

H.R. 4
SHAW

BILL STATUS (JANUARY, 1996)

MEASURE: HR4

SPONSOR: Shaw (R-FL)

BRIEF TITLE: Personal Responsibility Act of 1995. (NOTE: This is part of the House Republicans' "Contract With America")

OFFICIAL TITLE: A bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

INTRODUCED: 01/04/95

COSPONSORS: 121 (Dems: 0 Reps: 121 Ind: 0)

COMMITTEES: House Ways and Means
House Rules
House Judiciary
House Commerce
House Economic and Educational Opportunities
House Budget
House Banking and Financial Services
House Agriculture

SHORT TITLE: Personal Responsibility Act of 1995

SHORT TITLE AS PASSED IN HOUSE (03/24/95):

Personal Responsibility Act of 1995 (**HR1214, as amended; amendments shown below in bold print**)

Food Stamp Reform and Commodity Distribution Act

Commodity Distribution Act of 1995

Food Stamp Simplification and Reform Act of 1995

LEGISLATIVE ACTION: 01/04/95: Referred to Committee on Agriculture, Committee on Banking and Financial Services, Committee on the Budget, Committee on Commerce, Committee on Economic and Educational Opportunities, Committee on the Judiciary, Committee on Rules,

Committee on Ways and Means , 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.

- 01/04/95: Title I, referred to the Committees on Ways & Means, and in addition to the Committee on Banking & Financial Services
- 01/04/95: Title II, referred to the Committees on Ways & Means, and in addition to the Economic & Educational Opportunities
- 01/04/95: Title III, referred to the Committee on Ways & Means, and in addition to the Committees on Banking & Financial Services; Economic & Educational Opportunities; Budget; and Rules
- 01/04/95: Title IV, referred to the Committee on Ways & Means, and in addition to the Committees on Banking & Financial Services; Commerce; Economic & Educational Opportunities; Judiciary; and Agriculture
- 01/04/95: Title V, referred to the Committee on Agriculture, and in addition to the Committees on Economic & Educational Opportunities; and the Judiciary
- 01/04/95: Title VI-VII, referred to the Committee on Ways & Means.
- 01/04/95: Title VIII, referred to the Committee on Ways & Means, and in addition to the Committees on Agriculture; Budget; Economic & Educational Opportunities; Banking & Financial Services; Commerce; the Judiciary; and Rules
- 01/13/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/05/95: Committee hearings held by the House Ways & Means Committee.

- 01/10/95: Committee hearings held by the House Ways & Means Committee.
- 01/11/95: Committee hearings held by the House Ways & Means Committee.
- 01/12/95: Committee hearings held by the House Ways & Means Committee.
- 01/18/95: Committee hearings held by the House Economic & Educational Opportunities Committee.
- 01/19/95: Subcommittee hearings held by the House Economic & Educational Opportunities Committee, Subcommittee on Postsecondary Education, Training, and Life-Long Learning.
- 01/20/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/23/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/27/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/30/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/31/95: Subcommittee hearings held by the House Economic & Educational Opportunities Committee, Subcommittee on Early Childhood, Youth and Families.
- 01/31/95: Committee hearings held by the House Ways & Means Committee.
- 02/01/95: Committee hearings completed by the House Ways & Means Committee.

- 02/01/95: Committee hearings held by the House Economic & Educational Opportunities Committee.
- 02/02/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 02/03/95: Joint subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources; and the Economic & Educational Opportunities Committee, Subcommittee on Early Childhood, Youth and Families.
- 02/06/95: Subcommittee hearings completed by the House Ways & Means Committee, Subcommittee on Human Resources.
- 02/09/95: Subcommittee hearings held by the House Agriculture Committee, Subcommittee on Department Operations, Nutrition and Foreign Agriculture.
- 02/13/95: Committee consideration and markup session held by the House Ways & Means Committee.
- 02/15/95: Human Resources Subcommittee of House Ways and Means Committee begins mark up.
- 02/15/95: Approved for full committee action amended by the House Ways & Means Committee, Subcommittee on Human Resources.
- 02/21/95: The provisions of this measure under the jurisdiction of the Economic & Educational Opportunities Committee relating to child nutrition programs were introduced as HR999.
- 02/28/95: Committee consideration and markup session held by the House Ways & Means Committee.
- 03/01/95: Committee consideration and markup session held by the House Ways & Means Committee.

