may be established any time prior to 18th birthday of child; default orders may be entered upon a showing of service of process on the putative father and whatever additional showing required by state law; except for a finding of good cause not to cooperate, all parties and child must submit to genetic testing at the request of one party; and an objection to testing must be made in writing within a specified period of time and, absent an objection, test results are admissible as evidence of paternity without need of foundation testimony or other proof of authenticity or accuracy. 42 U.S.C. 666(a)(5).

Under their civil procedures, states are required to give full faith and credit to determinations of paternity made by other states. 42 U.S.C. 666(a)(11).

States are required to publicize, regularly and frequently through public service announcements, the availability of child support enforcement services. 42 U.S.C. 654(23). States may decide, however, how they will publicize and encourage use of procedures for voluntary establishment of paternity and support.

HR4: States must have procedures for establishing paternity at any time before a child attains the age of 18 years.

States must: (1) require all parties (except for good cause) to submit to genetic testing, if the requesting party provides a sworn statement of facts showing the reasonable possibility that the requisite sexual contact did or did not take place; and (2) pay the costs of genetic tests, subject, at state option, to recoupment from the alleged father, if paternity is confirmed, and obtain additional testing at the request of, and prior payment by, any party contesting the original test results.

There must be procedures for a simple civil

process for voluntarily acknowledging paternity, under which the mother and father can sign an acknowledgment, if they have been fully informed of their rights and the consequences of signing the affidavit. Subject to rules to be promulgated by the Secretary, these procedures must include a hospital-based program and must require the state agency responsible for birth records to provide voluntary establishment services. States must use an affidavit developed by the Secretary for the voluntary acknowledgment of paternity and accord full faith and credit to such an affidavit signed in another state according to its procedures.

A signed acknowledgment would constitute a legal finding of parentage which may be challenged at any time during a 60-day contest period on the basis of fraud, duress, or material mistake of fact, although the responsibilities of the signatory (including child support) would not be suspended during the challenge, except for good cause. During the 60-day contest period a minor who signed the acknowledgment other than in the presence of a parent or guardian ad litem would be allowed to rescind the acknowledgment in a judicial or administrative proceeding before the earlier of attaining the age of majority or the date of the first proceeding brought to establish a support obligation, visitation rights, or custody rights.

An unchallenged acknowledgment would not be subject to ratification by any judicial or administrative proceedings. Nor would jury trial be available for paternity suits.

Furthermore, states must have procedures requiring: (1) admission into evidence of the results of genetic tests of a type acknowledged by accreditation bodies designated by the Secretary and performed by an accredited lab; (2) objections to test results be made in writing within a specified period of time prior to any hearing at which the results will be in evidence (or, at state's option, within a period of days after receipt of test results); and (3) absent any objection, test results be admitted without need for foundation testimony or other proof of authenticity or accuracy.

Under other mandated procedures, genetic testing results indicating a threshold probability of paternity would constitute a rebuttable or, at the option of the state, a conclusive presumption of paternity. Default orders would have to be entered upon a showing of service or any additional showing required

by state law. States would have to afford putative fathers a reasonable opportunity to initiate a paternity action. A temporary support order would have to be issued upon the motion of a party, pending administrative or judicial determination of paternity on the basis of clear and convincing evidence (including genetic testing).

Also, bills for pregnancy, childbirth, and genetic testing would be admissible as evidence without third-party foundation testimony and would constitute prime facie evidence of costs incurred. Voluntary acknowledgments and adjudications of paternity would have to be filed with the state registry of birth records for comparison with information in the state registry of case orders.

States would be required to publicize the availability and encourage the use of the voluntary acknowledgment process.

§1120: Similar to HR4. The age up to which states must permit the establishment of paternity is raised to 21 years. Also, requires the ordering of genetic testing in contested paternity cases, if the requesting party shows the reasonable possibility of the existence or non-existence of the requisite sexual contact, unless otherwise barred by state law. Furthermore, there is no specific provision for the rescinding of an acknowledgment by a minor during the 60-day contest period.

In addition, the father's name would have to be recorded on the birth certificate, but only if either both parents have signed a paternity acknowledgment or the recordation were pursuant to an order issued by a tribunal. Nothing in these provisions, however, would preclude a state agency's obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding or would prohibit the issuance of an order by an administrative or judicial tribunal which bases a legal finding of paternity upon an admission by the father or any other additional showing required by state law.

Finally, states would not be required, as in HR4, to use for paternity acknowledgments an affidavit developed by the Secretary but only to develop an affidavit which includes the minimum requirements of the affidavit developed by the Secretary. They would, however, have to accord full faith and credit to an affidavit developed by, and signed in, another state.

§1117: Similar to HR4, except that there is no specific period of time during which a signed acknowledgment may be contested. Also, no specific requirement that states use the affidavit form developed by the Secretary. Furthermore, it would be optional with the state to require that a temporary support order be issued, upon the request of a party and pending final adjudication of parentage, where there is clear and convincing evidence. It would be optional, as well, for a state to waive its rights to all or part of any amounts owed it for genetic testing, pregnancy, childbirth, and public assistance where the family cooperates or acknowledges paternity before or after genetic testing.

In addition to the above state law requirements, the IV-D state plan must provide, by October 1, 1997, for specific mechanisms to publicize the availability, and to encourage the use of, procedures for voluntary establishment of paternity, including pre- and post-natal outreach programs.

With effect October 1, 1996, enhanced federal financial participation at a rate of 90 percent would be available for such paternity outreach programs.

IV. PROGRAM ADMINISTRATION AND FUNDING.

1. FEDERAL MATCHING PAYMENTS.

Current Law: A 66 percent federal match rate (federal financial participation - FFP) for all allowable costs of administering the state IV-D program. A 90 percent rate for laboratory costs for parentage determinations and through FY 1995 a 90 percent match for costs associated with the development of comprehensive statewide automated systems. (42 U.S.C. 655)

HR4: Keeps the rate of federal financial participation (FFP) at the current level of 66 percent, but makes FFP at that rate available to states only if they meet a maintenance of effort standard: total expenditures for a state's IV-D program for FY 1997 and each succeeding year, reduced by the federal match of 66 percent, may not be less than total state expenditures for the program in FY 1996, reduced by 66 percent. (This maintenance of effort standard makes no allowance for enhanced FFP for automation or paternity establishment or for federal incentive

payments.)

SI120: No specific provision, although 66% FFP rate is assumed.

SI117: For FY 1996-FY 1998, FFP remains at 66%. It would increase in FY 1999 to 69%, in FY 2000 to 72%, and in FY 2001 to 75%. States would be required to meet a maintenance of effort standard beginning FY 1999 by which total expenditures of a state for its IV-D program (excluding one-time capital expenditures for automation) may not be less than the total expenditure for FY 1996, reduced by 66%.

2. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

Current Law: Incentive payments to the states, ranging from 6 to 10 percent of AFDC (including IV-E) and of non-AFDC collections (determined separately), based upon "cost-effectiveness" ratios of total distributed AFDC collections to total program expenditures (for allowable costs, minus "program income" and, at the option of the state, laboratory expenditures for parentage determination) and of total distributed non-AFDC collections to total adjusted program expenditures, except that non-AFDC collections for the purpose of this ratio are capped at 115 percent of AFDC collections. (42 U.S.C. 658) State IV-A program penalized for failure of state IV-D program to meet performance standards, as measured by federal triennial audit. (42 U.S.C. 603(h))

HR4: Repeals current incentive payment provisions and requires Secretary to establish standards, effective October 1, 1998, by which to measure a state's performance in: (1) "statewide paternity establishment" (not the same as IV-D paternity establishment), for which up to 12 additional percentage points in matching funds may be provided; and (2) overall performance in child support enforcement, for which up to another 12 percentage points in federal matching funds may be provided.

States must provide the data concerning performance with respect to the standards set by the Secretary. However, in setting these standards and corresponding incentive adjustments, the Secretary must ensure that the cost of the aggregate number of percentage point increases as incentive adjustments to

all states does not exceed a cost estimate of such aggregate increases based upon a projection of future state performances made (assumed) by the Secretary in June, 1994, unless the aggregate performance of all states, in fact, exceeds the projected aggregate performance assumed in the 1994 cost estimates.

States would be required to "recycle" any incentive funds into their IV-D programs within 2 years of payment.

"Statewide paternity establishment percentage" means (with respect to a state) the ratio of the total number of out-of-wedlock children in a state under the age of 1 for whom paternity has been established/acknowledged during a fiscal year to the total number of children born out-of-wedlock in that state during the same fiscal year. "Overall performance in child support enforcement" means the measure(s) of effectiveness of the state agency during a fiscal year in: (1) the percentage of cases needing support established in which an obligation was established; (2) the percentage of paying cases; (3) ratio of support collected to support obligated; and (4) cost-effectiveness, as determined by OCSE.

Makes a conforming amendment to 42 U.S.C. 652(g) (the IV-D paternity establishment standards) by striking "paternity establishment percentage" and substituting "IV-D paternity establishment percentage."

Raises the IV-D paternity establishment percentage standard from the current 75 percent to 90 percent. (A conforming amendment - which must be a drafting error - to IV-D under provisions for the new IV-A block grant makes for a glaring inconsistency in the method for computing the IV-D paternity establishment percentage. The amendment would eliminate from the "total number" of children born out-of-wedlock all children receiving cash assistance under IV-A. Other conforming amendments to the IV-D provisions regarding the computation of the percentage clearly indicate that children receiving cash assistance and cash benefits (under the new IV-B program) are part of the total number.)

Adds "overall performance in child support enforcement" to the first subsection of 42 U.S.C. 652(g) which currently identifies, for purposes of program compliance, only the paternity establishment percentage. Also adds the percentage of child in the state "for whom support has not been established" to

the factors (along with percentage of children born out-of-wedlock) which, the Secretary may consider in applying the requirements of the section and requires the Secretary to add "overall performance in child support enforcement and securing support" to the matters which the Secretary must address in the annual report to Congress (§652(g)(3)).

SI120: Beginning October 1, 1999, states would be paid incentives based upon a formula determined by the Secretary and a committee (including state IV-D directors), which committee would be established by the Secretary within 60 days after the enactment of the legislation. The formula would be based upon certain performance measures, including a state IV-D agency's IV-D paternity establishment percentage, the percentage of cases with a support order to which IV-D services were being provided by the IV-D agency, the percentage of IV-D cases with a support order in which support is paid, the amount of child support paid compared to the amount of outstanding support in the IV-D caseload, the cost-effectiveness of the state IV-D program, the statewide paternity establishment percentage (identical to that provided for in HR4), and other measures designed to ensure that top performing states achieve top incentive levels. The total amount of incentive payments to a state may not exceed 90% of the total funds expended on a state's IV-D program, minus FFP received by the state.

As in HR4, the IV-D paternity establishment percentage is increased from the current 75% to 90%.

SI117: Similar to HR4, except that the incentive adjustment for the statewide paternity establishment percentage is 5% and that for overall program performance is 10%. The same sort of cap on incentive payments is imposed, although it is related to a cost estimate made by the Secretary in June, 1995. Also, the state must recycle incentive payments into its IV-D program, but no time period is specified for doing this. Furthermore, an alternative measurement of statewide paternity establishment percentage is provided where states do not record the out-of-wedlock status of children on birth certificates.

A finding, based on data submitted by a state's IV-D program, that it had failed to meet performance measures (IV-D paternity establishment percentage, overall performance, or other measures determined by the Secretary) or a federal audit finding that data

submitted by the state were incomplete or unreliable would result in a penalty of a 3% to 5% reduction in IV-D federal funding for a first finding of failure, 5% to 7% reduction for a second consecutive finding, and 7% to 10% for a third or subsequent finding.

3. FEDERAL AUDIT

Current Law: A federal audit of program performance measuring compliance with IV-D requirements and standards set by Secretary not less often than once every 3 years, except, in the case of a state subject to penalties for non-compliance or to a "corrective action plan," not less often than once a year. 42 U.S.C. 652(a)(4)

HR4: The current triennial federal audit process would be replaced by two strata of state program performance review. The first would have two components. First, states would be required to conduct their own annual reviews of state IV-D program performance, "using such standards and procedures as are required by the Secretary," to determine whether or not the program was in compliance with IV-D requirements (including expedited processes and timely case processing). Next, states would be required to extract from their automatic data processing systems such data, as directed by the Secretary (OCSE), to determine levels of accomplishment with respect to performance indicators, including the new statewide paternity establishment, as well as IV-D paternity establishment, percentage and the four categories of overall performance in child support enforcement, according to standards and procedures set by the Secretary. The Secretary would identify any deficiencies and prescribe corrective actions, as needed.

The second stratum of program review would be conducted directly at the federal level by OCSE. OCSE would review the data and calculations submitted by the states on their accomplishments with respect to the performance measures and requirements (for the purpose of determining any penalties). Then, OCSE would conduct full-blown audits at least once every 3 years (or more often in the case of states which didn't satisfy OCSE with respect to their annual reports and data submissions). The audits would: (1) assess the completeness/reliability/security of program data and accuracy of reporting systems for calculation of performance indicators; (2) the adequacy of financial

management of the state program (including the use of federal funds and the collection and distribution of child support); and (3) "for such other purposes as the Secretary may find necessary."

These amendments would become effective with respect to calendar quarters beginning 12 months "or more" after enactment of the legislation.

S1120: Identical to HR4.

S1117: Similar to HR4. Adds the requirement that the state's annual review of its IV-D program determine the extent to which the program is in compliance with applicable requirements, including the status of complaints filed under its procedures for hearings and complaint-resolution.

4. **REQUIRED REPORTING PROCEDURES.**

Current Law: The Secretary is required to assist states in establishing adequate reporting procedures and to keep records of such procedures. 42 U.S.C. 652(4).

HR4: Amends current law to require Secretary to establish procedures and uniform definitions to be used by states in collecting and reporting data required by the Secretary, including data about expedited processes and case processing and the data necessary to perform the incentive calculations.

S1120: Identical to HR4.

S1117: Identical to HR4.

5. **DIRECTOR OF OCSE; STAFFING STUDIES.**

Current Law: There must be a separate organizational unit with Health and Human Services under the direction of a designee of the Secretary "who shall report directly to the Secretary . . ." 42 U.S.C. 652(a). The Secretary is required to establish minimum organizational and staffing requirements for state IV-D programs and, in general, to provide technical assistance to state programs. 42 U.S.C. 652(a)(2),(7).

HR4: No provision.

S1120: No provision.

S1117: Removes "directly" from the current statutory requirement that the designated head of OCSE report directly to the Secretary. Requires the Secretary (OCSE) to conduct staffing studies, relating both to the requirements of the legislation with respect to automated systems and central registries and collections units and to the ratio of caseworkers to cases. The first staffing study would be completed by October 1, 1997, with others to follow, as needed, and would report on effective staffing practices used by states and on recommended staffing procedures. The Secretary would submit a report to Congress stating the findings and conclusions of the study and any subsequent study.

6. **TECHNICAL AND TRAINING ASSISTANCE TO THE STATES.**

Current Law: The Secretary is authorized to establish and operate a federal Parent Locator Service, for the use of which fees may be charged; to provide technical assistance to states and related activities to improve program performance. 42 U.S.C. 653; 42 U.S.C. 652(7), (9). The Secretary may fund special projects relating to interstate child support enforcement. 42 U.S.C. 655(e).

HR4: Amends current law to authorize the Secretary to use up to 1 percent of the federal share of retained child support collections in IV-A cases to provide states with technical assistance and related activities to improve program performance, to train state and federal staff, conduct staffing studies and related activities to improve state program performance, and to fund research, demonstration, and special projects of regional or national significance related to state IV-D program operations.

In addition, the Secretary may use up to 2 percent of such retained collections to operate the expanded Federal Parent Locator Service, to the extent these activities are not funded by user fees.

S1120: Identical to HR4.

S1117: Identical to HR4.

7. **DATA COLLECTION AND REPORTS BY THE SECRETARY.**

Current Law: Secretary is required to submit an annual report to Congress detailing state and federal program costs and program operation and performance for the fiscal year just ended. 42 U.S.C. 452(10). The Secretary is also required to collect and maintain, on a fiscal year basis, current statistical data provided by the states on locate and establishment activities. 42 U.S.C. 669.

HR4: Adds amending language to current law to amplify, and to conform, the data collection and reporting duties of the Secretary, under 42 U.S.C. 652, to provisions of this legislation, including the extent to which states are meeting new performance measures (under the incentive adjustment scheme) and the costs to the federal and state governments of providing IV-D services.

S1120: Identical to HR4.

S1117: Similar to HR4.

V. ESTABLISHMENT AND MODIFICATION OF SUPPORT OBLIGATIONS.

I. NATIONAL CHILD SUPPORT GUIDELINES.

Current Law: States must have mandatory child support guidelines, in the application of which there is created a rebuttable presumption that the amount of support ordered is the correct amount to be awarded. Such guidelines must be reviewed at least once every 4 years. 42 U.S.C. 667.

HR4: No provision.

S1120: Establishes a National Child Support Guidelines Commission, with 12 members to be appointed not later than January 15, 1997, of which 2 would be appointed by the chair of Senate Finance, 2 would be appointed by the chair of House Ways and Means, and 6 by the Secretary. All members should have expertise and experience in the development and evaluation of support guidelines, and at least 1 should be a representative of advocacy groups for custodial parents, 1 of advocacy groups for non-custodial parents, and 1 state IV-D director.

Not later than 2 years after the appointment of its membership, the Commission must submit a report

to the President, Senate Finance, and House Ways and Means either on its determination (based upon a consideration of several, specific matters) whether or not it is appropriate to develop national guidelines for consideration by Congress or adoption by the states or on its assessment of the relative merits of various guideline models and any needed improvements. In addition, the Commission would recommend procedures to automatically adjust child support orders periodically and to help noncustodial parents address grievances regarding visitation and custody orders.

S1117: Similar to S1120.

2. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Current Law: States are required to review each order in the IV-D caseload at once every 36 months after its establishment or after most recent review, and adjust, as appropriate, the support amount, unless, in AFDC cases, the state determines that a review would not be in the child's best interest and neither parent has requested one, and, in non-AFDC cases, neither parent has requested a review. 42 U.S.C. 666(10)(B).

HR4: Provides for mandatory reviews every 3 years in all IV-D cases, taking into account the best interests of the child. Reviews would proceed either by adjusting the amounts in accordance with the guidelines or by applying a cost-of-living adjustment, allowing either party to contest the adjustment within 30 days by requesting a review and adjustment in accordance with support guidelines. In neither review would a showing of change of circumstances be required, although states must review at the request of a parent upon a showing of change of circumstances. States could use automated methods to identify orders eligible for adjustment, to conduct the review and apply the appropriate adjustment. Parties to the order would be advised that either parent may request review on basis of change in circumstances.

S1120: Every 3 years, and without the necessity of showing a change of circumstances of the parties, each child support order in the IV-D caseload,

would be reviewed upon the request of either party, except that in cases in which there was an assignment of support the state could initiate a review. The state could elect to review and, if appropriate, adjust the support amount by either applying the state's guidelines or applying a cost-of-living adjustment, subject to any contest within 30 days of notice of adjustment by a party requesting the application of the state guidelines. The state may use automated methods to identify eligible cases, conduct the review, identify orders eligible for adjustment, and apply the adjustment. In addition to these triennial reviews, the state would have to review any order at any time upon the request of either party and a showing of a change of circumstances. Finally, the state would be required to provide notice to parties subject to support orders of their right to request a review.

Also, adds a provision not found in the other two bills which specifically exempts from liability under federal and state law any depository institution which discloses to a child support enforcement agency the financial records of an individual for the purposes of establishing, modifying, or enforcing a child support obligation.

§1117: A review of any child support order (presumably not just those in the IV-D caseload) would be conducted every 3 years, at the request of either parent and without a showing of change in circumstances, but either party subject to an order could request a review at any time on the basis of a change in circumstances. Both parents would be required to exchange financial information annually, using a form developed by Secretary.

3. FURNISHING CONSUMER REPORTS FOR PURPOSES RELATING TO CHILD SUPPORT.

Current Law: Consumer credit reporting agencies are required to include in any consumer report information on child support delinquencies provided by or verified by state or local child support enforcement agencies, which antedates the report by 7 years. 15 U.S.C. 1681a(f).

HR4: Amends the Fair Credit Reporting Act to require consumer reporting agencies to provide state or local child support agencies, upon request, complete

consumer reports in order to determine an individual's ability to pay support or the appropriate level of support or to establish or modify a support order in a IV-D case, as long as the consumer affected is properly notified at least 10 days in advance of the request.

§1120: Similar to HR 4. Requires credit reporting bureaus to make complete credit reports available to IV-D agencies for purposes of establishing or modifying support orders, but adds the requirement that the consumer, whose report is requested, has acknowledged the paternity of the child for whom support is sought, or that paternity has been otherwise established.

§1117: No similar provision.

VI. ENFORCEMENT OF SUPPORT ORDERS.

1. FEDERAL INCOME TAX REFUND OFFSET.

Current Law: States must follow prescribed procedures for collecting child support arrearages through the interception of federal income tax refunds. 42 U.S.C. 664. Federal rules define different criteria for income tax refund interception in AFDC and non-AFDC cases. 45 CFR §303.72; 26 CFR §304.6402-1. Priority of payment of income tax refunds for child support arrearages places payment for assigned arrearages before unassigned arrearages, which are satisfied only after other reductions authorized by law. Overall priority of distribution of refunds established by the temporal order in which the Secretary of the Treasury receives notices from federal agencies of debts owed those agencies. Sec. 6402(c),(d), Internal Revenue Code.

HR4: Amends the Internal Revenue Code to provide that offsets of child support arrearages (whether owed the state or the family) against federal income tax refunds take priority over debts owed federal agencies, except debts owed to HHS or the Department of Education for student loans.

Amends 42 U.S.C. 646 to require payment of IRS offset for assigned arrearages first in the case of a family currently on AFDC and for unassigned arrearages first in the case a family not current on AFDC. Eliminates the current disparities in treatment

of IRS for AFDC and non-AFDC cases by repealing provisions applicable to support arrears not assigned the state (the \$500 minimum in non-AFDC cases and restriction to minor or disabled children still owed arrearages).

S1120: No provision.

S1117: Similar to HR4.

2. **INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.**

Current Law: Upon the request of any state, the Secretary of HHS may certify to the Secretary of the Treasury the amount of any delinquent child support, whether in an AFDC or non-AFDC case, to be collected by the Internal Revenue Service. The requesting state must show that it has exercised diligent and reasonable efforts to collect the arrearages and that it will reimburse the IRS for any costs involved in making the collection. 42 U.S.C. 652(b).

HR4: No provision.

S1120: Amends current law to make technical corrections and to eliminate requirement of an additional fee for adjustments to an amount previously certified for collection by the IRS. Effective October 1, 1997.

S1117: Identical to S1120.

3. **COLLECTION OF CHILD SUPPORT FROM FEDERAL EMPLOYEES AND MEMBERS OF ARMED SERVICES.**

Current Law: Wages of federal employees may be garnished to enforce legal obligations to pay child support or alimony. 42 U.S.C. 659. Regulations relating to the implementation of garnishment of federal employees made by the President (or designee) in the case of employees of the executive branch of government; by the President pro tempore of the Senate and the Speaker of the House, in the case of employees of the legislative branch; and by the Chief Justice in the case of employees of the judicial branch. 42 U.S.C. 661. Remuneration for employment payable by the United States to any individual is subject to legal proceeding brought for the enforcement against such individual of a legal obligation provide child support or

to make alimony payments. 42 U.S.C. 662.

Allotments from the pay and allowances of any member of the uniformed services (on active duty) when that member fails to pay child support. 42 U.S.C. 665.

HR4: Consolidates current provisions relating to federal employees under an amended 42 U.S.C. 659. Clarifies that statutory provisions address income withholding, as well as garnishment, and that all branches and agencies of federal government, along with the District of Columbia, are subject to income withholding in accordance with state law, pursuant to Title IV-D law and regulations of the Secretary, to the same extent as a private person would be.

Requires each agency of federal government to designate an agent for service of process and to publish such designations (identified by title or position, along with mailing address and telephone number) annually in the Federal Register. A designated agent served with process, an order, or interrogatory with respect to a child support or alimony obligation must send a written notice of receipt within 15 days and a response to any order, process, or interrogatories within 30 days of effective service. Withholding for child support obligations would have priority over any other garnishment process.

Income (excluding taxes, insurance premiums, etc.) subject to withholding for child support or alimony includes, in addition to regular compensation (wages, sick pay, incentive pay, etc.), periodic payments (currently not subject to garnishment) under insurance and pension plans, federal programs relating to "black lung" benefits, workers' compensation and veterans disability, but not payments for expenses relating to employment.

Withholding must be executed with respect to any administrative or judicial support order and would not be limited to those included in, or accompanied by, a divorce decree or property settlement. Payment must be made to a central state collections unit or other public payee.

Provides for establishment of a central personnel locator service which contains current residential and station addresses of all military personnel, is updated within 30 days of any change of address, and is made available to the FPLS.

Regulations to be issued by appropriate authority to permit members of the armed services to attend hearings to establish paternity or support obligations. Also, payments for child support are to be made directly to any state to which a custodial has assigned rights as a condition for receiving public assistance. Authority to withhold for child support both for current support and for any arrearages, without the necessity of a recent certification of an order's authentication.

S1120: Similar to HR4.

S1117: Similar to HR4.

4. **VOIDING OF FRAUDULENT CONVEYANCES.**

HR4: States must have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984 or similar law which specifies indicia of fraud, creating a prima facie case that a debtor transferred property to avoid payment to a child support creditor and must have procedures, where there is a prima facie case, for seeking to void transfers of income or property made to avoid payment of child support and for obtaining a settlement in the best interests of the creditor.

S1120: Identical to HR4.

S1117: Identical to HR4.

5. **WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.**

Current Law: No provision.

HR4: Requires states to have procedures under which the IV-D agency will seek a court order requiring an individual who owes past-due support in a public assistance case to pay support in accordance with a plan approved by the court or, if the person is subject to such a plan, participate in court-ordered work activities, as the court deems appropriate.

S1120: Similar to HR4, except that the work requirement is not limited to public assistance cases, but extended to all IV-D cases, and, furthermore, that the IV-D agency may seek either a court or an administrative order for the purpose of devising a plan

and compelling participation in work activities.

S1117: No similar provision.

6. **REPORTING ARREARAGES TO CREDIT BUREAUS.**

Current Law: Consumer credit reporting agencies are required to include in any consumer report information on child support delinquencies provided by or verified by state or local child support enforcement agencies, which antedates the report by 7 years. 15 U.S.C. 1681a(f). State IV-D agencies are required to report to a credit reporting agency, at the request of that credit agency and upon payment of a fee which the IV-D agency may impose, any child support delinquency amounting to \$1,000 or more, as long as the delinquent obligor has had an opportunity to contest the amount being reported. 42 U.S.C. 466(a)(7). Beginning October 1, 1995, state IV-D agencies must again subject to due process safeguards routinely report to credit bureaus the names of any obligors who are at least 2 months delinquent in child support payments, together with the amounts owed.

HR4: No specific provision amending current requirements relating to the reporting of child support arrearages to consumer credit agencies.

S1120: Requires the IV-D agency to report periodically the names of delinquent obligors and the amounts of past-due support, subject to due process protections, including the right of an obligor to challenge the accuracy of the information reported.

S1117: Requires the periodic reporting of the name of any obligor who is at least 30 days delinquent in paying support amounting to at least \$100, subject to due process safeguards (including the right of the obligor to contest the accuracy of the information being provided the consumer agency).

7. **LIENS.**

Current Law: States must have procedures under which liens are imposed against real and personal property for payment of overdue child support owed of an obligor residing or owning property in a state. 42 U.S.C. 666 (a)(4).

HR4: Amends current law to require: (1)

liens for overdue support must arise by operation of law against the real and personal property of an obligor who resides or owns property in the state; and (2) states accord full faith and credit to child support liens of other states without registration of the underlying order.

S1120: Identical to HR4.

S1117: Amends current law to add requirement that liens be placed for child support arrearages on motor vehicle titles of individuals who are 1 month or more delinquent. Such liens: (1) may be placed by the obligee; (2) must be placed systematically by the IV-D agency; (3) must be subject to expedited processes for determining the amount of arrearages and allowing obligor opportunity to contest and to obtain a lien release upon payment of overdue support; (4) must take precedence over all other liens on vehicle title, except purchase money security interest; and (4) be executed on, with seizure and sale of encumbered property, in accordance with state law.

8. *SUSPENSION OF VARIOUS LICENSES.*

Current Law: No specific provision.

HR4: States must have procedures under which, subject to due process safeguards, driver's, professional, occupational, and recreational licenses may be withheld, suspended, or restricted in the case of an obligor who owes overdue support or fails, after receiving notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.

S1120: Identical to HR4.

S1117: Similar to HR4, but omits recreational licenses.

9. *EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.*

Current Law: No specific provision; however, federal law requires that an ordered child support payment or installment of support be a judgment by operation of law, with the full force, effect, and attributes of any other judgment of the state. 42 U.S.C. 666(9)(A). Also, at the option of the state, overdue support may also include amounts to someone no longer a child. 42 U.S.C. 666(e).

HR4: States must have procedures under which the statute of limitations on any child support arrearages extends at least until the 30th year of the child owed the support, although the intent of this requirement is not to require states to revive any payment obligation which had already expired.

S1120: No similar provision.

S1117: Identical to HR4.

10. *CHARGES FOR ARREARAGES.*

Current Law: No specific provision; however, states may impose a late payment fee on all overdue support, equal to a uniform percentage determined by the state, of not less than 3 percent or more than 6 percent. 42 U.S.C. 654(21).

HR4: No specific change to current law respecting the charging of late payment fees, interest, or penalties on past-due support.

S1120: No change to current law.

S1117: States must have procedures for calculating and collecting interest or other penalties for child support arrearages accruing on or after October 1, 1998, and for distributing such interest or penalties to the child owed the support, except in cases in which there has been an assignment of support rights to the states as a condition for receipt of public assistance. The Secretary would be responsible for issuing regulations to resolve any conflict of law issues arising in the implementation of this requirement.

11. *DENIAL OF PASSPORTS FOR NON-PAYMENT OF ORDERED SUPPORT.*

Current Law: No provision.

HR4: No provision.

S1120: Effective October 1, 1996, if the Secretary of HHS receives certification from a state IV-D agency that an obligor owes more than \$5,000, the Secretary must then inform Secretary of State who, in turn, shall refuse to issue a passport to the delinquent obligor and may revoke, restrict, or limit a passport previously issued to that obligor. The state IV-D agency must have procedures for certifying the information on determinations of child support

delinquency to the Secretary of HHS and for ensuring that affected obligors are notified and given an opportunity to contest the determinations.

S1117: Similar to S1120, except that the conditions for certifying a delinquency to the Secretary include \$5,000 or a delinquency amounting to more than 24 months of overdue support.

12. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

Current Law: No provision.

HR4: No provision.

S1120: Authorizes the Secretary of State to negotiate reciprocal arrangements with foreign nations on behalf of states regarding international enforcement of child support and designates the Secretary of Health and Human Services (OCSE) central authority for such enforcement.

S1117: Declares that it be the sense of the Congress that the United States should ratify the United Nations Convention of 1956. In addition, states are required to treat international cases in the same manner as they treat interstate cases.

VII. MEDICAL SUPPORT.

HR4: Makes a technical correction to ERISA to clarify that the Act's provisions cover administrative, as well as judicial, orders for medical child support.

S1120: Identical to HR4 with respect to the correction of ERISA. Adds provision requiring states to have procedures under which, when a noncustodial parent provides health care coverage for a child and the parent changes employment, the state IV-D agency shall transfer coverage to the new employer, unless the noncustodial parent contests the notice of transfer.

S1117: Makes correction to ERISA

VIII. FEDERAL GRANTS FOR VISITATION AND CHILD SUPPORT ASSURANCE PROJECTS

1. VISITATION AND ACCESS.

HR4: Provides for grants to the states "to establish and administer programs to support and facilitate absent parents' access to and visitation of their children".

S1120: Identical to HR4.

S1117: Similar to HR4, but specifically authorizes the appropriations for these grants: \$5 million for each of fiscal years 1996 and 1997, and \$10 million for each succeeding year, with a minimum allotment to each participating state of \$50,000 for fiscal year 1996 or 1997 and \$100,000 any succeeding year.

2. CHILD SUPPORT ASSURANCE.

HR4: No provision.

S1120: No provision.

S1117: Authorizes \$25 million for each of fiscal years 1996, 1997, and 1998 for child support assurance demonstrations in states, as awarded by the Secretary.

IX. EFFECTIVE DATES

Except as noted in the text of the bills for specific provisions, the general effective date for provisions in all 3 of the bills is October 1, 1996. However, given that many of the changes required by these bills must be approved by State Legislatures, the bills contain a grace period tied to the meeting schedule of State Legislatures. More specifically, in any given State, the legislation 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. In the case of States that require a constitutional amendment to comply with the requirements of the legislation, 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.

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Child Support Council
Austin, Texas

H.R. 1214
ARCHER

March, 1995

104TH CONGRESS
1ST SESSION

H. R. 1214

To help children by reforming the Nation's welfare system to promote work, marriage, and personal responsibility.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1995

Mr. ARCHER (for himself, Mr. GOODLING, and Mr. ROBERTS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Economic and Educational Opportunities, Agriculture, Commerce, the Judiciary, National Security, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To help children by reforming the Nation's welfare system to promote work, marriage, and personal responsibility.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Personal Responsibility
5 Act of 1995".

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

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

- Sec. 101. Block grants to States.
- Sec. 102. Report on data processing.
- Sec. 103. Transfers.
- Sec. 104. Conforming amendments to the Social Security Act.
- Sec. 105. Conforming amendments to other laws.
- Sec. 106. Continued application of current standards under medicaid program.
- Sec. 107. Effective date.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

- Sec. 201. Establishment of program.
- Sec. 202. Conforming amendments.
- Sec. 203. Continued application of current standards under medicaid program.
- Sec. 204. Effective date.

**TITLE III—BLOCK GRANTS FOR CHILD CARE AND FOR
NUTRITION ASSISTANCE**

Subtitle A—Child Care Block Grants

- Sec. 301. Amendments to the Child Care and Development Block Grant Act of 1990.
- Sec. 302. Repeal of child care assistance authorized by Acts other than the Social Security Act.

Subtitle B—Family and School-Based Nutrition Block Grants

CHAPTER 1—FAMILY NUTRITION BLOCK GRANT PROGRAM

- Sec. 321. Amendment to Child Nutrition Act of 1966.

CHAPTER 2—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

- Sec. 341. Amendment to National School Lunch Act.

CHAPTER 3—MISCELLANEOUS PROVISIONS

- Sec. 351. Repealers.

Subtitle C—Other Repealers and Conforming Amendments

- Sec. 371. Amendments to laws relating to child protection block grant.

Subtitle D—Related Provisions

- Sec. 381. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
- Sec. 382. Data on program participation and outcomes.

**Subtitle E—General Effective Date, Preservation of Actions, Obligations, and
Rights**

- Sec. 391. Effective date.
- Sec. 392. Application of amendments and repealers.

**TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR
ALIENS**

Sec. 400. Statements of national policy concerning welfare and immigration.

Subtitle A—Eligibility for Federal Benefits Programs

- Sec. 401. Ineligibility of illegal aliens for certain public benefits programs.
 Sec. 402. Ineligibility of nonimmigrants for certain public benefits programs.
 Sec. 403. Limited eligibility of immigrants for 5 specified Federal public benefits programs.
 Sec. 404. Notification.