- 03/02/95 Committee consideration and markup session held by the House Ways & Means Committee.
- 03/06/95 Provisions of this measure under the jurisdiction of the Agriculture Committee regarding the food stamp program are included in HR1135.
- 03/08/95 Provisions agreed to by the Ways & Means Committee were introduced as HR1157.
- 03/16/95 Hearing held by the House Committee on Rules. House Rules Committee granted a rule providing for general debate only -- two hours to be equally divided and controlled between the chairman and ranking minority members of the Committee on Ways & Means and three hours equally divided and controlled by the chairman and ranking minority members of the Committee on Economic and Education Opportunities and the Committee on Agriculture -- on the bill; the rule also provides that the Committee shall rise after general debate without motion and that there shall be no future consideration of the bill except by a subsequent order of the House.
- 03/21/95 House Rules Committee granted a modified closed rule providing for further consideration of the bill; the rule provides for the adoption in the House and the Committee of the Whole of an amendment in the nature of a substitute consisting of the text of HR1214, for the bill as so amended to be considered an original bill for the purpose of amendment, and for the bill as so amended to be considered as read; only amendments printed in the Rules Committee report or specified in the rule are in order, and the amendments are considered as read; except as otherwise specified in the rule, amendments printed in the rule may only be offered in the order specified, by the member designated, and are debatable for 20 minutes each, equally divided between the proponent and an opponent, except that the chairman and ranking minority member of the Ways & Means Committee, or their designees, may offer one pro forma amendment

each per amendment for debate purposes; all points of order are waived against the amendments made in order by the rule; the chairman of the Committee on Ways & Means or a designee may offer amendments en bloc consisting of amendments not previously disposed of which are printed in the Rules Committee report or germane modifications thereof; the amendments offered en bloc shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided between the chairman and ranking minority member of the Ways & Means Committee; the rule permits the original proponent of an amendment included in an en bloc amendment to insert a statement in the Congressional Record immediately prior to the disposition of the amendments en bloc; the rule permits the chairman of the Committee of the Whole to postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by the rule, and to reduce to five minutes the time for voting on any such postponed question following the first such vote if there is no intervening business; the chairman of the Committee of the Whole may recognize out of the order printed the consideration of any amendment made in order by the rule, provided it is not sooner than one hour after the chairman of the Ways & Means Committee or a designee announces from the floor a request to that effect; following the disposition of the amendments printed in the Rules Committee report and any en bloc combinations thereof, it shall be in order to consider three amendments in the nature of a substitute if offered by the named proponent or a designee, if offered in the following order, debatable for one hour each: (1) an amendment in the nature of a substitute consisting of the text of HR1267 if offered by DEAL, D-Ga.; (2) an amendment in the nature of a substitute consisting of the text of HR1250 if offered by MINK, D-Hawaii; and (3) an amendment in the nature of a substitute consisting of the text of the bill as amended prior to the consideration of the three

substitutes if offered by the chairman of the Committee on Ways & Means or a designee; the amendments shall not be subject to further amendment except for the third amendment which may be amended by any amendment printed in the report not yet offered, but subject to the same conditions for debate and consideration out of order, including the one-hour notice requirement; if more than one amendment in the nature of a substitute is adopted, the one receiving the most affirmative votes shall be considered as finally adopted and reported to the House; in the case of a tie, the last such amendment adopted receiving the most votes shall be reported; it shall be in order in the House to demand a separate vote to any amendment adopted to the bill or incorporated in the third amendment in the nature of a substitute made in order unless it is replaced by another amendment in the nature of a substitute; the rule provides one motion to recommit, with or without instructions.

- 03/21/95 House completed all general debate on HR4 but came to no resolution thereon.
- 03/22/95 Substitute amendment (consisting of the text of HR1214) was considered and agreed to. The bill, as amended, considered as an original bill for the purpose of amendment.
- 03/22/95 **ARCHER, R-Texas, modified en bloc amendment, to express the sense of the Congress regarding marriage as the foundation of a successful society and that out-of-wedlock births have negative consequences; to strike the provision in Title I (Temporary Family Assistance Block Grants) requiring states to reduce out-of-wedlock births and replace it with (1) a requirement to reduce out-of-wedlock pregnancies, (2) strikes the requirement that states provide education, counseling, and health services to male and female teenagers as a means of reducing such pregnancies, and (3) prohibits states from using block grant funds to provide**

health services; to increase required work participation rates in Title I for all families over the course of a fiscal year from 4 percent to 10 percent in fiscal year 1996, from 4 percent to 15 percent in fiscal year 1997, from 8 percent to 20 percent in fiscal year 1998, from 12 percent to 25 percent in fiscal year 1999, and from 17 percent to 27 percent in fiscal year 2000; to prohibit the secretary of Health and Human Services from overruling the ability of states to determine in their definitions of child abuse and neglect what is proper health care for a child; to express the sense of the Congress that states should establish expedited adoption procedures and allocate sufficient funds from their Child Protection Block Grant toward adoption and medical assistance to reduce the amount of time children must spend in foster care; to require family and school-based Nutrition Block Grants to be equitably distributed to members of the armed forces residing in a state; to limit the secretary of Agriculture's authority to request specific information concerning grants under his jurisdiction to what "can reasonably be required"; to add criminal forfeiture authority to the powers of the Departments of Justice and Agriculture in prosecuting violators of the Food Stamp Act; to clarify the ten-year penalty for willfully misrepresenting residency in order to receive benefits in more than one state; to strike provisions in Title VII (Child Support) that prohibit the secretary of Health and Human Services from granting exemptions to the following state law requirements: (1) procedures for establishing paternity, modification of orders, recording orders in the state registry, recording Social Security numbers, interstate enforcement, or expedited processing, (2) requires the secretary to conclude that a network of local disbursement units costs less and takes less time than a centralized system in order to secure approval, (3) requires states to give employers one address to send child support withholding payments for centralized collection, and makes a

- number of technical corrections; and to require the Social Security number of the deceased appear on death certificates, agreed to by yeay-nay vote: 249-177.
- 03/23/95 Considered and amended by the House.
- 03/23/95 UPTON, R-Mich., modified amendment, to prohibit individuals who are delinquent in making court-ordered child support payments from receiving assistance under the food stamp program if the court is not allowing the payment to be delayed, agreed to by voice vote.
- 03/23/95 SALMON, R-Ariz., amendment, to require states to adopt procedures to automatically put liens against property of persons for delinquent child support payments ordered by another state, agreed to by yeay-nay vote: 433-0.
- 03/23/95 ROUKEMA, R-N.J., amendment, to authorize states to withhold or suspend the driver's license of individuals who owe back child support, agreed to by yeay-nay vote: 426-5.
- 03/24/95 Measure, as amended, passed in House by yeay-nay vote: 234-199.
- 03/29/95 Referred to Senate Committee on Finance.
- 04/26/95 Committee hearings held on related provisions by the Senate Finance Committee.
- 04/27/95 Committee hearings held and completed by the Senate Finance Committee.
- 05/24/95 Committee consideration and markup session held by the Senate Finance Committee.
- 05/26/95 Committee consideration and markup session held by the Senate Finance Committee.
- 05/26/95 Ordered to be reported by Senate Finance with an amendment in the nature of a substitute.

06/09/95 Reported to the Senate with an amendment in the nature of a substitute and an amendment to the title by the Senate Committee on Finance.

06/09/95 Placed on the Senate Legislative Calendar.

08/05-09/06/95 Considered by the Senate.

09/06/95 DOLE, R-Kan., unanimous-consent request providing for further consideration of the bill on Thursday, September 7, 1995.

09/07-19/95 Considered and amended by the Senate.

09/19/95 Measure, as amended, passed Senate by yea-nay vote: 87-12.

09/19/95 DOLE, R-Kan., unanimous consent that the Senate insist on its amendments and request a conference with the House and that the Chair be authorized to appoint conferees, agreed to by unanimous consent.