Subtitle B—Eligibility for State and Local Public Benefits Programs

- Sec. 411. Ineligibility of illegal aliens for State and local public benefits programs.
 Sec. 412. Ineligibility of nonimmigrants for State and local public benefits programs.
 Sec. 413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

Subtitle C—Attribution of Income and Affidavits of Support

- Sec. 421. Attribution of sponsor's income and resources to family-sponsored immigrants.
 Sec. 422. Requirements for sponsor's affidavit of support.

Subtitle D—General Provisions

- Sec. 431. Definitions.
 Sec. 432. Construction.

Subtitle E—Conforming Amendments

- Sec. 441. Conforming amendments relating to assisted housing.

TITLE V—FOOD STAMP REFORM AND COMMODITY DISTRIBUTION

Sec. 501. Short title.

Subtitle A—Commodity Distribution Provisions

- Sec. 511. Short title.
 Sec. 512. Availability of commodities.
 Sec. 513. State, local and private supplementation of commodities.
 Sec. 514. State plan.
 Sec. 515. Allocation of commodities to States.
 Sec. 516. Priority system for State distribution of commodities.
 Sec. 517. Initial processing costs.
 Sec. 518. Assurances; anticipated use.
 Sec. 519. Authorization of appropriations.
 Sec. 520. Commodity supplemental food program.
 Sec. 521. Commodities not income.
 Sec. 522. Prohibition against certain State charges.
 Sec. 523. Definitions.
 Sec. 524. Regulations.
 Sec. 525. Finality of determinations.
 Sec. 526. Sale of commodities prohibited.
 Sec. 527. Settlement and adjustment of claims.
 Sec. 528. Repealers; amendments.

Subtitle B—Simplification and Reform of Food Stamp Program

Sec. 531. Short title.

CHAPTER 1—SIMPLIFIED FOOD STAMP PROGRAM AND STATE ASSISTANCE
FOR NEEDY FAMILIES

- Sec. 541. Establishment of simplified food stamp program.
- Sec. 542. Simplified food stamp program.
- Sec. 543. Conforming amendments.

CHAPTER 2—FOOD STAMP PROGRAM

- Sec. 551. Thrifty food plan.
- Sec. 552. Income deductions and energy assistance.
- Sec. 553. Vehicle allowance.
- Sec. 554. Work requirements.
- Sec. 555. Comparable treatment of disqualified individuals.
- Sec. 556. Encourage electronic benefit transfer systems.
- Sec. 557. Value of minimum allotment.
- Sec. 558. Initial month benefit determination.
- Sec. 559. Improving food stamp program management.
- Sec. 560. Work supplementation or support program.
- Sec. 561. Obligations and allotments.

CHAPTER 3—PROGRAM INTEGRITY

- Sec. 571. Authority to establish authorization periods.
- Sec. 572. Condition precedent for approval of retail food stores and wholesale food concerns.
- Sec. 573. Waiting period for retailers that are denied approval to accept coupons.
- Sec. 574. Disqualification of retail food stores and wholesale food concerns.
- Sec. 575. Authority to suspend stores violating program requirements pending administrative and judicial review.
- Sec. 576. Criminal forfeiture.
- Sec. 577. Expanded definition of "coupon".
- Sec. 578. Doubled penalties for violating food stamp program requirements.
- Sec. 579. Disqualification of convicted individuals.
- Sec. 580. Claims collection.

Subtitle C—Effective Dates and Miscellaneous Provisions

- Sec. 591. Effective dates.
- Sec. 592. Sense of the congress.
- Sec. 593. Deficit reduction.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

- Sec. 601. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
- Sec. 602. Supplemental security income benefits for disabled children.
- Sec. 603. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
- Sec. 604. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
- Sec. 605. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

TITLE VII—CHILD SUPPORT

Sec. 700. References.

Subtitle A—Eligibility for Services; Distribution of Payments

- Sec. 701. State obligation to provide child support enforcement services.
- Sec. 702. Distribution of child support collections.
- Sec. 703. Privacy safeguards.

Subtitle B—Locate and Case Tracking

- Sec. 711. State case registry.
- Sec. 712. Collection and disbursement of support payments.
- Sec. 713. State directory of new hires.
- Sec. 714. Amendments concerning income withholding.
- Sec. 715. Locator information from interstate networks.
- Sec. 716. Expansion of the Federal Parent Locator Service.
- Sec. 717. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

- Sec. 721. Adoption of uniform State laws.
- Sec. 722. Improvements to full faith and credit for child support orders.
- Sec. 723. Administrative enforcement in interstate cases.
- Sec. 724. Use of forms in interstate enforcement.
- Sec. 725. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

- Sec. 731. State laws concerning paternity establishment.
- Sec. 732. Outreach for voluntary paternity establishment.
- Sec. 733. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

- Sec. 741. Federal matching payments.
- Sec. 742. Performance-based incentives and penalties.
- Sec. 743. Federal and State reviews and audits.
- Sec. 744. Required reporting procedures.
- Sec. 745. Automated data processing requirements.
- Sec. 746. Technical assistance.
- Sec. 747. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 751. Simplified process for review and adjustment of child support orders.
- Sec. 752. Furnishing consumer reports for certain purposes relating to child support.

Subtitle G—Enforcement of Support Orders

- Sec. 761. Federal income tax refund offset.
- Sec. 762. Authority to collect support from Federal employees.
- Sec. 763. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 764. Voiding of fraudulent transfers.

Sec. 765. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.

Sec. 766. Work requirement for persons owing past-due child support.

Sec. 767. Definition of support order.

Subtitle H—Medical Support

Sec. 771. Technical correction to ERISA definition of medical child support order.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 781. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 791. Effective dates.

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 801. Scoring.

Sec. 802. Provisions to encourage electronic benefit transfer systems.

1 (2) by redesignating subparagraph (G) as sub-
2- paragraph (H) and inserting after subparagraph (F)
3 the following:

4 "(G) whether the criteria in the mental dis-
5 orders listings in the Listings of Impairments set
6 forth in appendix 1 of subpart P of part 404 of title
7 20, Code of Federal Regulations, are appropriate to
8 ensure that eligibility of individuals who have not at-
9 tained 18 years of age for cash benefits under the
10 supplemental security income program by reason of
11 disability is limited to those who have serious dis-
12 abilities and for whom such benefits are necessary to
13 improve their condition or quality of life; and".

14 **SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO,**
15 **THE VIRGIN ISLANDS, AND GUAM UNDER**
16 **PROGRAMS OF AID TO THE AGED, BLIND, OR**
17 **DISABLED.**

18 Section 1108 of the Social Security Act (42 U.S.C.
19 1308), as amended by section 104(e)(1) of this Act, is
20 amended by inserting before "The total" the following:

21 "(a) **PROGRAMS OF AID TO THE AGED, BLIND, OR**
22 **DISABLED.**—The total amount certified by the Secretary
23 of Health and Human Services under titles I, X, XIV, and
24 XVI (as in effect without regard to the amendment made

16 **TITLE VII—CHILD SUPPORT**

17 **SEC. 700. REFERENCES.**

18 Except as otherwise specifically provided, wherever in
19 this title an amendment is expressed in terms of an
20 amendment to or repeal of a section or other provision,
21 the reference shall be considered to be made to that sec-
22 tion or other provision of the Social Security Act.

1 **Subtitle A—Eligibility for Services;**
2 **Distribution of Payments**

3 **SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
4 **ENFORCEMENT SERVICES.**

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

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

9 “(4) provide that the State will—

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

15 “(i) each child for whom cash assist-
16 ance is provided under the State program
17 funded under part A of this title, benefits
18 or services are provided under the State
19 program funded under part B of this title,
20 or medical assistance is provided under the
21 State plan approved under title XIX, un-
22 less the State agency administering the
23 plan determines (in accordance with para-
24 graph (28)) that it is against the best in-
25 terests of the child to do so; and

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

4 “(B) enforce any support obligation estab-
5 lished with respect to—

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

8 “(ii) the custodial parent of such a
9 child.”; and

10 (2) in paragraph (6)—

11 (A) by striking “provide that” and insert-
12 ing “provide that—”;

13 (B) by striking subparagraph (A) and in-
14 serting the following:

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

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

22 (D) in each of subparagraphs (B), (C),
23 (D), and (E)—

24 (i) by indenting the subparagraph in
25 the same manner as, and aligning the left

1 margin of the subparagraph with the left
2 margin of, the matter inserted by subpara-
3 graph (B) of this paragraph; and

4 (ii) by striking the final comma and
5 inserting a semicolon; and

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

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 452(b) (42 U.S.C. 652(b)) is
10 amended by striking "454(6)" and inserting
11 "454(4)".

12 (2) Section 452(g)(2)(A) (42 U.S.C.
13 652(g)(2)(A)) is amended by striking "454(6)" each
14 place it appears and inserting "454(4)(A)(ii)".

15 (3) Section 466(a)(3)(B) (42 U.S.C.
16 666(a)(3)(B)) is amended by striking "in the case of
17 overdue support which a State has agreed to collect
18 under section 454(6)" and inserting "in any other
19 case".

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

1 SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLEC-
2 TIONS.

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

5 *SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

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

9 "(1) FAMILIES RECEIVING CASH ASSISTANCE.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 “(A) cash assistance under the State pro-
11 gram funded under part A or under the State
12 plan approved under part A of this title (as in
13 effect before October 1, 1996); or

14 “(B) cash benefits under the State pro-
15 gram funded under part B or under the State
16 plan approved under part B or E of this title
17 (as in effect before October 1, 1996).

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

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

1 “(B) if support is not owed to the family
2 for any month for which the family received aid
3 to families with dependent children under the
4 State plan approved under part A of this title
5 (as in effect before October 1, 1996), the Fed-
6 eral reimbursement percentage for the fiscal
7 year in which the time period occurs.

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

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

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

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

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

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

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

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

16 (b) EFFECTIVE DATE.—

17 (1) GENERAL RULE.—Except as provided in
18 paragraph (2), the amendment made by subsection
19 (a) shall become effective on October 1, 1999.

20 (2) EARLIER EFFECTIVE DATE FOR RULES RE-
21 LATING TO DISTRIBUTION OF SUPPORT COLLECTED
22 FOR FAMILIES RECEIVING TEMPORARY FAMILY AS-
23 SISTANCE.—Section 457(a)(1) of the Social Security
24 Act, as added by the amendment made by subsection
25 (a), shall become effective on October 1, 1995.

1 SEC. 703. PRIVACY SAFEGUARDS.

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654) is amended—

4 (1) by striking “and” at the end of paragraph
5 (23);

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

8 (3) by adding after paragraph (24) the follow-
9 ing:

10 “(25) will have in effect safeguards, applicable
11 to all confidential information handled by the State
12 agency, that are designed to protect the privacy
13 rights of the parties, including—

14 “(A) safeguards against unauthorized use
15 or disclosure of information relating to proceed-
16 ings or actions to establish paternity, or to es-
17 tablish or enforce support;

18 “(B) prohibitions against the release of in-
19 formation on the whereabouts of one party to
20 another party against whom a protective order
21 with respect to the former party has been en-
22 tered; and

23 “(C) prohibitions against the release of in-
24 formation on the whereabouts of one party to
25 another party if the State has reason to believe
26 that the release of the information may result

1 in physical or emotional harm to the former
2 party.”.

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

5 **Subtitle B—Locate and Case**
6 **Tracking**

7 **SEC. 711. STATE CASE REGISTRY.**

8 Section 454A, as added by section 745(a)(2) of this
9 Act, is amended by adding at the end the following:

10 “(e) STATE CASE REGISTRY.—

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

15 “(A) each case in which services are being
16 provided by the State agency under the State
17 plan approved under this part; and

18 “(B) each support order established or
19 modified in the State on or after October 1,
20 1998.

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

1 “(3) USE OF STANDARDIZED DATA ELE-
2 MENTS.—Such records shall use standardized data
3 elements for both parents (such as names, social se-
4 curity numbers and other uniform identification
5 numbers, dates of birth, and case identification
6 numbers), and contain such other information (such
7 as on case status) as the Secretary may require.

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

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

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

21 “(C) the distribution of such collected
22 amounts;

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

1 “(E) the amount of any lien imposed pur-
2 suant to section 466(a)(4).

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

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

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

16 “(C) information on support collections
17 and distributions; and

18 “(D) any other relevant information.

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

1 son services, in order to obtain (or provide) information
2 necessary to enable the State agency (or the Secretary or
3 other State or Federal agencies) to carry out this part,
4 subject to section 6103 of the Internal Revenue Code of
5 1986. Such information comparison activities shall include
6 the following:

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

16 “(2) FEDERAL PARENT LOCATOR SERVICE.—
17 Exchanging information with the Federal Parent
18 Locator Service for the purposes specified in section
19 453.

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

1 necessary to perform State agency responsibilities
2 under this part and under such programs.

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

9 **SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT**
10 **PAYMENTS.**

11 (a) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by section 703(a) of this Act,
13 is amended—

14 (1) by striking “and” at the end of paragraph
15 (24);

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

18 (3) by adding after paragraph (25) the follow-
19 ing:

20 “(26) provide that, on and after October 1,
21 1998, the State agency will—

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

24 “(B) have sufficient State staff (consisting
25 of State employees) and (at State option) con-

1 tractors reporting directly to the State agency
2 to—

3 “(i) monitor and enforce support col-
4 lections through the unit (including carry-
5 ing out the automated data processing re-
6 sponsibilities described in section 454A(g));
7 and

8 “(ii) take the actions described in sec-
9 tion 466(c)(1) in appropriate cases.”

10 (b) ESTABLISHMENT OF STATE DISBURSEMENT
11 UNIT.—Part D of title IV (42 U.S.C. 651-669), as
12 amended by section 745(a)(2) of this Act, is amended by
13 inserting after section 454A the following:

14 ***SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
15 **PORT PAYMENTS.**

16 “(a) STATE DISBURSEMENT UNIT.—

17 “(1) IN GENERAL.—In order for a State to
18 meet the requirements of this section, the State
19 agency must establish and operate a unit (which
20 shall be known as the ‘State disbursement unit’) for
21 the collection and disbursement of payments under
22 support orders in all cases being enforced by the
23 State pursuant to section 454(4).

24 “(2) OPERATION.—The State disbursement
25 unit shall be operated—

1 “(A) directly by the State agency (or 2 or
2 more State agencies under a regional coopera-
3 tive agreement), or (to the extent appropriate)
4 by a contractor responsible directly to the State
5 agency; and

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

9 “(3) LINKING OF LOCAL DISBURSEMENT
10 UNITS.—The State disbursement unit may be estab-
11 lished by linking local disbursement units through
12 an automated information network, subject to this
13 section.

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

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

24 “(2) for accurate identification of payments;

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

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

7 “(c) **TIMING OF DISBURSEMENTS.**—The State dis-
8 bursement unit shall distribute all amounts payable under
9 section 457(a) within 2 business days after receipt from
10 the employer or other source of periodic income, if suffi-
11 cient information identifying the payee is provided.

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

15 (c) **USE OF AUTOMATED SYSTEM.**—Section 454A, as
16 added by section 745(a)(2) of this Act and as amended
17 by section 711 of this Act, is amended by adding at the
18 end the following:

19 “(g) **COLLECTION AND DISTRIBUTION OF SUPPORT**
20 **PAYMENTS.**—

21 “(1) **IN GENERAL.**—The State shall use the
22 automated system required by this section, to the
23 maximum extent feasible, to assist and facilitate the
24 collection and disbursement of support payments
25 through the State disbursement unit operated under

1 section 454B, through the performance of functions,
2 including, at a minimum—

3 “(A) transmission of orders and notices to
4 employers (and other debtors) for the withhold-
5 ing of wages (and other income)—

6 “(i) within 2 business days after re-
7 ceipt (from a court, another State, an em-
8 ployer, the Federal Parent Locator Service,
9 or another source recognized by the State)
10 of notice of, and the income source subject
11 to, such withholding; and

12 “(ii) using uniform formats prescribed
13 by the Secretary;

14 “(B) ongoing monitoring to promptly iden-
15 tify failures to make timely payment of support;
16 and

17 “(C) automatic use of enforcement proce-
18 dures (including procedures authorized pursu-
19 ant to section 466(c)) where payments are not
20 timely made.

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

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

3 **SEC. 713. STATE DIRECTORY OF NEW HIRES.**

4 (a) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 703(a) and 712(a)
6 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
8 (25);

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

11 (3) by adding after paragraph (26) the follow-
12 ing:

13 “(27) provide that, on and after October 1,
14 1997, the State will operate a State Directory of
15 New Hires in accordance with section 453A.”

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

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

20 **“(a) ESTABLISHMENT.—**

21 **“(1) IN GENERAL.—**Not later than October 1,
22 1997, each State shall establish an automated direc-
23 tory (to be known as the ‘State Directory of New
24 Hires’) which shall contain information supplied in

1 accordance with subsection (b) by employers and
2 labor organizations on each newly hired employee.

3 "(2) DEFINITIONS.—As used in this section:

4 "(A) EMPLOYEE.—The term 'employee'—

5 "(i) means an individual who is an
6 employee within the meaning of chapter 24
7 of the Internal Revenue Code of 1986; and

8 "(ii) does not include an employee of
9 a Federal or State agency performing in-
10 telligence or counterintelligence functions,
11 if the head of such agency has determined
12 that reporting pursuant to paragraph (1)
13 with respect to the employee could endan-
14 ger the safety of the employee or com-
15 promise an ongoing investigation or intel-
16 ligence mission.

17 "(B) GOVERNMENTAL EMPLOYERS.—The
18 term 'employer' includes any governmental en-
19 tity.

20 "(C) LABOR ORGANIZATION.—The term
21 'labor organization' shall have the meaning
22 given such term in section 2(5) of the National
23 Labor Relations Act, and includes any entity
24 (also known as a 'hiring hall') which is used by
25 the organization and an employer to carry out

1 requirements described in section 8(f)(3) of
2 such Act of an agreement between the organiza-
3 tion and the employer.