09/20/95 House Ways & Means Committee approved a motion to go to conference on the measure.

09/29/95 ARCHER, R-Texas, motion that the House disagree to the Senate amendments and agree to a conference with the Senate, agreed to by voice vote.

10/24/95 Conference held.

12/20/95 Conference report filed in the House.

12/21/95 Conference report considered in the House and agreed to by yea-nay vote. Cleared for Senate action.

12/21/95 Conference report considered in the Senate.

12/22/95 Conference report agreed to in Senate by yea-nay vote: 52-47. Measure cleared for the president's signature.

12/29/95 Enrolled measure signed in the Senate.
12/27/95 Enrolled measure signed in the House.
01/09/96 Enrolled measure vetoed by President Clinton.

January, 1996

104th Congress
1st Session

H.R. 4

**Conference Committee Report
(Title III: Child Support)**

**Vetoed by President Clinton
January 9, 1996**

TITLE III—CHILD SUPPORT

SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, where ever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

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

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

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance and adoption assistance are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

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

"(B) enforce any support obligation established with respect to—

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

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

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

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

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

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

(E) in subparagraph (E), by indenting each of clauses

(i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

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

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

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

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family."

(c) CONFORMING AMENDMENTS.—

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

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

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

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

SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

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

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

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

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

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

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

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

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

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Act of 1995 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997

"(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997, or before such date, at the option of the State—

"(aa) **IN GENERAL.**—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) **REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.**—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)(A)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) **DISTRIBUTION OF THE REMAINDER TO THE FAMILY.**—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) **DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.**—

"(I) **PRE-OCTOBER 2000.**—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Act of 1995 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) **POST-SEPTEMBER 2000.**—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000, or before such date, at the option of the State—

"(aa) **IN GENERAL.**—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) **REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.**—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse of the amounts paid to the family as assistance by the State.

"(cc) **DISTRIBUTION OF THE REMAINDER TO THE FAMILY.**—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) **DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.**—In the case of a family described in this subparagraph, the provi-

sions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent necessary to reimburse amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, the State shall treat any support arrearages collected as accruing in the following order:

"(I) to the period after the family ceased to receive assistance;

"(II) to the period before the family received assistance; and

"(III) to the period while the family was receiving assistance.

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

"(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some states has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Personal Responsibility and Work Opportunity Act of 1995 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995); or

"(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995).

"(2) FEDERAL SHARE.—The term 'Federal share' means—

"(A) if the amounts collected and retained by the State (to the extent necessary to reimburse amounts paid to fami-

lies as assistance by the State) are equal to or greater than such amounts collected in fiscal year 1995 reduced by amounts not retained by the State in fiscal year 1995 as a result of the application of subsection (b)(1) of this section as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995), the highest Federal medical assistance percentage in effect for the State in fiscal year 1995 or any succeeding year of the amount so collected; or

"(B) if the amounts so collected and retained by the State are less than such amounts collected in fiscal year 1995 (reduced by amounts not retained by the State in fiscal year 1995 as a result of the application of subsection (b)(1) of this section as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995), the amounts so collected and retained less the State share in fiscal year 1995.

"(3) **FEDERAL MEDICAL ASSISTANCE PERCENTAGE.**—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) **STATE SHARE.**—The term 'State share' means 100 percent minus the Federal share.

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

(b) **CONFORMING AMENDMENTS.**—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (1)—

(i) by striking "(1)" and inserting "(1)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph

(B) of paragraph (1).

(c) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) **CONFORMING AMENDMENTS.**—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 303. PRIVACY SAFEGUARDS.

(a) **STATE PLAN REQUIREMENT.**—Section 454 (42 U.S.C. 654), as amended by section 301(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

III-6

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party."

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

SEC. 304. RIGHTS TO NOTIFICATION AND HEARINGS

(a) **IN GENERAL.**—Section 454 (42 U.S.C. 654), as amended by section 302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

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

"(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination."

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

Subtitle B—Locate and Case Tracking

SEC. 311. STATE CASE REGISTRY.