4 "(b) EMPLOYER INFORMATION.—

5 "(1) REPORTING REQUIREMENT.—

6 "(A) IN GENERAL.—Except as provided in
7 subparagraph (B), each employer shall furnish
8 to the Directory of New Hires of the State in
9 which a newly hired employee works a report
10 that contains the name, address, and social se-
11 curity number of the employee, and the name
12 of, and identifying number assigned under sec-
13 tion 6109 of the Internal Revenue Code of 1986
14 to, the employer.

15 "(B) MULTISTATE EMPLOYERS.—An em-
16 ployer who has employees who are employed in
17 2 or more States may comply with subpara-
18 graph (A) by transmitting the report described
19 in subparagraph (A) magnetically or electroni-
20 cally to the State in which the greatest number
21 of employees of the employer are employed.

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

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

3 “(B) the date the employee first receives
4 wages or other compensation from the em-
5 ployer.

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

10 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
11 EMPLOYERS.—

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

15 “(A) \$25; or

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

21 “(2) APPLICABILITY OF SECTION 1128.—Section
22 1128 (other than subsections (a) and (b) of such
23 section) shall apply to a civil money penalty under
24 paragraph (1) of this subsection in the same manner

1 as such section applies to a civil money penalty or
2 proceeding under section 1128A(a).

3 "(e) INFORMATION COMPARISONS.—

4 "(1) IN GENERAL.—Not later than October 1,
5 1997, an agency designated by the State shall, di-
6 rectly or by contract, conduct automated compari-
7 sons of the social security numbers reported by em-
8 ployers pursuant to subsection (b) and the social se-
9 curity numbers appearing in the records of the State
10 case registry for cases being enforced under the
11 State plan.

12 "(2) NOTICE OF MATCH.—When an information
13 comparison conducted under paragraph (1) reveals a
14 match with respect to the social security number of
15 an individual required to provide support under a
16 support order, the State Directory of New Hires
17 shall provide the agency administering the State
18 plan approved under this part of the appropriate
19 State with the name, address, and social security
20 number of the employee to whom the social security
21 number is assigned, and the name of, and identify-
22 ing number assigned under section 6109 of the In-
23 ternal Revenue Code of 1986 to, the employer.

24 "(f) TRANSMISSION OF INFORMATION.—

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

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

15 “(A) NEW HIRE INFORMATION.—Within 4
16 business days after the State Directory of New
17 Hires receives information from employers pur-
18 suant to this section, the State Directory of
19 New Hires shall furnish the information to the
20 National Directory of New Hires.

21 “(B) WAGE AND UNEMPLOYMENT COM-
22 PENSATION INFORMATION.—The State Direc-
23 tory of New Hires shall, on a quarterly basis,
24 furnish to the National Directory of New Hires
25 extracts of the reports required under section

1 303(a)(6) to be made to the Secretary of Labor
2 concerning the wages and unemployment com-
3 pensation paid to individuals, by such dates, in
4 such format, and containing such information
5 as the Secretary of Health and Human Services
6 shall specify in regulations.

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

10 “(g) OTHER USES OF NEW HIRE INFORMATION.—

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

18 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
19 TAIN PROGRAMS.—A State agency responsible for
20 administering a program specified in section 1137(b)
21 shall have access to information reported by employ-
22 ers pursuant to subsection (b) of this section for
23 purposes of verifying eligibility for the program.

24 “(3) ADMINISTRATION OF EMPLOYMENT SECUR-
25 ITY AND WORKERS COMPENSATION.—State agen-

1 ages occur, without the need for a judicial or
2 administrative hearing.”.

3 (2) CONFORMING AMENDMENTS.—

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

6 (i) by striking “(5)”; and

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

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

14 (C) Section 466(b)(5) (42 U.S.C.
15 666(b)(5)) is amended by striking all that fol-
16 lows “administered by” and inserting “the
17 State through the State disbursement unit es-
18 tablished pursuant to section 454B, in accord-
19 ance with the requirements of section 454B.”.

20 (D) Section 466(b)(6)(A) (42 U.S.C.
21 666(b)(6)(A)) is amended—

22 (i) in clause (i), by striking “to the
23 appropriate agency” and all that follows
24 and inserting “to the State disbursement
25 unit within 2 business days after the date

1 the amount would (but for this subsection)
2 have been paid or credited to the employee,
3 for distribution in accordance with this
4 part.”;

5 (ii) in clause (ii), by inserting “be in
6 a standard format prescribed by the Sec-
7 retary, and” after “shall”; and

8 (iii) by adding at the end the follow-
9 ing:

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

13 (E) Section 466(b)(6)(D) (42 U.S.C.
14 666(b)(6)(D)) is amended by striking “any em-
15 ployer” and all that follows and inserting the
16 following:

17 “any employer who—

18 “(i) discharges from employment, refuses
19 to employ, or takes disciplinary action against
20 any absent parent subject to wage withholding
21 required by this subsection because of the exist-
22 ence of such withholding and the obligations or
23 additional obligations which is imposes upon the
24 employer; or

1 SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR
2 SERVICE.

3 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
4 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
5 amended—

6 (1) in subsection (a), by striking all that follows
7 “subsection (c)” and inserting “, for the purpose of
8 establishing parentage, establishing, setting the
9 amount of, modifying, or enforcing child support ob-
10 ligations—

11 “(1) information on, or facilitating the discov-
12 ery of, the location of any individual—

13 “(A) who is under an obligation to pay
14 child support;

15 “(B) against whom such an obligation is
16 sought; or

17 “(C) to whom such an obligation is owed,
18 including the individual’s social security number (or
19 numbers), most recent address, and the name, ad-
20 dress, and employer identification number of the in-
21 dividual’s employer; and

22 “(2) information on the individual’s wages (or
23 other income) from, and benefits of, employment (in-
24 cluding rights to or enrollment in group health care
25 coverage).”; and

1 (2) in subsection (b), in the matter preceding
2 paragraph (1), by striking "social security" and all
3 that follows through "absent parent" and inserting
4 "information described in subsection (a)".

5 (b) REIMBURSEMENT FOR INFORMATION FROM FED-
6 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
7 653(e)(2)) is amended in the 4th sentence by inserting
8 "in an amount which the Secretary determines to be rea-
9 sonable payment for the information exchange (which
10 amount shall not include payment for the costs of obtain-
11 ing, compiling, or maintaining the information)" before
12 the period.

13 (c) REIMBURSEMENT FOR REPORTS BY STATE
14 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
15 adding at the end the following:

16 "(g) The Secretary may reimburse Federal and State
17 agencies for the costs incurred by such entities in furnish-
18 ing information requested by the Secretary under this sec-
19 tion in an amount which the Secretary determines to be
20 reasonable payment for the information exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the information)."

23 (d) TECHNICAL AMENDMENTS.—

24 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
25 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

1 653(b), 663(a), 663(e), and 663(f)) are each amend-
2 ed by inserting "Federal" before "Parent" each
3 place such term appears.

4 (2) Section 453 (42 U.S.C. 653) is amended in
5 the heading by adding "FEDERAL" before "PAR-
6 ENT".

7 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.
8 653), as amended by subsection (c) of this section, is
9 amended by adding at the end the following:

10 "(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
11 ORDERS.—

12 "(1) IN GENERAL.—Not later than October 1,
13 1998, in order to assist States in administering pro-
14 grams under State plans approved under this part
15 and programs funded under part A, and for the
16 other purposes specified in this section, the Sec-
17 retary shall establish and maintain in the Federal
18 Parent Locator Service an automated registry
19 (which shall be known as the 'Federal Case Registry
20 of Child Support Orders'), which shall contain ab-
21 stracts of support orders and other information de-
22 scribed in paragraph (2) with respect to each case
23 in each State case registry maintained pursuant to
24 section 454A(e), as furnished (and regularly up-

1. dated), pursuant to section 454A(f), by State agen-
2. cies administering programs under this part.

3. “(2) CASE INFORMATION.—The information re-
4. ferred to in paragraph (1) with respect to a case
5. shall be such information as the Secretary may
6. specify in regulations (including the names, social
7. security numbers or other uniform identification
8. numbers, and State case identification numbers) to
9. identify the individuals who owe or are owed support
10. (or with respect to or on behalf of whom support
11. obligations are sought to be established), and the
12. State or States which have the case.

13. “(i) NATIONAL DIRECTORY OF NEW HIRES.—

14. “(1) IN GENERAL.—In order to assist States in
15. administering programs under State plans approved
16. under this part and programs funded under part A,
17. and for the other purposes specified in this section,
18. the Secretary shall, not later than October 1, 1996,
19. establish and maintain in the Federal Parent Loca-
20. tor Service an automated directory to be known as
21. the National Directory of New Hires, which shall
22. contain the information supplied pursuant to section
23. 453A(f)(2).

24. “(2) ADMINISTRATION OF FEDERAL TAX
25. LAWS.—The Secretary of the Treasury shall have

1 access to the information in the Federal Directory of
2 New Hires for purposes of administering section 32
3 of the Internal Revenue Code of 1986, or the ad-
4 vance payment of the earned income tax credit
5 under section 3507 of such Code, and verifying a
6 claim with respect to employment in a tax return.

7 “(j) INFORMATION COMPARISONS AND OTHER DIS-
8 CLOSURES.—

9 “(1) VERIFICATION BY SOCIAL SECURITY AD-
10 MINISTRATION.—

11 “(A) The Secretary shall transmit informa-
12 tion on individuals and employers maintained
13 under this section to the Social Security Admin-
14 istration to the extent necessary for verification
15 in accordance with subparagraph (B).

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

21 “(i) The name, social security num-
22 ber, and birth date of each such individual.

23 “(ii) The employer identification num-
24 ber of each such employer.

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

6 “(A) compare information in the National
7 Directory of New Hires against information in
8 the support order abstracts in the Federal Case
9 Registry of Child Support Orders not less often
10 than every 2 business days; and

11 “(B) within 2 such days after such a com-
12 parison reveals a match with respect to an indi-
13 vidual, report the information to the State
14 agency responsible for the case.

15 “(3) INFORMATION COMPARISONS AND DISCLO-
16 SURES OF INFORMATION IN ALL REGISTRIES FOR
17 TITLE IV PROGRAM PURPOSES.—To the extent and
18 with the frequency that the Secretary determines to
19 be effective in assisting States to carry out their re-
20 sponsibilities under programs operated under this
21 part and programs funded under part A, the Sec-
22 retary shall—

23 “(A) compare the information in each com-
24 ponent of the Federal Parent Locator Service
25 maintained under this section against the infor-

1 mation in each other such component (other
2 than the comparison required by paragraph
3 (2)), and report instances in which such a com-
4 parison reveals a match with respect to an indi-
5 vidual to State agencies operating such pro-
6 grams; and

7 “(B) disclose information in such registries
8 to such State agencies.

9 “(4) PROVISION OF NEW HIRE INFORMATION
10 TO THE SOCIAL SECURITY ADMINISTRATION.—The
11 National Directory of New Hires shall provide the
12 Commissioner of Social Security with all information
13 in the National Directory, which shall be used to de-
14 termine the accuracy of payments under the supple-
15 mental security income program under title XVI and
16 in connection with benefits under title II.

17 “(5) RESEARCH.—The Secretary may provide
18 access to information reported by employers pursu-
19 ant to section 453A(b) for research purposes found
20 by the Secretary to be likely to contribute to achiev-
21 ing the purposes of part A or this part, but without
22 personal identifiers.

23 “(k) FEES.—

24 “(1) FOR SSA VERIFICATION.—The Secretary
25 shall reimburse the Commissioner of Social Security,

1 at a rate negotiated between the Secretary and the
2 Commissioner, for the costs incurred by the Com-
3 missioner in performing the verification services de-
4 scribed in subsection (j).

5 “(2) FOR INFORMATION FROM STATE DIREC-
6 TORIES OF NEW HIRES.—The Secretary shall reim-
7 burse costs incurred by State directories of new
8 hires in furnishing information as required by sub-
9 section (j)(3), at rates which the Secretary deter-
10 mines to be reasonable (which rates shall not include
11 payment for the costs of obtaining, compiling, or
12 maintaining such information).

13 “(3) FOR INFORMATION FURNISHED TO STATE
14 AND FEDERAL AGENCIES.—A State or Federal agen-
15 cy that receives information from the Secretary pur-
16 suant to this section shall reimburse the Secretary
17 for costs incurred by the Secretary in furnishing the
18 information, at rates which the Secretary determines
19 to be reasonable (which rates shall include payment
20 for the costs of obtaining, verifying, maintaining,
21 and comparing the information).

22 “(1) RESTRICTION ON DISCLOSURE AND USE.—In-
23 formation in the Federal Parent Locator Service, and in-
24 formation resulting from comparisons using such informa-
25 tion, shall not be used or disclosed except as expressly pro-

1 vided in this section, subject to section 6103 of the Inter-
2 nal Revenue Code of 1986.

3 “(m) INFORMATION INTEGRITY AND SECURITY.—
4 The Secretary shall establish and implement safeguards
5 with respect to the entities established under this section
6 designed to—

7 “(1) ensure the accuracy and completeness of
8 information in the Federal Parent Locator Service;
9 and

10 “(2) restrict access to confidential information
11 in the Federal Parent Locator Service to authorized
12 persons, and restrict use of such information to au-
13 thorized purposes.”

14 (f) CONFORMING AMENDMENTS.—

15 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
16 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
17 654(8)(B)) is amended to read as follows:

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

20 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
21 Section 3304(a)(16) of the Internal Revenue Code of
22 1986 is amended—

23 (A) by striking “Secretary of Health, Edu-
24 cation, and Welfare” each place such term ap-

1 pears and inserting "Secretary of Health and
2 Human Services";

3 (B) in subparagraph (B), by striking
4 "such information" and all that follows and in-
5 serting "information furnished under subpara-
6 graph (A) or (B) is used only for the purposes
7 authorized under such subparagraph;";

8 (C) by striking "and" at the end of sub-
9 paragraph (A);

10 (D) by redesignating subparagraph (B) as
11 subparagraph (C); and

12 (E) by inserting after subparagraph (A)
13 the following new subparagraph:

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

22 (3) TO STATE GRANT PROGRAM UNDER TITLE
23 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
24 (42 U.S.C. 503(a)) is amended—

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

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

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

7 (D) by adding after paragraph (10) the
8 following:

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

16 **SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY**

17 **NUMBERS FOR USE IN CHILD SUPPORT EN-**

18 **FORCEMENT.**

19 (a) **STATE LAW REQUIREMENT.**—Section 466(a) (42
20 U.S.C. 666(a)), as amended by section 715 of this Act,
21 is amended by adding at the end the following:

22 "(13) **RECORDING OF SOCIAL SECURITY NUM-**
23 **BERS IN CERTAIN FAMILY MATTERS.**—Procedures
24 requiring that the social security number of—

1 “(A) any applicant for a professional li-
2 cense, commercial driver’s license, occupational
3 license, or marriage license be recorded on the
4 application; and

5 “(B) any individual who is subject to a di-
6 vorce decree, support order, or paternity deter-
7 mination or acknowledgment be placed in the
8 records relating to the matter.”.

9 (b) CONFORMING AMENDMENTS.—Section
10 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
11 section 321(a)(9) of the Social Security Independence and
12 Program Improvements Act of 1994, is amended—

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

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

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

25 (4) by adding at the end the following:

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

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

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

3 **SEC. 731. ADOPTION OF UNIFORM STATE LAWS.**

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

6 “(f) **UNIFORM INTERSTATE FAMILY SUPPORT**
7 **ACT.—**

8 “(1) **ENACTMENT AND USE.—**In order to sat-
9 isfy section 454(20)(A) on or after January 1, 1997,
10 each State must have in effect the Uniform Inter-
11 state Family Support Act, as approved by the Na-
12 tional Conference of Commissioners on Uniform
13 State Laws in August 1992 (with the modifications
14 and additions specified in this subsection), and the
15 procedures required to implement such Act.

16 “(2) **EXPANDED APPLICATION.—**The State law
17 enacted pursuant to paragraph (1) shall be applied
18 to any case involving an order which is established
19 or modified in a State and which is sought to be
20 modified or enforced in another State.

21 “(3) **JURISDICTION TO MODIFY ORDERS.—**The
22 State law enacted pursuant to paragraph (1) of this
23 subsection shall contain the following provision in
24 lieu of section 611(a)(1) of the Uniform Interstate
25 Family Support Act:

1 “(1) the following requirements are met:

2 “(i) the child, the individual obligee, and
3 the obligor—

4 “(I) do not reside in the issuing
5 State; and

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

9 “(ii) (in any case where another State is
10 exercising or seeks to exercise jurisdiction to
11 modify the order) the conditions of section 204
12 are met to the same extent as required for pro-
13 ceedings to establish orders; or’.

14 “(4) SERVICE OF PROCESS.—The State law en-
15 acted pursuant to paragraph (1) shall provide that,
16 in any proceeding subject to the law, process may be
17 served (and proved) upon persons in the State by
18 any means acceptable in any State which is the initi-
19 ating or responding State in the proceeding.”.

20 **SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT**
21 **FOR CHILD SUPPORT ORDERS.**

22 Section 1738B of title 28, United States Code, is
23 amended—

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

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

3 " 'child's home State' means the State in which
4 a child lived with a parent or a person acting as par-
5 ent for at least six consecutive months immediately
6 preceding the time of filing of a petition or com-
7 parable pleading for support and, if a child is less
8 than six months old, the State in which the child
9 lived from birth with any of them. A period of tem-
10 porary absence of any of them is counted as part of
11 the six-month period.";

12 (3) in subsection (c), by inserting "by a court
13 of a State" before "is made";

14 (4) in subsection (c)(1), by inserting "and sub-
15 sections (e), (f), and (g)" after "located";

16 (5) in subsection (d)—

17 (A) by inserting "individual" before "con-
18 testant"; and

19 (B) by striking "subsection (e)" and in-
20 serting "subsections (e) and (f)";

21 (6) in subsection (e), by striking "make a modi-
22 fication of a child support order with respect to a
23 child that is made" and inserting "modify a child
24 support order issued";

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

3 (8) in subsection (e)(2)—

4 (A) by inserting "individual" before "con-
5 testant" each place such term appears; and

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

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

13 (10) by inserting after subsection (e) the follow-
14 ing:

15 "(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

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

21 "(1) If only one court has issued a child sup-
22 port order, the order of that court must be recog-
23 nized.

24 "(2) If two or more courts have issued child
25 support orders for the same obligor and child, and

1 only one of the courts would have continuing, exclu-
 2 sive jurisdiction under this section, the order of that
 3 court must be recognized.

4 “(3) If two or more courts have issued child
 5 support orders for the same obligor and child, and
 6 only one of the courts would have continuing, exclu-
 7 sive jurisdiction under this section, an order issued
 8 by a court in the current home State of the child
 9 must be recognized, but if an order has not been is-
 10 sued in the current home State of the child, the
 11 order most recently issued must be recognized.

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

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

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

21 (A) by striking “PRIOR” and inserting
 22 “MODIFIED”; and

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

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

1 (A) in paragraph (2), by inserting "includ-
2 ing the duration of current payments and other
3 obligations of support" before the comma; and

4 (B) in paragraph (3), by inserting "arrear
5 under" after "enforce"; and

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

7 "(i) **REGISTRATION FOR MODIFICATION.**—If there is
8 no individual contestant or child residing in the issuing
9 State, the party or support enforcement agency seeking
10 to modify, or to modify and enforce, a child support order
11 issued in another State shall register that order in a State
12 with jurisdiction over the nonmovant for the purpose of
13 modification."

14 **SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
15 **CASES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 sections 715 and 717(a) of this Act, is amended by adding
18 at the end the following:

19 "(14) **ADMINISTRATIVE ENFORCEMENT IN**
20 **INTERSTATE CASES.**—Procedures under which—

21 "(A)(i) the State shall respond within 5
22 business days to a request made by another
23 State to enforce a support order; and

1 “(ii) the term ‘business day’ means a day
2 on which State offices are open for regular
3 business;

4 “(B) the State may, by electronic or other
5 means, transmit to another State a request for
6 assistance in a case involving the enforcement
7 of a support order, which request—

8 “(i) shall include such information as
9 will enable the State to which the request
10 is transmitted to compare the information
11 about the case to the information in the
12 data bases of the State;

13 “(ii) shall constitute a certification by
14 the requesting State—

15 “(I) of the amount of support
16 under the order the payment of which
17 is in arrears; and

18 “(II) that the requesting State
19 has complied with all procedural due
20 process requirements applicable to the
21 case.

22 “(C) if the State provides assistance to an-
23 other State pursuant to this paragraph with re-
24 spect to a case, neither State shall consider the

1 case to be transferred to the caseload of such
2 other State; and

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

4 “(i) the number of such requests for
5 assistance received by the State;

6 “(ii) the number of cases for which
7 the State collected support in response to
8 such a request; and

9 “(iii) the amount of such collected
10 support.”.

11 **SEC. 794. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

12 (a) **PROMULGATION.**—Section 452(a) (42 U.S.C.
13 652(a)) is amended—

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

15 (9);

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

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

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

21 “(A) collection of child support through in-
22 come withholding;

23 “(B) imposition of liens; and

24 “(C) administrative subpoenas.”.

1 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
2 654(9)) is amended—

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

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

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

8 “(E) no later than October 1, 1996, in
9 using the forms promulgated pursuant to sec-
10 tion 452(a)(11) for income withholding, imposi-
11 tion of liens, and issuance of administrative
12 subpoenas in interstate child support cases;”.

13 **SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCE-**
14 **DURES.**

15 (a) STATE LAW REQUIREMENTS.—Section 466 (42
16 U.S.C. 666), as amended by section 714 of this Act, is
17 amended—

18 (1) in subsection (a)(2), by striking the 1st sen-
19 tence and inserting the following: “Expedited admin-
20 istrative and judicial procedures (including the pro-
21 cedures specified in subsection (c)) for establishing
22 paternity and for establishing, modifying, and en-
23 forcing support obligations.”; and

24 (2) by inserting after subsection (b) the follow-
25 ing:

1 “(c) EXPEDITED PROCEDURES.—The procedures
2 specified in this subsection are the following:

3 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
4 CY.—Procedures which give the State agency the au-
5 thority to take the following actions relating to es-
6 tablishment or enforcement of support orders, with-
7 out the necessity of obtaining an order from any
8 other judicial or administrative tribunal (but subject
9 to due process safeguards, including (as appropriate)
10 requirements for notice, opportunity to contest the
11 action, and opportunity for an appeal on the record
12 to an independent administrative or judicial tribu-
13 nal), and to recognize and enforce the authority of
14 State agencies of other States) to take the following
15 actions:

16 “(A) GENETIC TESTING.—To order genetic
17 testing for the purpose of paternity establish-
18 ment as provided in section 466(a)(5).

19 “(B) DEFAULT ORDERS.—To enter a de-
20 fault order, upon a showing of service of proc-
21 ess and any additional showing required by
22 State law—

23 “(i) establishing paternity, in the case
24 of a putative father who refuses to submit
25 to genetic testing; and

1 “(ii) establishing or modifying a sup-
2 port obligation, in the case of a parent (or
3 other obligor or obligee) who fails to re-
4 spond to notice to appear at a proceeding
5 for such purpose.

6 “(C) SUBPOENAS.—To subpoena any fi-
7 nancial or other information needed to estab-
8 lish, modify, or enforce a support order, and to
9 impose penalties for failure to respond to such
10 a subpoena.

11 “(D) ACCESS TO PERSONAL AND FINAN-
12 CIAL INFORMATION.—To obtain access, subject
13 to safeguards on privacy and information secu-
14 rity, to the records of all other State and local
15 government agencies (including law enforcement
16 and corrections records), including automated
17 access to records maintained in automated data
18 bases.

19 “(E) CHANGE IN PAYEE.—In cases where
20 support is subject to an assignment in order to
21 comply with a requirement imposed pursuant to
22 part A or section 1912, or to a requirement to
23 pay through the State disbursement unit estab-
24 lished pursuant to section 454B, upon provid-
25 ing notice to obligor and obligee, to direct the

1 obligor or other payor to change the payee to
2 the appropriate government entity.

3 “(F) INCOME WITHHOLDING.—To order
4 income withholding in accordance with sub-
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in
7 which there is a support arrearage, to secure
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or
10 lump sum payments from—

11 “(I) a State or local agency (in-
12 cluding unemployment compensation,
13 workers' compensation, and other ben-
14 efits); and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;
19 and

20 “(iii) attaching public and private re-
21 tirement funds.

22 “(H) INCREASE MONTHLY PAYMENTS.—
23 For the purpose of securing overdue support, to
24 increase the amount of monthly support pay-
25 ments to include amounts for arrearages (sub-

1 ject to such conditions or limitations as the
2 State may provide).

3 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

4 The expedited procedures required under subsection
5 (a)(2) shall include the following rules and author-
6 ity, applicable with respect to all proceedings to es-
7 tablish paternity or to establish, modify, or enforce
8 support orders:

9 “(A) LOCATOR INFORMATION; PRESUMP-
10 TIONS CONCERNING NOTICE.—Procedures
11 under which—

12 “(i) each party to any paternity or
13 child support proceeding is required (sub-
14 ject to privacy safeguards) to file with the
15 tribunal and the State case registry upon
16 entry of an order, and to update as appro-
17 priate, information on location and identity
18 of the party (including social security num-
19 ber, residential and mailing addresses, tele-
20 phone number, driver’s license number,
21 and name, address, and name and tele-
22 phone number of employer); and

23 “(ii) in any subsequent child support
24 enforcement action between the parties,
25 upon sufficient showing that diligent effort

1 has been made to ascertain the location of
2 such a party, the tribunal may deem State
3 due process requirements for notice and
4 service of process to be met with respect to
5 the party, upon delivery of written notice
6 to the most recent residential or employer
7 address filed with the tribunal pursuant to
8 clause (i).

9 "(B) STATEWIDE JURISDICTION.—Proce-
10 dures under which—

11 "(i) the State agency and any admin-
12 istrative or judicial tribunal with authority
13 to hear child support and paternity cases
14 exerts statewide jurisdiction over the par-
15 ties; and

16 "(ii) in a State in which orders are is-
17 sued by courts or administrative tribunals,
18 a case may be transferred between admin-
19 istrative areas in the State without need
20 for any additional filing by the petitioner,
21 or service of process upon the respondent,
22 to retain jurisdiction over the parties."

23 (b) EXCEPTIONS FROM STATE LAW REQUIRE-
24 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is amend-
25 ed—

1 (1) by striking "(d) If" and inserting the fol-
 2 lowing:

3 "(d) EXEMPTIONS FROM REQUIREMENTS.—

4 "(1) IN GENERAL.—Subject to paragraph (2),
 5 if"; and

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

7 "(2) NON-EXEMPT REQUIREMENTS.—The Sec-
 8 retary shall not grant an exemption from the re-
 9 quirements of—

10 "(A) subsection (a)(5) (concerning proce-
 11 dures for paternity establishment);

12 "(B) subsection (a)(10) (concerning modi-
 13 fication of orders);

14 "(C) section 454A (concerning recording of
 15 orders in the State case registry);

16 "(D) subsection (a)(13) (concerning re-
 17 cording of social security numbers);

18 "(E) subsection (a)(14) (concerning inter-
 19 state enforcement); or

20 "(F) subsection (c) (concerning expedited
 21 procedures), other than paragraph (1)(A) there-
 22 of (concerning establishment or modification of
 23 support amount)."

24 (c) AUTOMATION OF STATE AGENCY FUNCTIONS.—

25 Section 454A, as added by section 745(a)(2) of this Act

1 and as amended by sections 711 and 712(c) of this Act,
2 is amended by adding at the end the following:

3 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
4 The automated system required by this section shall be
5 used, to the maximum extent feasible, to implement the
6 expedited administrative procedures required by section
7 466(c).”.

8 **Subtitle D—Paternity**
9 **Establishment**

10 **SEC. 731. STATE LAWS CONCERNING PATERNITY ESTAB-**
11 **LISHMENT.**

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

14 “(5) PROCEDURES CONCERNING PATERNITY ES-

15 TABLISHMENT.—

16 “(A) ESTABLISHMENT PROCESS AVAIL-

17 ABLE FROM BIRTH UNTIL AGE 18.—

18 “(i) Procedures which permit the es-

19 tablishment of the paternity of a child at

20 any time before the child attains 18 years

21 of age.

22 “(ii) As of August 16, 1984, clause (i)

23 shall also apply to a child for whom pater-

24 nity has not been established or for whom

25 a paternity action was brought but dis-

1 missed because a statute of limitations of
2 less than 18 years was then in effect in the
3 State.

4 "(B) PROCEDURES CONCERNING GENETIC
5 TESTING.—

6 "(i) GENETIC TESTING REQUIRED IN
7 CERTAIN CONTESTED CASES.—Procedures
8 under which the State is required, in a
9 contested paternity case, to require the
10 child and all other parties (other than indi-
11 viduals found under section 454(28) to
12 have good cause for refusing to cooperate)
13 to submit to genetic tests upon the request
14 of any such party if the request is sup-
15 ported by a sworn statement by the
16 party—

17 "(I) alleging paternity, and set-
18 ting forth facts establishing a reason-
19 able possibility of the requisite sexual
20 contact between the parties; or

21 "(II) denying paternity, and set-
22 ting forth facts establishing a reason-
23 able possibility of the nonexistence of
24 sexual contact between the parties.

1. “(ii) OTHER REQUIREMENTS.—Proce-
2 dures which require the State agency, in
3 any case in which the agency orders ge-
4 netic testing—

5 “(I) to pay costs of such tests,
6 subject to recoupment (where the
7 State so elects) from the alleged fa-
8 ther if paternity is established; and

9 “(II) to obtain additional testing
10 in any case where an original test re-
11 sult is contested, upon request and
12 advance payment by the contestant.

13 “(C) VOLUNTARY PATERNITY ACKNOWLEDG-
14 EDGMENT.—

15 “(i) SIMPLE CIVIL PROCESS.—Proce-
16 dures for a simple civil process for volun-
17 tarily acknowledging paternity under which
18 the State must provide that, before a
19 mother and a putative father can sign an
20 acknowledgment of paternity, the mother
21 and the putative father must be given no-
22 tice, orally, in writing, and in a language
23 that each can understand, of the alter-
24 natives to, the legal consequences of, and
25 the rights (including, if 1 parent is a

1 minor, any rights afforded due to minority
2 status) and responsibilities that arise from,
3 signing the acknowledgment.

4 “(ii) HOSPITAL-BASED PROGRAM.—

5 Such procedures must include a hospital-
6 based program for the voluntary acknowl-
7 edgment of paternity focusing on the pe-
8 riod immediately before or after the birth
9 of a child.

10 “(iii) PATERNITY ESTABLISHMENT
11 SERVICES.—

12 “(I) STATE-OFFERED SERV-
13 ICES.—Such procedures must require
14 the State agency responsible for main-
15 taining birth records to offer vol-
16 untary paternity establishment serv-
17 ices.

18 “(II) REGULATIONS.—

19 “(aa) SERVICES OFFERED
20 BY HOSPITALS AND BIRTH
21 RECORD AGENCIES.—The Sec-
22 retary shall prescribe regulations
23 governing voluntary paternity es-
24 tablishment services offered by

1 hospitals and birth record agen-
2 cies.

3 “(bb) SERVICES OFFERED
4 BY OTHER ENTITIES.—The Sec-
5 retary shall prescribe regulations
6 specifying the types of other enti-
7 ties that may offer voluntary pa-
8 ternity establishment services,
9 and governing the provision of
10 such services, which shall include
11 a requirement that such an entity
12 must use the same notice provi-
13 sions used by, use the same ma-
14 terials used by, provide the per-
15 sonnel providing such services
16 with the same training provided
17 by, and evaluate the provision of
18 such services in the same manner
19 as the provision of such services
20 is evaluated by, voluntary pater-
21 nity establishment programs of
22 hospitals and birth record agen-
23 cies.

24 “(iv) USE OF FEDERAL PATERNITY
25 ACKNOWLEDGMENT AFFIDAVIT.—Such

1 procedures must require the State and
2 those required to establish paternity to use
3 only the affidavit developed under section
4 452(a)(7) for the voluntary acknowledg-
5 ment of paternity, and to give full faith
6 and credit to such an affidavit signed in
7 any other State.

8 “(D) STATUS OF SIGNED PATERNITY AC-
9 KNOWLEDGMENT.—

10 “(i) LEGAL FINDING OF PATER-
11 NITY.—Procedures under which a signed
12 acknowledgment of paternity is considered
13 a legal finding of paternity, subject to the
14 right of any signatory to rescind the ac-
15 knowledgment within 60 days.

16 “(ii) CONTEST.—Procedures under
17 which, after the 60-day period referred to
18 in clause (i), a signed acknowledgment of
19 paternity may be challenged in court only
20 on the basis of fraud, duress, or material
21 mistake of fact, with the burden of proof
22 upon the challenger, and under which the
23 legal responsibilities (including child sup-
24 port obligations) of any signatory arising
25 from the acknowledgment may not be sus-

1 pended during the challenge, except for
2 good cause shown.

3 “(iii) RESCISSION.—Procedures under
4 which, after the 60-day period referred to
5 in clause (i), a minor who has signed an
6 acknowledgment of paternity other than in
7 the presence of a parent or court-appointed
8 guardian ad litem may rescind the ac-
9 knowledgment in a judicial or administra-
10 tive proceeding, until the earlier of—

11 “(I) attaining the age of major-
12 ity; or

13 “(II) the date of the first judicial
14 or administrative proceeding brought
15 (after the signing) to establish a child
16 support obligation, visitation rights, or
17 custody rights with respect to the
18 child whose paternity is the subject of
19 the acknowledgment, and at which the
20 minor is represented by a parent or
21 guardian ad litem, or an attorney.

22 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
23 CATION PROCEEDINGS.—Procedures under
24 which judicial or administrative proceedings are

1 not required or permitted to ratify an unchal-
2 lenged acknowledgment of paternity.

3 "(F) ADMISSIBILITY OF GENETIC TESTING
4 RESULTS.—Procedures—

5 "(i) requiring the admission into evi-
6 dence, for purposes of establishing pater-
7 nity, of the results of any genetic test that
8 is—

9 "(I) of a type generally acknowl-
10 edged as reliable by accreditation bod-
11 ies designated by the Secretary; and

12 "(II) performed by a laboratory
13 approved by such an accreditation
14 body;

15 "(ii) requiring an objection to genetic
16 testing results to be made in writing not
17 later than a specified number of days be-
18 fore any hearing at which the results may
19 be introduced into evidence (or, at State
20 option, not later than a specified number
21 of days after receipt of the results); and

22 "(iii) making the test results admissi-
23 ble as evidence of paternity without the
24 need for foundation testimony or other

1 proof of authenticity or accuracy, unless
2 objection is made.

3 "(G) PRESUMPTION OF PATERNITY IN
4 CERTAIN CASES.—Procedures which create a re-
5 buttable or, at the option of the State, conclu-
6 sive presumption of paternity upon genetic test-
7 ing results indicating a threshold probability
8 that the alleged father is the father of the child.

9 "(H) DEFAULT ORDERS.—Procedures re-
10 quiring a default order to be entered in a pater-
11 nity case upon a showing of service of process
12 on the defendant and any additional showing
13 required by State law.

14 "(I) NO RIGHT TO JURY TRIAL.—Proce-
15 dures providing that the parties to an action to
16 establish paternity are not entitled to a trial by
17 jury.

18 "(J) TEMPORARY SUPPORT ORDER BASED
19 ON PROBABLE PATERNITY IN CONTESTED
20 CASES.—Procedures which require that a tem-
21 porary order be issued, upon motion by a party,
22 requiring the provision of child support pending
23 an administrative or judicial determination of
24 parentage, where there is clear and convincing

1 evidence of paternity (on the basis of genetic
2 tests or other evidence).