Section 454A, as added by section 344(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) **STATE CASE REGISTRY.**—

"(1) **CONTENTS.**—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

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

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) **LINKING OF LOCAL REGISTRIES.**—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) **USE OF STANDARDIZED DATA ELEMENTS.**—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

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

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

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

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) **UPDATING AND MONITORING.**—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

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

"(B) information obtained from comparison with Federal, State, or local sources of information;

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

"(D) any other relevant information.

"(6) **INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.**—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) **FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.**—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) **FEDERAL PARENT LOCATOR SERVICE.**—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) **TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.**—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) **INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.**—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part."

SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) **STATE PLAN REQUIREMENT.**—Section 454 (42 U.S.C. 654), as amended by sections 301(b) and 303(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

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

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases."

(b) **ESTABLISHMENT OF STATE DISBURSEMENT UNIT.**—Part D of title IV (42 U.S.C. 651-669), as amended by section 344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

***SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.**

"(a) STATE DISBURSEMENT UNIT.—

"(1) **IN GENERAL.**—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) **OPERATION.**—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) **LINKING OF LOCAL DISBURSEMENT UNITS.**—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) **REQUIRED PROCEDURES.**—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

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

"(c) TIMING OF DISBURSEMENTS.—

"(1) **IN GENERAL.**—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) **PERMISSIVE RETENTION OF ARREARAGES.**—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) **BUSINESS DAY DEFINED.**—As used in this section, the term 'business day' means a day on which State offices are open for regular business."

(c) **USE OF AUTOMATED SYSTEM.**—Section 454A, as added by section 344(a)(2) and as amended by section 311 of this Act, is amended by adding at the end the following new subsection:

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

“(1) **IN GENERAL.**—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

“(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

“(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

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

“(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

“(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

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

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

SEC. 313. STATE DIRECTORY OF NEW HIRES.

(a) **STATE PLAN REQUIREMENT.**—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a) and 312(a) of this Act, is amended—

(1) by striking “and” at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting “; and”; and

(3) by adding after paragraph (27) the following new paragraph:

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

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

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

“(a) **ESTABLISHMENT.**—

“(1) **IN GENERAL.**—

“(A) **REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.**—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the ‘State Directory of New Hires’) which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

“(B) **STATES WITH NEW HIRE REPORTING IN EXISTENCE.**—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of this section (other than subsection (f)) not later than October 1, 1997.

“(2) **DEFINITIONS.**—As used in this section:

“(A) **EMPLOYEE.**—The term ‘employee’—

“(i) means an individual who is an employee with- in the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—

"(i) **IN GENERAL.**—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1996 and includes any governmental entity and any labor organization.

"(ii) **LABOR ORGANIZATION.**—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity, (also known as a "hiring hall") which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) **IN GENERAL.**—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) **MULTISTATE EMPLOYERS.**—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) **FEDERAL GOVERNMENT EMPLOYERS.**—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) **TIMING OF REPORT.**—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) **REPORTING FORMAT AND METHOD.**—Each report required by subsection (b) shall be made on a W-4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) **CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.**—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) \$25; or

"(2) \$500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) **ENTRY OF EMPLOYER INFORMATION.**—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) **INFORMATION COMPARISONS.**—

"(1) **IN GENERAL.**—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) **NOTICE OF MATCH.**—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) **TRANSMISSION OF INFORMATION.**—

"(1) **TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.**—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) **TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.**—

"(A) **NEW HIRE INFORMATION.**—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) **WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.**—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) **BUSINESS DAY DEFINED.**—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) **OTHER USES OF NEW HIRE INFORMATION.**—

"(1) **LOCATION OF CHILD SUPPORT OBLIGORS.**—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) **VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.**—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) **ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.**—State agencies operating employment security and workers' compensation programs shall have access to

information reported by employers pursuant to subsection (b) for the purposes of administering such programs."

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing."

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A)."

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B."

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

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates."

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

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

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business."

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection."

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means."

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement."

SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c)" and inserting "; for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

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

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

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

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

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

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

(2) in subsection (b)—

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

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

subject to the safeguard provisions contained in section 454(26)."

(b) **AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.**—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;"

(c) **REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.**—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) **REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.**—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) **REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.**—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)."

(e) **CONFORMING AMENDMENTS.**—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) **NEW COMPONENTS.**—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

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

"(1) **IN GENERAL.**—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(c), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) **CASE INFORMATION.**—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) **NATIONAL DIRECTORY OF NEW HIRES.**—

"(1) **IN GENERAL.**—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Di-

rectory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental

security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

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

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission."

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;";

(B) Section 454(13) (42 U.S.C. 654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

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

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

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

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

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address."

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating

subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual."

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(1)(12)" and inserting "paragraph (6) or (12) of subsection (1)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations."

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (1)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (1)".

SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 315 of this Act, is amended by adding at the end the following new paragraph:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants."

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

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate";
 (4) in clause (vi), by striking "may" and inserting "shall";
 and

(5) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

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

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) **UNIFORM INTERSTATE FAMILY SUPPORT ACT.**—

"(1) **ENACTMENT AND USE.**—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws.

"(2) **EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.**—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.

SEC. 322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"child's home State" means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.;

(3) in subsection (c), by inserting "by a court of a State" before "is made";

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

(5) in subsection (d)—

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

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

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

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

(8) in subsection (e)(2)—

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

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

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

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

"(f) **RECOGNITION OF CHILD SUPPORT ORDERS.**—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

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

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

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

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

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

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

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

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

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrear under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) **REGISTRATION FOR MODIFICATION.**—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification."

SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315 and 317(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support."

SEC. 314. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

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

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

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

"(11) not later than June 30, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas."

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

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

(2) by inserting "and" at the end of subparagraph (D); and

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

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;"

SEC. 315. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 314 of this Act, is amended—

(1) in subsection (a)(2), by striking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

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

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(I) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, non-profit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) ACCESS TO CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

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

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

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

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

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

"(V) employment security records;

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

"(VII) records of the motor vehicle department;

and

"(VIII) corrections records.

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

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access), as provided pursuant to agreements described in subsection (a)(18).

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1); and (b) of section 465.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Se-

curity Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively."

(b) **AUTOMATION OF STATE AGENCY FUNCTIONS.**—Section 454A, as added by section 344(a)(2) and as amended by sections 311 and 312(c) of this Act, is amended by adding at the end the following new subsection:

"(h) **EXPEDITED ADMINISTRATIVE PROCEDURES.**—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c)."

Subtitle D—Paternity Establishment

SEC. 331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) **STATE LAWS REQUIRED.**—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) **GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.**—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) **OTHER REQUIREMENTS.**—Procedures which require the State agency, in any case in which the agency orders genetic testing—

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

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) **SIMPLE CIVIL PROCESS.**—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) **HOSPITAL-BASED PROGRAM.**—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish.

"(iii) **PATERNITY ESTABLISHMENT SERVICES.**—

"(I) **STATE-OFFERED SERVICES.**—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) **REGULATIONS.**—

"(aa) **SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.**—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) **SERVICES OFFERED BY OTHER ENTITIES.**—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) **USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.**—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) **STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.**—

"(i) **INCLUSION IN BIRTH RECORDS.**—Procedures under which the name of the father shall be included on the record of birth of the child only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judi-

cial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) **LEGAL FINDING OF PATERNITY.**—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) **CONTEST.**—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) **BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.**—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) **ADMISSIBILITY OF GENETIC TESTING RESULTS.**—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) **PRESUMPTION OF PATERNITY IN CERTAIN CASES.**—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) **DEFAULT ORDERS.**—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) **NO RIGHT TO JURY TRIAL.**—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) **TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.**—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if

there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry."

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 658) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), and 313(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish through the State agency, or at the option of the State, through the State agencies administering the State programs funded under part A and title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and

consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

"(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore."

Subtitle E—Program Administration and Funding

SEC. 341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) **DEVELOPMENT OF NEW SYSTEM.**—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than June 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

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

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

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV-A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV-A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV-A/non-title IV-A administrative costs".