3 “(K) PROOF OF CERTAIN SUPPORT AND
4 PATERNITY ESTABLISHMENT COSTS.—Proce-
5 dures under which bills for pregnancy, child-
6 birth, and genetic testing are admissible as evi-
7 dence without requiring third-party foundation
8 testimony, and shall constitute prima facie evi-
9 dence of amounts incurred for such services or
10 for testing on behalf of the child.

11 “(L) STANDING OF PUTATIVE FATHERS.—
12 Procedures ensuring that the putative father
13 has a reasonable opportunity to initiate a pater-
14 nity action.

15 “(M) FILING OF ACKNOWLEDGMENTS AND
16 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
17 RECORDS.—Procedures under which voluntary
18 acknowledgments and adjudications of paternity
19 by judicial or administrative processes are filed
20 with the State registry of birth records for com-
21 parison with information in the State case reg-
22 istry.”.

23 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
24 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
25 amended by inserting “, and develop an affidavit to be

1 used for the voluntary acknowledgment of paternity which
2 shall include the social security number of each parent"
3 before the semicolon.

4 (c) **TECHNICAL AMENDMENT.**—Section 468 (42
5 U.S.C. 668) is amended by striking "a simple civil process
6 for voluntarily acknowledging paternity and".

7 **SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
8 **LISHMENT.**

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

14 **SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPI-**
15 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

16 Section 454 (42 U.S.C. 654), as amended by sections
17 703(a), 712(a), and 713(a) of this Act, is amended—

18 (1) by striking "and" at the end of paragraph
19 (26);

20 (2) by striking the period at the end of para-
21 graph (27) and inserting "; and"; and

22 (3) by inserting after paragraph (27) the fol-
23 lowing:

24 "(28) provide that the State agency responsible
25 for administering the State plan—

1 “(A) shall require each individual who has
2 applied for or is receiving assistance under the
3 State program funded under part A to cooper-
4 ate with the State in establishing the paternity
5 of, and in establishing, modifying, or enforcing
6 a support order for, any child of the individual
7 by providing the State agency with the name of,
8 and such other information as the State agency
9 may require with respect to, the father of the
10 child, subject to such good cause and other ex-
11 ceptions as the State may establish; and

12 “(B) may require the individual and the
13 child to submit to genetic tests.”.

14 **Subtitle E—Program**
15 **Administration and Funding**

16 **SEC. 741. FEDERAL MATCHING PAYMENTS.**

17 (a) **INCREASED BASE MATCHING RATE.**—Section
18 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
19 follows:

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

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

1 (1) in subsection (a)(1), in the matter preced-
2 ing subparagraph (A), by striking "From" and in-
3 serting "Subject to subsection (c), from"; and

4 (2) by inserting after subsection (b) the follow-
5 ing:

6 "(c) MAINTENANCE OF EFFORT.—Notwithstanding
7 subsection (a), the total expenditures under the State plan
8 approved under this part for fiscal year 1997 and each
9 succeeding fiscal year, reduced by the percentage specified
10 in paragraph (2) for the fiscal year shall not be less than
11 such total expenditures for fiscal year 1996, reduced by
12 66 percent."

13 **SEC. 742. PERFORMANCE-BASED INCENTIVES AND PEN-**
14 **ALTIES.**

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

18 **"SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

19 "(a) INCENTIVE ADJUSTMENTS.—

20 "(1) IN GENERAL.—Beginning with fiscal year
21 1999, the Secretary shall increase the percent speci-
22 fied in section 455(a)(2) that applies to payments to
23 a State under section 455(a)(1)(A) for each quarter
24 in a fiscal year by a factor reflecting the sum of the
25 applicable incentive adjustments (if any) determined

1 in accordance with regulations under this section
2 with respect to the paternity establishment percent-
3 age of the State for the immediately preceding fiscal
4 year and with respect to overall performance of the
5 State in child support enforcement during such pre-
6 ceding fiscal year.

7 "(2) STANDARDS.—

8 "(A) IN GENERAL.—The Secretary shall
9 specify in regulations—

10 "(i) the levels of accomplishment, and
11 rates of improvement as alternatives to
12 such levels, which a State must attain to
13 qualify for an incentive adjustment under
14 this section; and

15 "(ii) the amounts of incentive adjust-
16 ment that shall be awarded to a State that
17 achieves specified accomplishment or im-
18 provement levels, which amounts shall be
19 graduated, ranging up to—

20 "(I) 12 percentage points, in con-
21 nection with paternity establishment;
22 and

23 "(II) 12 percentage points, in
24 connection with overall performance in
25 child support enforcement.

1 “(B) LIMITATION.—In setting performance
2 standards pursuant to subparagraph (A)(i) and
3 adjustment amounts pursuant to subparagraph
4 (A)(ii), the Secretary shall ensure that the ag-
5 gregate number of percentage point increases as
6 incentive adjustments to all States do not ex-
7 ceed such aggregate increases as assumed by
8 the Secretary in estimates of the cost of this
9 section as of June 1994, unless the aggregate
10 performance of all States exceeds the projected
11 aggregate performance of all States in such cost
12 estimates.

13 “(3) DETERMINATION OF INCENTIVE ADJUST-
14 MENT.—The Secretary shall determine the amount
15 (if any) of the incentive adjustment due each State
16 on the basis of the data submitted by the State pur-
17 suant to section 454(15)(B) concerning the levels of
18 accomplishment (and rates of improvement) with re-
19 spect to performance indicators specified by the Sec-
20 retary pursuant to this section.

21 “(4) RECYCLING OF INCENTIVE ADJUST-
22 MENT.—A State to which funds are paid by the
23 Federal Government as a result of an incentive ad-
24 justment under this section shall expend the funds

1 in the State program under this part within 2 years
2 after the date of the payment.

3 "(b) DEFINITIONS.—As used in this section:

4 "(1) PATERNITY ESTABLISHMENT PERCENT-
5 AGE.—The term 'paternity establishment percent-
6 age' means, with respect to a State and a fiscal
7 year—

8 "(A) the total number of children in the
9 State who were born out of wedlock, who have
10 not attained 1 year of age and for whom pater-
11 nity is established or acknowledged during the
12 fiscal year; divided by

13 "(B) the total number of children born out
14 of wedlock in the State during the fiscal year.

15 "(2) OVERALL PERFORMANCE IN CHILD SUP-
16 PORT ENFORCEMENT.—The term 'overall perform-
17 ance in child support enforcement' means a measure
18 or measures of the effectiveness of the State agency
19 in a fiscal year which takes into account factors in-
20 cluding—

21 "(A) the percentage of cases requiring a
22 support order in which such an order was es-
23 tablished;

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

1 “(C) the ratio of child support collected to
2 child support due; and

3 “(D) the cost-effectiveness of the State
4 program, as determined in accordance with
5 standards established by the Secretary in regu-
6 lations (after consultation with the States).”.

7 (b) CONFORMING AMENDMENTS.—Section 454(22)
8 (42 U.S.C. 654(22)) is amended—

9 (1) by striking “incentive payments” the 1st
10 place such term appears and inserting “incentive ad-
11 justments”; and

12 (2) by striking “any such incentive payments
13 made to the State for such period” and inserting
14 “any increases in Federal payments to the State re-
15 sulting from such incentive adjustments”.

16 (c) CALCULATION OF IV-D PATERNITY ESTABLISH-
17 MENT PERCENTAGE.—

18 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
19 amended—

20 (A) in the matter preceding subparagraph
21 (A) by inserting “its overall performance in
22 child support enforcement is satisfactory (as de-
23 fined in section 458(b) and regulations of the
24 Secretary), and” after “1994,”; and

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

3 (2) Section 452(g)(2)(A) (42 U.S.C.
4 652(g)(2)(A)) is amended in the matter preceding
5 clause (i)—

6 (A) by striking "paternity establishment
7 percentage" and inserting "IV-D paternity es-
8 tablishment percentage"; and

9 (B) by striking "(or all States, as the case
10 may be)".

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

13 (A) by striking subparagraph (A) and re-
14 designating subparagraphs (B) and (C) as sub-
15 paragraphs (A) and (B), respectively;

16 (B) in subparagraph (A) (as so redesign-
17 ated), by striking "the percentage of children
18 born out-of-wedlock in a State" and inserting
19 "the percentage of children in a State who are
20 born out of wedlock or for whom support has
21 not been established"; and

22 (C) in subparagraph (B) (as so redesign-
23 ated)—

1 (i) by inserting "and overall perform-
2 ance in child support enforcement" after
3 "paternity establishment percentages"; and

4 (ii) by inserting "and securing sup-
5 port" before the period.

6 **(d) EFFECTIVE DATES.—**

7 **(1) INCENTIVE ADJUSTMENTS.—**(A) The
8 amendments made by subsections (a) and (b) shall
9 become effective on October 1, 1997, except to the
10 extent provided in subparagraph (B).

11 **(B)** Section 458 of the Social Security Act, as
12 in effect prior to the enactment of this section, shall
13 be effective for purposes of incentive payments to
14 States for fiscal years before fiscal year 1999.

15 **(2) PENALTY REDUCTIONS.—**The amendments
16 made by subsection (c) shall become effective with
17 respect to calendar quarters beginning on and after
18 the date of the enactment of this Act.

19 **SEC. 743. FEDERAL AND STATE REVIEWS AND AUDITS.**

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

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

24 (2) by redesignating paragraph (15) as sub-
25 paragraph (B) of paragraph (14); and

1 (3) by inserting after paragraph (14) the fol-
2 lowing:

3 "(15) provide for—

4 "(A) a process for annual reviews of and
5 reports to the Secretary on the State program
6 operated under the State plan approved under
7 this part, which shall include such information
8 as may be necessary to measure State compli-
9 ance with Federal requirements for expedited
10 procedures and timely case processing, using
11 such standards and procedures as are required
12 by the Secretary, under which the State agency
13 will determine the extent to which the program
14 is operated in compliance with this part; and

15 "(B) a process of extracting from the auto-
16 mated data processing system required by para-
17 graph (16) and transmitting to the Secretary
18 data and calculations concerning the levels of
19 accomplishment (and rates of improvement)
20 with respect to applicable performance indica-
21 tors (including IV-D paternity establishment
22 percentages and overall performance in child
23 support enforcement) to the extent necessary
24 for purposes of sections 452(g) and 458."

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

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant
9 to section 454(15)(A) and, as appropriate, provide
10 to the State comments, recommendations for addi-
11 tional or alternative corrective actions, and technical
12 assistance; and

13 “(C) conduct audits, in accordance with the
14 government auditing standards of the Comptroller
15 General of the United States—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet the requirements of this part, concerning
19 performance standards and reliability of pro-
20 gram data) to assess the completeness, reliabil-
21 ity, and security of the data, and the accuracy
22 of the reporting systems, used in calculating
23 performance indicators under subsection (g) of
24 this section and section 458;

1 “(ii) of the adequacy of financial manage-
2 ment of the State program operated under the
3 State plan approved under this part, including
4 assessments of—

5 “(I) whether Federal and other funds
6 made available to carry out the State pro-
7 gram are being appropriately expended,
8 and are properly and fully accounted for;
9 and

10 “(II) whether collections and disburse-
11 ments of support payments are carried out
12 correctly and are fully accounted for; and

13 “(iii) for such other purposes as the Sec-
14 retary may find necessary;”.

15 (c) **EFFECTIVE DATE.**—The amendments made by
16 this section shall be effective with respect to calendar
17 quarters beginning 12 months or more after the date of
18 the enactment of this section.

19 **SEC. 744. REQUIRED REPORTING PROCEDURES.**

20 (a) **ESTABLISHMENT.**—Section 452(a)(5) (42 U.S.C.
21 652(a)(5)) is amended by inserting “, and establish proce-
22 dures to be followed by States for collecting and reporting
23 information required to be provided under this part, and
24 establish uniform definitions (including those necessary to
25 enable the measurement of State compliance with the re-

1 quirements of this part relating to expedited processes and
2 timely case processing) to be applied in following such pro-
3 cedures" before the semicolon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 703(a), 712(a),
6 713(a), and 733 of this Act, is amended—

7 (1) by striking "and" at the end of paragraph
8 (27);

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

11 (3) by adding after paragraph (28) the follow-
12 ing:

13 "(29) provide that the State shall use the defi-
14 nitions established under section 452(a)(5) in col-
15 lecting and reporting information as required under
16 this part."

17 **SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) Section 454(16) (42 U.S.C. 654(16)) is
20 amended—

21 (A) by striking ", at the option of the
22 State,";

23 (B) by inserting "and operation by the
24 State agency" after "for the establishment";

1 (C) by inserting "meeting the requirements
2 of section 454A" after "information retrieval
3 system";

4 (D) by striking "in the State and localities
5 thereof, so as (A)" and inserting "so as";

6 (E) by striking "(i)"; and

7 (F) by striking "(including" and all that
8 follows and inserting a semicolon.

9 (2) Part D of title IV (42 U.S.C. 651-669) is
10 amended by inserting after section 454 the follow-
11 ing:

12 **"SEC. 454A. AUTOMATED DATA PROCESSING.**

13 "(a) IN GENERAL.—In order for a State to meet the
14 requirements of this section, the State agency administer-
15 ing the State program under this part shall have in oper-
16 ation a single statewide automated data processing and
17 information retrieval system which has the capability to
18 perform the tasks specified in this section with the fre-
19 quency and in the manner required by or under this part.

20 "(b) PROGRAM MANAGEMENT.—The automated sys-
21 tem required by this section shall perform such functions
22 as the Secretary may specify relating to management of
23 the State program under this part, including—

1 “(1) controlling and accounting for use of Fed-
2 eral, State, and local funds in carrying out the pro-
3 gram; and

4 “(2) maintaining the data necessary to meet
5 Federal reporting requirements under this part on a
6 timely basis.

7 “(c) CALCULATION OF PERFORMANCE INDICA-
8 TORS.—In order to enable the Secretary to determine the
9 incentive and penalty adjustments required by sections
10 452(g) and 458, the State agency shall—

11 “(1) use the automated system—

12 “(A) to maintain the requisite data on
13 State performance with respect to paternity es-
14 tablishment and child support enforcement in
15 the State; and

16 “(B) to calculate the IV-D paternity es-
17 tablishment percentage and overall performance
18 in child support enforcement for the State for
19 each fiscal year; and

20 “(2) have in place systems controls to ensure
21 the completeness, and reliability of, and ready access
22 to, the data described in paragraph (1)(A), and the
23 accuracy of the calculations described in paragraph
24 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required by this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary may specify in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out the State
13 program under this part; and

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data.

17 “(2) SYSTEMS CONTROLS.—Systems controls
18 (such as passwords or blocking of fields) to ensure
19 strict adherence to the policies described in para-
20 graph (1).

21 “(3) MONITORING OF ACCESS.—Routine mon-
22 itoring of access to and use of the automated sys-
23 tem, through methods such as audit trails and feed-
24 back mechanisms, to guard against and promptly
25 identify unauthorized access or use.

1 “(4) TRAINING AND INFORMATION.—Proce-
2 dures to ensure that all personnel (including State
3 and local agency staff and contractors) who may
4 have access to or be required to use confidential pro-
5 gram data are informed of applicable requirements
6 and penalties (including those in section 6103 of the
7 Internal Revenue Code of 1986), and are adequately
8 trained in security procedures.

9 “(5) PENALTIES.—Administrative penalties (up
10 to and including dismissal from employment) for un-
11 authorized access to, or disclosure or use of, con-
12 fidential data.”.

13 (3) REGULATIONS.—The Secretary of Health
14 and Human Services shall prescribe final regulations
15 for implementation of section 454A of the Social Se-
16 curity Act not later than 2 years after the date of
17 the enactment of this Act.

18 (4) IMPLEMENTATION TIMETABLE.—Section
19 454(24) (42 U.S.C. 654(24)), as amended by sec-
20 tions 703(a)(2) and 712(a)(1) of this Act, is amend-
21 ed to read as follows:

22 “(24) provide that the State will have in effect
23 an automated data processing and information re-
24 trieval system—

1 “(A) by October 1, 1995, which meets all
2 requirements of this part which were enacted on
3 or before the date of enactment of the Family
4 Support Act of 1988; and

5 “(B) by October 1, 1999, which meets all
6 requirements of this part enacted on or before
7 the date of the enactment of the Personal Re-
8 sponsibility Act of 1995, except that such dead-
9 line shall be extended by 1 day for each day (if
10 any) by which the Secretary fails to meet the
11 deadline imposed by section 745(a)(3) of the
12 Personal Responsibility Act of 1995.”.

13 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

15 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
16 655(a)) is amended—

17 (A) in paragraph (1)(B)—

18 (i) by striking “90 percent” and in-
19 serting “the percent specified in paragraph
20 (3)”;

21 (ii) by striking “so much of”; and

22 (iii) by striking “which the Secretary”
23 and all that follows and inserting “, and”;
24 and

25 (B) by adding at the end the following:

1 “(3)(A) The Secretary shall pay to each State, for
2 each quarter in fiscal year 1996, 90 percent of so much
3 of the State expenditures described in paragraph (1)(B)
4 as the Secretary finds are for a system meeting the re-
5 quirements specified in section 454(16).

6 “(B)(i) The Secretary shall pay to each State, for
7 each quarter in fiscal years 1997 through 2001, the per-
8 centage specified in clause (ii) of so much of the State
9 expenditures described in paragraph (1)(B) as the Sec-
10 retary finds are for a system meeting the requirements
11 of sections 454(16) and 454A.

12 “(ii) The percentage specified in this clause is the
13 greater of—

14 “(I) 80 percent; or

15 “(II) the percentage otherwise applicable to
16 Federal payments to the State under subparagraph
17 (A) (as adjusted pursuant to section 458).”

18 (2) TEMPORARY LIMITATION ON PAYMENTS
19 UNDER SPECIAL FEDERAL MATCHING RATE.—

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

1 (B) ALLOCATION OF LIMITATION AMONG
2 STATES.—The total amount payable to a State
3 under section 455(a)(3) of such Act for fiscal
4 years 1996, 1997, 1998, 1999, and 2000 shall
5 not exceed the limitation determined for the
6 State by the Secretary of Health and Human
7 Services in regulations.

8 (C) ALLOCATION FORMULA.—The regula-
9 tions referred to in subparagraph (B) shall pre-
10 scribe a formula for allocating the amount spec-
11 ified in subparagraph (A) among States with
12 plans approved under part D of title IV of the
13 Social Security Act, which shall take into ac-
14 count—

15 (i) the relative size of State caseloads
16 under such part; and

17 (ii) the level of automation needed to
18 meet the automated data processing re-
19 quirements of such part.

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

23 **SEC. 748. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
3 ing at the end the following:

4 “(j) Out of any money in the Treasury of the United
5 States not otherwise appropriated, there is hereby appro-
6 priated to the Secretary for each fiscal year an amount
7 equal to 1 percent of the total amount paid to the Federal
8 Government pursuant to section 457(a) during the imme-
9 diately preceding fiscal year (as determined on the basis
10 of the most recent reliable data available to the Secretary
11 as of the end of the 3rd calendar quarter following the
12 end of such preceding fiscal year), to cover costs incurred
13 by the Secretary for—

14 “(1) information dissemination and technical
15 assistance to States, training of State and Federal
16 staff, staffing studies, and related activities needed
17 to improve programs under this part (including tech-
18 nical assistance concerning State automated systems
19 required by this part); and

20 “(2) research, demonstration, and special
21 projects of regional or national significance relating
22 to the operation of State programs under this
23 part.”

24 (b) OPERATION OF FEDERAL PARENT LOCATOR
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 716(e) of this Act, is amended by adding at the
2 -end the following:

3 “(n) Out of any money in the Treasury of the United
4 States not otherwise appropriated, there is hereby appro-
5 priated to the Secretary for each fiscal year an amount
6 equal to 2 percent of the total amount paid to the Federal
7 Government pursuant to section 457(a) during the imme-
8 diately preceding fiscal year (as determined on the basis
9 of the most recent reliable data available to the Secretary
10 as of the end of the 3rd calendar quarter following the
11 end of such preceding fiscal year), to cover costs incurred
12 by the Secretary for operation of the Federal Parent Loca-
13 tor Service under this section, to the extent such costs are
14 not recovered through user fees.”.

15 **SEC. 747. REPORTS AND DATA COLLECTION BY THE SEC-**
16 **RETARY.**

17 (a) **ANNUAL REPORT TO CONGRESS.—**

18 (1) Section 452(a)(10)(A) (42 U.S.C.
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting
21 “this part, including—”; and

22 (B) by adding at the end the following:

23 “(i) the total amount of child support
24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 "(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 "(iii) the number of cases involving
7 families—

8 "(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 "(II) with respect to whom a
13 child support payment was received in
14 the month;"

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

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

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

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

1 (iii) by inserting "or 1912" after
2 "471(a)(17)"; and

3 (iv) by inserting "(2)" before "all
4 other";

5 (B) in each of clauses (i) and (ii), by strik-
6 ing ", and the total amount of such obliga-
7 tions";

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

11 (D) by striking clause (iv);

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing:

15 "(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 "(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

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

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking "on the use
25 of Federal courts and".

1 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
2 is amended by striking all that follows subparagraph
3 (I).

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall be effective with respect to fiscal year
6 1996 and succeeding fiscal years.

7 **Subtitle F—Establishment and**
8 **Modification of Support Orders**

9 **SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
10 **MENT OF CHILD SUPPORT ORDERS.**

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

13 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
14 ORDERS.—Procedures under which the State shall
15 review and adjust each support order being enforced
16 under this part. Such procedures shall provide the
17 following:

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

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

1 “(I) reviewing and, if appropriate, ad-
2 justing the order in accordance with the
3 guidelines established pursuant to section
4 467(a) if the amount of the child support
5 award under the order differs from the
6 amount that would be awarded in accord-
7 ance with the guidelines; or

8 “(II) applying a cost-of-living adjust-
9 ment to the order in accordance with a for-
10 mula developed by the State and permit ei-
11 ther party to contest the adjustment, with-
12 in 30 days after the date of the notice of
13 the adjustment, by making a request for
14 review and, if appropriate, adjustment of
15 the order in accordance with the child sup-
16 port guidelines established pursuant to sec-
17 tion 467(a).

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

21 “(C) The State may use automated meth-
22 ods (including automated comparisons with
23 wage or State income tax data) to identify or-
24 ders eligible for review, conduct the review,
25 identify orders eligible for adjustment, apply

1 the appropriate adjustment to the orders eligi-
2 ble for adjustment under the threshold estab-
3 lished by the State.

4 “(D) The State shall, at the request of ei-
5 ther parent subject to such an order or of any
6 State child support enforcement agency, review
7 and, if appropriate, adjust the order in accord-
8 ance with the guidelines established pursuant to
9 section 467(a) based upon a substantial change
10 in the circumstances of either parent.

11 “(E) The State shall provide notice to the
12 parents subject to such an order informing
13 them of their right to request the State to re-
14 view and, if appropriate, adjust the order pur-
15 suant to subparagraph (D). The notice may be
16 included in the order.”

17 **SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN**
18 **PURPOSES RELATING TO CHILD SUPPORT.**

19 Section 604 of the Fair Credit Reporting Act (15
20 U.S.C. 1681b) is amended by adding at the end the follow-
21 ing:

22 “(4) In response to a request by the head of a
23 State or local child support enforcement agency (or
24 a State or local government official authorized by
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agency that—
2

3 “(A) the consumer report is needed for the
4 purpose of establishing an individual's capacity
5 to make child support payments or determining
6 the appropriate level of such payments;

7 “(B) the person has provided at least 10
8 days prior notice to the consumer whose report
9 is requested, by certified or registered mail to
10 the last known address of the consumer, that
11 the report will be requested, and

12 “(C) the consumer report will be kept con-
13 fidential, will be used solely for a purpose de-
14 scribed in subparagraph (A), and will not be
15 used in connection with any other civil, admin-
16 istrative, or criminal proceeding, or for any
17 other purpose.

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

1 **Subtitle G—Enforcement of**
2 **Support Orders**

3 **SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.**

4 **(a) CHANGED ORDER OF REFUND DISTRIBUTION**
5 **UNDER INTERNAL REVENUE CODE.—**

6 (1) Subsection (c) of section 6402 of the Inter-
7 nal Revenue Code of 1986 is amended by striking
8 the third sentence and inserting the following new
9 sentences: "A reduction under this subsection shall
10 be after any other reduction allowed by subsection
11 (d) with respect to the Department of Health and
12 Human Services and the Department of Education
13 with respect to a student loan and before any other
14 reduction allowed by law and before such overpay-
15 ment is credited to the future liability for tax of
16 such person pursuant to subsection (b). A reduction
17 under this subsection shall be assigned to the State
18 with respect to past-due support owed to individuals
19 for periods such individuals were receiving assistance
20 under part A or B of title IV of the Social Security
21 Act only after satisfying all other past-due sup-
22 port."

23 (2) Paragraph (2) of section 6402(d) of such
24 Code is amended—

1 (A) by striking "Any overpayment" and in-
2 serting "Except in the case of past-due legally
3 enforceable debts owed to the Department of
4 Health and Human Services or to the Depart-
5 ment of Education with respect to a student
6 loan, any overpayment"; and

7 (B) by striking "with respect to past-due
8 support collected pursuant to an assignment
9 under section 402(a)(26) of the Social Security
10 Act".

11 (b) ELIMINATION OF DISPARITIES IN TREATMENT
12 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

13 (1) Section 464(a) (42 U.S.C. 664(a)) is
14 amended—

15 (A) by striking "(a)" and inserting "(a)
16 OFFSET AUTHORIZED.—";

17 (B) in paragraph (1)—

18 (i) in the 1st sentence, by striking
19 "which has been assigned to such State
20 pursuant to section 402(a)(26) or section
21 471(a)(17)"; and

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

1 (C) by striking paragraph (2) and insert-
2 ing the following:

3 “(2) The State agency shall distribute amounts paid
4 by the Secretary of the Treasury pursuant to paragraph
5 (1)—

6 “(A) in accordance with section 457(a), in the
7 case of past-due support assigned to a State pursu-
8 ant to requirements imposed pursuant to section
9 405(a)(8); and

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

13 (D) in paragraph (3)—

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

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

20 (2) Section 464(b) (42 U.S.C. 664(b)) is
21 amended—

22 (A) by striking “(b)(1)” and inserting the
23 following:

24 “(b) REGULATIONS.—”; and

25 (B) by striking paragraph (2).

1 (3) Section 464(c) (42 U.S.C. 664(c)) is
2 amended—

3 (A) by striking “(c)(1) Except as provided
4 in paragraph (2), as” and inserting the follow-
5 ing:

6 “(c) DEFINITION.—As”; and

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

8 **SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FED-**
9 **ERAL EMPLOYEES.**

10 (a) **CONSOLIDATION AND STREAMLINING OF AU-**
11 **THORITIES.**—Section 459 (42 U.S.C. 659) is amended to
12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17 “(a) **CONSENT TO SUPPORT ENFORCEMENT.**—Not-
18 withstanding any other provision of law (including section
19 207 of this Act and section 5301 of title 38, United States
20 Code), effective January 1, 1975, moneys (the entitlement
21 to which is based upon remuneration for employment) due
22 from, or payable by, the United States or the District of
23 Columbia (including any agency, subdivision, or instru-
24 mentality thereof) to any individual, including members
25 of the Armed Forces of the United States, shall be subject,

1 in like manner and to the same extent as if the United
2 States or the District of Columbia were a private person,
3 to withholding in accordance with State law enacted pur-
4 suant to subsections (a)(1) and (b) of section 466 and reg-
5 ulations of the Secretary under such subsections, and to
6 any other legal process brought, by a State agency admin-
7 istering a program under a State plan approved under this
8 part or by an individual obligee, to enforce the legal obliga-
9 tion of the individual to provide child support or alimony.

10 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
11 PRIVATE PERSON.—With respect to notice to withhold in-
12 come pursuant to subsection (a)(1) or (b) of section 466,
13 or any other order or process to enforce support obliga-
14 tions against an individual (if the order or process con-
15 tains or is accompanied by sufficient data to permit
16 prompt identification of the individual and the moneys in-
17 volved), each governmental entity specified in subsection
18 (a) shall be subject to the same requirements as would
19 apply if the entity were a private person, except as other-
20 wise provided in this section.

21 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
22 OR PROCESS—

23 “(1) DESIGNATION OF AGENT.—The head of
24 each agency subject to this section shall—

1 “(A) designate an agent or agents to re-
2 ceive orders and accept service of process in
3 matters relating to child support or alimony;
4 and

5 “(B) annually publish in the Federal Reg-
6 ister the designation of the agent or agents,
7 identified by title or position, mailing address,
8 and telephone number.

9 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
10 agent designated pursuant to paragraph (1) of this
11 subsection receives notice pursuant to State proce-
12 dures in effect pursuant to subsection (a)(1) or (b)
13 of section 466, or is effectively served with any
14 order, process, or interrogatory, with respect to an
15 individual's child support or alimony payment obli-
16 gations, the agent shall—

17 “(A) as soon as possible (but not later
18 than 15 days) thereafter, send written notice of
19 the notice or service (together with a copy of
20 the notice or service) to the individual at the
21 duty station or last-known home address of the
22 individual;

23 “(B) within 30 days (or such longer period
24 as may be prescribed by applicable State law)
25 after receipt of a notice pursuant to such State

1 procedures, comply with all applicable provi-
2 sions of section 466; and

3 "(C) within 30 days (or such longer period
4 as may be prescribed by applicable State law)
5 after effective service of any other such order,
6 process, or interrogatory, respond to the order,
7 process, or interrogatory.

8 "(d) PRIORITY OF CLAIMS.—If a governmental entity
9 specified in subsection (a) receives notice or is served with
10 process, as provided in this section, concerning amounts
11 owed by an individual to more than 1 person—

12 "(1) support collection under section 466(b)
13 must be given priority over any other process, as
14 provided in section 466(b)(7);

15 "(2) allocation of moneys due or payable to an
16 individual among claimants under section 466(b)
17 shall be governed by section 466(b) and the regula-
18 tions prescribed under such section; and

19 "(3) such moneys as remain after compliance
20 with subparagraphs (A) and (B) shall be available to
21 satisfy any other such processes on a first-come,
22 first-served basis, with any such process being satis-
23 fied out of such moneys as remain after the satisfac-
24 tion of all such processes which have been previously
25 served.

1 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
2 governmental entity that is affected by legal process
3 served for the enforcement of an individual’s child support
4 or alimony payment obligations shall not be required to
5 vary its normal pay and disbursement cycle in order to
6 comply with the legal process.

7 “(f) RELIEF FROM LIABILITY.—

8 “(1) Neither the United States, nor the govern-
9 ment of the District of Columbia, nor any disbursing
10 officer shall be liable with respect to any payment
11 made from moneys due or payable from the United
12 States to any individual pursuant to legal process
13 regular on its face, if the payment is made in ac-
14 cordance with this section and the regulations issued
15 to carry out this section.

16 “(2) No Federal employee whose duties include
17 taking actions necessary to comply with the require-
18 ments of subsection (a) with regard to any individ-
19 ual shall be subject under any law to any discipli-
20 nary action or civil or criminal liability or penalty
21 for, or on account of, any disclosure of information
22 made by the employee in connection with the carry-
23 ing out of such actions.

24 “(g) REGULATIONS.—Authority to promulgate regu-
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable
2 by)—

3 “(1) the United States (other than the legisla-
4 tive or judicial branches of the Federal Government)
5 or the government of the District of Columbia, be
6 vested in the President (or the designee of the Presi-
7 dent);

8 “(2) the legislative branch of the Federal Gov-
9 ernment, be vested jointly in the President pro tem-
10 pore of the Senate and the Speaker of the House of
11 Representatives (or their designees), and

12 “(3) the judicial branch of the Federal Govern-
13 ment, be vested in the Chief Justice of the United
14 States (or the designee of the Chief Justice).

15 “(h) MONEYS SUBJECT TO PROCESS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 moneys paid or payable to an individual which are
18 considered to be based upon remuneration for em-
19 ployment, for purposes of this section—

20 “(A) consist of—

21 “(i) compensation paid or payable for
22 personal services of the individual, whether
23 the compensation is denominated as wages,
24 salary, commission, bonus, pay, allowances,

1 or otherwise (including severance pay, sick
2 pay, and incentive pay);

3 “(ii) periodic benefits (including a
4 periodic benefit as defined in section
5 228(h)(3)) or other payments—

6 “(I) under the insurance system
7 established by title II;

8 “(II) under any other system or
9 fund established by the United States
10 which provides for the payment of
11 pensions, retirement or retired pay,
12 annuities, dependents’ or survivors’
13 benefits, or similar amounts payable
14 on account of personal services per-
15 formed by the individual or any other
16 individual;

17 “(III) as compensation for death
18 under any Federal program;

19 “(IV) under any Federal pro-
20 gram established to provide ‘black
21 lung’ benefits; or

22 “(V) by the Secretary of Veter-
23 ans Affairs as pension, or as com-
24 pensation for a service-connected dis-
25 ability or death (except any compensa-

1 tion paid by the Secretary to a mem-
2 ber of the Armed Forces who is in re-
3 ceipt of retired or retainer pay if the
4 member has waived a portion of the
5 retired pay of the member in order to
6 receive the compensation); and

7 "(iii) worker's compensation benefits
8 paid under Federal or State law; but

9 "(B) do not include any payment—

10 "(i) by way of reimbursement or oth-
11 erwise, to defray expenses incurred by the
12 individual in carrying out duties associated
13 with the employment of the individual; or

14 "(ii) as allowances for members of the
15 uniformed services payable pursuant to
16 chapter 7 of title 37, United States Code,
17 as prescribed by the Secretaries concerned
18 (defined by section 101(5) of such title) as
19 necessary for the efficient performance of
20 duty.

21 "(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
22 mining the amount of any moneys due from, or pay-
23 able by, the United States to any individual, there
24 shall be excluded amounts which—

1 “(A) are owed by the individual to the
2 United States;

3 “(B) are required by law to be, and are,
4 deducted from the remuneration or other pay-
5 ment involved, including Federal employment
6 taxes, and fines and forfeitures ordered by
7 court-martial;

8 “(C) are properly withheld for Federal,
9 State, or local income tax purposes, if the with-
10 holding of the amounts is authorized or re-
11 quired by law and if amounts withheld are not
12 greater than would be the case if the individual
13 claimed all dependents to which he was entitled
14 (the withholding of additional amounts pursu-
15 ant to section 3402(i) of the Internal Revenue
16 Code of 1986 may be permitted only when the
17 individual presents evidence of a tax obligation
18 which supports the additional withholding);

19 “(D) are deducted as health insurance pre-
20 miums;

21 “(E) are deducted as normal retirement
22 contributions (not including amounts deducted
23 for supplementary coverage); or

24 “(F) are deducted as normal life insurance
25 premiums from salary or other remuneration

1 for employment (not including amounts de-
2 ducted for supplementary coverage).

3 "(i) DEFINITIONS.—As used in this section:

4 "(1) UNITED STATES.—The term 'United
5 States' includes any department, agency, or instru-
6 mentality of the legislative, judicial, or executive
7 branch of the Federal Government, the United
8 States Postal Service, the Postal Rate Commission,
9 any Federal corporation created by an Act of Con-
10 gress that is wholly owned by the Federal Govern-
11 ment, and the governments of the territories and
12 possessions of the United States.

13 "(2) CHILD SUPPORT.—The term 'child sup-
14 port', when used in reference to the legal obligations
15 of an individual to provide such support, means peri-
16 odic payments of funds for the support and mainte-
17 nance of a child or children with respect to which
18 the individual has such an obligation, and (subject
19 to and in accordance with State law) includes pay-
20 ments to provide for health care, education, recre-
21 ation, clothing, or to meet other specific needs of
22 such a child or children, and includes attorney's
23 fees, interest, and court costs, when and to the ex-
24 tent that the same are expressly made recoverable as
25 such pursuant to a decree, order, or judgment issued

1 in accordance with applicable State law by a court
2 of competent jurisdiction.

3 “(3) ALIMONY.—The term ‘alimony’, when used
4 in reference to the legal obligations of an individual
5 to provide the same, means periodic payments of
6 funds for the support and maintenance of the spouse
7 (or former spouse) of the individual, and (subject to
8 and in accordance with State law) includes separate
9 maintenance, alimony pendente lite, maintenance,
10 and spousal support, and includes attorney’s fees,
11 interest, and court costs when and to the extent that
12 the same are expressly made recoverable as such
13 pursuant to a decree, order, or judgment issued in
14 accordance with applicable State law by a court of
15 competent jurisdiction. Such term does not include
16 any payment or transfer of property or its value by
17 an individual to the spouse or a former spouse of the
18 individual in compliance with any community prop-
19 erty settlement, equitable distribution of property, or
20 other division of property between spouses or former
21 spouses.

22 “(4) PRIVATE PERSON.—The term ‘private per-
23 son’ means a person who does not have sovereign or
24 other special immunity or privilege which causes the
25 person not to be subject to legal process.

1 “(5) LEGAL PROCESS.—The term ‘legal proc-
2 ess’ means any writ, order, summons, or other simi-
3 lar process in the nature of garnishment—

4 “(A) which is issued by—

5 “(i) a court of competent jurisdiction
6 in any State, territory, or possession of the
7 United States;

8 “(ii) a court of competent jurisdiction
9 in any foreign country with which the
10 United States has entered into an agree-
11 ment which requires the United States to
12 honor the process; or

13 “(iii) an authorized official pursuant
14 to an order of such a court of competent
15 jurisdiction or pursuant to State or local
16 law; and

17 “(B) which is directed to, and the purpose
18 of which is to compel, a governmental entity
19 which holds moneys which are otherwise pay-
20 able to an individual to make a payment from
21 the moneys to another party in order to satisfy
22 a legal obligation of the individual to provide
23 child support or make alimony payments.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) TO PART D OF TITLE IV.—Sections 461 and
2 462 (42 U.S.C. 661 and 662) are repealed.

3 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
4 tion 5520a of title 5, United States Code, is amend-
5 ed, in subsections (h)(2) and (i), by striking “sec-
6 tions 459, 461, and 462 of the Social Security Act
7 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
8 tion 459 of the Social Security Act (42 U.S.C.
9 659)”.

10 (c) MILITARY RETIRED AND RETAINER PAY.—

11 (1) DEFINITION OF COURT.—Section
12 1408(a)(1) of title 10, United States Code, is
13 amended—

14 (A) by striking “and” at the end of sub-
15 paragraph (B);

16 (B) by striking the period at the end of
17 subparagraph (C) and inserting “; and”; and

18 (C) by adding after subparagraph (C) the
19 following:

20 “(D) any administrative or judicial tribu-
21 nal of a State competent to enter orders for
22 support or maintenance (including a State
23 agency administering a program under a State
24 plan approved under part D of title IV of the
25 Social Security Act), and, for purposes of this

1 subparagraph, the term 'State' includes the
2 District of Columbia, the Commonwealth of
3 Puerto Rico, the Virgin Islands, Guam, and
4 American Samoa."

5 (2) DEFINITION OF COURT ORDER.—Section
6 1408(a)(2) of such title is amended by inserting "or
7 a court order for the payment of child support not
8 included in or accompanied by such a decree or set-
9 tlement," before "which—".

10 (3) PUBLIC PAYEE.—Section 1408(d) of such
11 title is amended—

12 (A) in the heading, by inserting "(OR FOR
13 BENEFIT OF)" before "SPOUSE OR"; and

14 (B) in paragraph (1), in the first sentence,
15 by inserting "(or for the benefit of such spouse
16 or former spouse to a State disbursement unit
17 established pursuant to section 454B of the So-
18 cial Security Act or other public payee des-
19 ignated by a State, in accordance with part D
20 of title IV of the Social Security Act, as di-
21 rected by court order, or as otherwise directed
22 in accordance with such part D)" before "in an
23 amount sufficient".

1 (4) RELATIONSHIP TO PART D OF TITLE IV.—

2 Section 1408 of such title is amended by adding at
3 the end the following:

4 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
5 involving an order providing for payment of child support
6 (as defined in section 459(i)(2) of the Social Security Act)
7 by a member who has never been married to the other
8 parent of the child, the provisions of this section shall not
9 apply, and the case shall be subject to the provisions of
10 section 459 of such Act.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall become effective 6 months after the date
13 of the enactment of this Act.

14 **SEC. 763. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
15 **TIONS OF MEMBERS OF THE ARMED FORCES.**

16 (a) AVAILABILITY OF LOCATOR INFORMATION.—

17 (1) MAINTENANCE OF ADDRESS INFORMA-
18 TION.—The Secretary of Defense shall establish a
19 centralized personnel locator service that includes
20 the address of each member of the Armed Forces
21 under the jurisdiction of the Secretary. Upon re-
22 quest of the Secretary of Transportation, addresses
23 for members of the Coast Guard shall be included in
24 the centralized personnel locator service.

25 (2) TYPE OF ADDRESS.—

1 (A) RESIDENTIAL ADDRESS.—Except as
2 provided in subparagraph (B), the address for
3 a member of the Armed Forces shown in the lo-
4 cator service shall be the residential address of
5 that member.

6 (B) DUTY ADDRESS.—The address for a
7 member of the Armed Forces shown in the loca-
8 tor service shall be the duty address of that
9 member in the case of a member—

10 (i) who is permanently assigned over-
11 seas, to a vessel, or to a routinely
12 deployable unit; or

13 (ii) with respect to whom the Sec-
14 retary concerned makes a determination
15 that the member's residential address
16 should not be disclosed due to national se-
17 curity or safety concerns.

18 (3) UPDATING OF LOCATOR INFORMATION.—
19 Within 30 days after a member listed in the locator
20 service establishes a new residential address (or a
21 new duty address, in the case of a member covered
22 by paragraph (2)(B)), the Secretary concerned shall
23 update the locator service to indicate the new ad-
24 dress of the member.

1 (4) AVAILABILITY OF INFORMATION.—The Sec-
2 retary of Defense shall make information regarding
3 the address of a member of the Armed Forces listed
4 in the locator service available, on request, to the
5 Federal Parent Locator Service established under
6 section 453 of the Social Security Act.

7 (b) FACILITATING GRANTING OF LEAVE FOR AT-
8 TENDANCE AT HEARINGS.—

9 (1) REGULATIONS.—The Secretary of each
10 military department, and the Secretary of Transpor-
11 tation with respect to the Coast Guard when it is
12 not operating as a service in the Navy, shall pre-
13 scribe regulations to facilitate the granting of leave
14 to a member of the Armed Forces under the juris-
15 diction of that Secretary in a case in which—

16 (A) the leave is needed for the member to
17 attend a hearing described in paragraph (2);

18 (B) the member is not serving in or with
19 a unit deployed in a contingency operation (as
20 defined in section 101 of title 10, United States
21 Code); and

22 (C) the exigencies of military service (as
23 determined by the Secretary concerned) do not
24 otherwise require that such leave not be grant-
25 ed.

1 (2) COVERED HEARINGS.—Paragraph (1) ap-
2 plies to a hearing that is conducted by a court or
3 pursuant to an administrative process established
4 under State law, in connection with a civil action—

5 (A) to determine whether a member of the
6 Armed Forces is a natural parent of a child; or

7 (B) to determine an obligation of a mem-
8 ber of the Armed Forces to provide child sup-
9 port.

10 (3) DEFINITIONS.—For purposes of this sub-
11 section:

12 (A) The term “court” has the meaning
13 given that term in section 1408(a) of title 10,
14 United States Code.

15 (B) The term “child support” has the
16 meaning given such term in section 459(i) of
17 the Social Security Act (42 U.S.C. 659(i)).

18 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
19 PLIANCE WITH CHILD SUPPORT ORDERS.—

20 (1) DATE OF CERTIFICATION OF COURT
21 ORDER.—Section 1408 of title 10, United States
22 Code, as amended by section 762(c)(4) of this Act,
23 is amended—

24 (A) by redesignating subsections (i) and (j)
25 as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the
2 following:

3 "(i) CERTIFICATION DATE.—It is not necessary that
4 the date of a certification of the authenticity or complete-
5 ness of a copy of a court order for child support received
6 by the Secretary concerned for the purposes of this section
7 be recent in relation to the date of receipt by the Sec-
8 retary."

9 (2) PAYMENTS CONSISTENT WITH ASSIGN-
10 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
11 of such title is amended by inserting after the 1st
12 sentence the following: "In the case of a spouse or
13 former spouse who, pursuant to section 405(a)(8) of
14 the Social Security Act (42 U.S.C. 605(a)(8)), as-
15 signs to a State the rights of the spouse or former
16 spouse to receive support, the Secretary concerned
17 may make the child support payments referred to in
18 the preceding sentence to that State in amounts con-
19 sistent with that assignment of rights."

20 (3) ARREARAGES OWED BY MEMBERS OF THE
21 UNIFORMED SERVICES.—Section 1408(d) of such
22 title is amended by adding at the end the following:

23 "(6) In the case of a court order for which effective
24 service is made on the Secretary concerned on or after
25 the date of the enactment of this paragraph and which

1 provides for payments from the disposable retired pay of
2 a member to satisfy the amount of child support set forth
3 in the order, the authority provided in paragraph (1) to
4 make payments from the disposable retired pay of a mem-
5 ber to satisfy the amount of child support set forth in a
6 court order shall apply to payment of any amount of child
7 support arrearages set forth in that order as well as to
8 amounts of child support that currently become due.”.

9 (4) PAYROLL DEDUCTIONS.—The Secretary of
10 Defense shall begin payroll deductions within 30
11 days after receiving notice of withholding, or for the
12 first pay period that begins after such 30-day pe-
13 riod.

14 **SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466 (42 U.S.C. 666), as amended by section
16 721 of this Act, is amended by adding at the end the
17 following:

18 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
19 order to satisfy section 454(20)(A), each State must have
20 in effect—

21 “(1)(A) the Uniform Fraudulent Conveyance
22 Act of 1981;

23 “(B) the Uniform Fraudulent Transfer Act
24 of 1984; or

1 “(C) another law, specifying indicia of
2 fraud which create a prima facie case that a
3 debtor transferred income or property to avoid
4 payment to a child support creditor, which the
5 Secretary finds affords comparable rights to
6 child support creditors; and

7 “(2) procedures under which, in any case in
8 which the State knows of a transfer by a child sup-
9 port debtor with respect to which such a prima facie
10 case is established, the State must—

11 “(A) seek to void such transfer; or

12 “(B) obtain a settlement in the best inter-
13 ests of the child support creditor.”.

14 **SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD**
15 **SUSPEND DRIVERS', BUSINESS, AND OCCUPA-**
16 **TIONAL LICENSES OF PERSONS OWING PAST-**
17 **DUE CHILD SUPPORT.**

18 It is the sense of the Congress that each State should
19 suspend any driver's license, business license, or occupa-
20 tional license issued to any person who owes past-due child
21 support.

22 **SEC. 766. WORK REQUIREMENT FOR PERSONS OWING**
23 **PAST-DUE CHILD SUPPORT.**

24 Section 466(a) of the Social Security Act (42 U.S.C.
25 666(a)), as amended by sections 701(a), 715, 717(a), and

1 723 of this Act, is amended by adding at the end the
2 following:

3 “(16) PROCEDURES TO ENSURE THAT PERSONS
4 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
5 FOR PAYMENT OF SUCH SUPPORT.—

6 “(A) Procedures requiring the State, in
7 any case in which an individual owes past-due
8 support with respect to a child receiving assist-
9 ance under a State program funded under part
10 A, to seek a court order that requires the indi-
11 vidual to—

12 “(i) pay such support in accordance
13 with a plan approved by the court; or

14 “(ii) if the individual is subject to
15 such a plan and is not incapacitated, par-
16 ticipate in such work activities (as defined
17 in section 404(b)(1)) as the court deems
18 appropriate.

19 “(B) As used in subparagraph (A), the
20 term ‘past-due support’ means the amount of a
21 delinquency, determined under a court order, or
22 an order of an administrative process estab-
23 lished under State law, for support and mainfe-
24 nance of a child, or of a child and the parent
25 with whom the child is living.”.

1 **SEC. 767. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections
3 716 and 746(b) of this Act, is amended by adding at the
4 end the following:

5 “(o) **SUPPORT ORDER DEFINED.**—As used in this
6 part, the term ‘support order’ means an order issued by
7 a court or an administrative process established under
8 State law that requires support and maintenance of a child
9 or of a child and the parent with whom the child is liv-
10 ing.”.

11 **Subtitle H—Medical Support**

12 **SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION**

13 **OF MEDICAL CHILD SUPPORT ORDER.**

14 (a) **IN GENERAL.**—Section 609(a)(2)(B) of the Em-
15 ployee Retirement Income Security Act of 1974 (29
16 U.S.C. 1169(a)(2)(B)) is amended—

17 (1) by striking “issued by a court of competent
18 jurisdiction”;

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

21 (3) by adding, after and below clause (ii), the
22 following:

23 “if such judgment, decree, or order (I) is issued
24 by a court of competent jurisdiction or (II) is
25 issued by an administrative adjudicator and has

1 the force and effect of law under applicable
2 State law.".

3 (b) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 this section shall take effect on the date of the en-
6 actment of this Act.

7 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
8 JANUARY 1, 1996.—Any amendment to a plan re-
9 quired to be made by an amendment made by this
10 section shall not be required to be made before the
11 first plan year beginning on or after January 1,
12 1996, if—

13 (A) during the period after the date before
14 the date of the enactment of this Act and be-
15 fore such first plan year, the plan is operated
16 in accordance with the requirements of the
17 amendments made by this section; and

18 (B) such plan amendment applies retro-
19 actively to the period after the date before the
20 date of the enactment of this Act and before
21 such first plan year.

22 A plan shall not be treated as failing to be operated
23 in accordance with the provisions of the plan merely
24 because it operates in accordance with this para-
25 graph.

1 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
2 **residential Parents**

4 **SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION**
5 **PROGRAMS.**

6 Part D of title IV (42 U.S.C. 651–669) is amended
7 by adding at the end the following:

8 ***SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
9 **TION PROGRAMS.**

10 “(a) **IN GENERAL.**—The Administration for Children
11 and Families shall make grants under this section to en-
12 able States to establish and administer programs to sup-
13 port and facilitate absent parents’ access to and visitation
14 of their children, by means of activities including medi-
15 ation (both voluntary and mandatory), counseling, edu-
16 cation, development of parenting plans, visitation enforce-
17 ment (including monitoring, supervision and neutral drop-
18 off and pickup), and development of guidelines for visita-
19 tion and alternative custody arrangements.

20 “(b) **AMOUNT OF GRANT.**—The amount of the grant
21 to be made to a State under this section for a fiscal year
22 shall be an amount equal to the lesser of—

23 “(1) 90 percent of State expenditures during
24 the fiscal year for activities described in subsection
25 (a); or

1 “(2) the allotment of the State under sub-
2 section (c) for the fiscal year.

3 “(c) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—The allotment of a State
5 for a fiscal year is the amount that bears the same
6 ratio to the amount appropriated for grants under
7 this section for the fiscal year as the number of chil-
8 dren in the State living with only 1 biological parent
9 bears to the total number of such children in all
10 States.

11 “(2) MINIMUM ALLOTMENT.—The Administra-
12 tion for Children and Families shall adjust allot-
13 ments to States under paragraph (1) as necessary to
14 ensure that no State is allotted less than—

15 “(A) \$50,000 for fiscal year 1996 or 1997;

16 or

17 “(B) \$100,000 for any succeeding fiscal
18 year.

19 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
20 FOR SIMILAR ACTIVITIES.—A State to which a grant is
21 made under this section may not use the grant to supplant
22 expenditures by the State for activities specified in sub-
23 section (a), but shall use the grant to supplement such
24 expenditures at a level at least equal to the level of such
25 expenditures for fiscal year 1995.

1 “(e) STATE ADMINISTRATION.—Each State to which
2 a grant is made under this section—

3 “(1) may administer State programs funded
4 with the grant, directly or through grants to or con-
5 tracts with courts, local public agencies, or non-prof-
6 it private entities;

7 “(2) shall not be required to operate such pro-
8 grams on a statewide basis; and

9 “(3) shall monitor, evaluate, and report on such
10 programs in accordance with regulations prescribed
11 by the Secretary.”

12 **Subtitle J—Effect of Enactment**

13 **SEC. 791. EFFECTIVE DATES.**

14 (a) IN GENERAL.—Except as otherwise specifically
15 provided (but subject to subsections (b) and (c))—

16 (1) the provisions of this title requiring the en-
17 actment or amendment of State laws under section
18 466 of the Social Security Act, or revision of State
19 plans under section 454 of such Act, shall be effec-
20 tive with respect to periods beginning on and after
21 October 1, 1996; and

22 (2) all other provisions of this title shall become
23 effective upon enactment.

1 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
2 provisions of this title shall become effective with respect
3 to a State on the later of—

4 (1) the date specified in this title, or
5 (2) the effective date of laws enacted by the leg-
6 islature of such State implementing such provisions,
7 but in no event later than the first day of the first cal-
8 endar quarter beginning after the close of the first regular
9 session of the State legislature that begins after the date
10 of the enactment of this Act. For purposes of the previous
11 sentence, in the case of a State that has a 2-year legisla-
12 tive session, each year of such session shall be deemed to
13 be a separate regular session of the State legislature.

14 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
15 AMENDMENT.—A State shall not be found out of compli-
16 ance with any requirement enacted by this title if the State
17 is unable to so comply without amending the State con-
18 stitution until the earlier of—

19 (1) 1 year after the effective date of the nec-
20 essary State constitutional amendment; or

21 (2) 5 years after the date of the enactment of
22 this title.