(c) **CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.**—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in each of subparagraphs (A) and (B), by striking "75" and inserting "90".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

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

(B) by striking "(or all States, as the case may be)".

(3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended by adding at the end the following new sentence: "In meeting the 90 percent paternity establishment requirement, a State may calculate either the paternity establishment rate of cases in the program funded under this part or the paternity establishment rate of all out-of-wedlock births in the State."

(4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

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

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a

State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated) by inserting "and securing support" before the period.

(d) **EFFECTIVE DATES.**—

(1) **INCENTIVE ADJUSTMENTS.**—

(A) **IN GENERAL.**—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) **APPLICATION OF SECTION 458.**—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) **PENALTY REDUCTIONS.**—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 343. FEDERAL AND STATE REVIEWS AND AUDITS.

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

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

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

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

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16), and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV-D paternity establishment percentages to the extent necessary for purposes of sections 452(g) and 458."

(b) **FEDERAL ACTIVITIES.**—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators, under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

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

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

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

(c) **EFFECTIVE DATE.**—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 343. REQUIRED REPORTING PROCEDURES.

(a) **ESTABLISHMENT.**—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) **STATE PLAN REQUIREMENT.**—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), 313(a), and 333 of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part."

SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) **REVISED REQUIREMENTS.**—

(1) **IN GENERAL.**—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) **AUTOMATED DATA PROCESSING.**—Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) **IN GENERAL.**—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) **PROGRAM MANAGEMENT.**—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) **CALCULATION OF PERFORMANCE INDICATORS.**—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

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

"(B) to calculate the IV-D paternity establishment percentage for the State for each fiscal year; and

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

"(d) **INFORMATION INTEGRITY AND SECURITY.**—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) **POLICIES RESTRICTING ACCESS.**—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

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

"(2) **SYSTEMS CONTROLS.**—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) **MONITORING OF ACCESS.**—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) **TRAINING AND INFORMATION.**—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) **PENALTIES.**—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data."

(3) **REGULATIONS.**—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) **IMPLEMENTATION TIMETABLE.**—Section 454(24) (42 U.S.C. 654(24)), as amended by section 303(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet

the deadline imposed by section 344(a)(3) of the Personal Responsibility and Work Opportunity Act of 1995."

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

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

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is 80 percent."

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than \$400,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 345. TECHNICAL ASSISTANCE

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part

(including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part."

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 316 of this Act, is amended by adding at the end the following new subsection:

"(a) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees."

SEC. 346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

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

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

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

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

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

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

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

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

(iii) by inserting "or 1912" after "471(a)(17)"; and

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

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

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

(D) by striking clause (iv); and

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

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

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

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

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

III-34

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i)."

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

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

"(10) **REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.**—Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) **IN GENERAL.**—

"(i) **3-YEAR CYCLE.**—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(ii) **METHODS OF ADJUSTMENT.**—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(iii) **NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.**—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

"(B) **AUTOMATED METHOD.**—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) **REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.**—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order."

SEC. 352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award."

SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) **IN GENERAL.**—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) **PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.**—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) **CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.**—

(1) **DISCLOSURE BY STATE OFFICER OR EMPLOYEE.**—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) **NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.**—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) **DAMAGES.**—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) \$1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) **DEFINITIONS.**—For purposes of this section—

(1) **FINANCIAL INSTITUTION.**—The term "financial institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u));

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

(2) **FINANCIAL RECORD.**—The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) **STATE CHILD SUPPORT ENFORCEMENT AGENCY.**—The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) **COLLECTION OF FEES.**—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

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

(2) by striking the period at the end of paragraph (4) and inserting ", and";

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

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

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

(b) **EFFECTIVE DATE.**—The amendments made by this section shall become effective October 1, 1997.

SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) **CONSOLIDATION AND STREAMLINING OF AUTHORITIES.**—Section 459 (42 U.S.C. 659) is amended to read as follows:

"**SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.**

"(a) **CONSENT TO SUPPORT ENFORCEMENT.**—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration

for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS.

(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) **NO REQUIREMENT TO VARY PAY CYCLES.**—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) **RELIEF FROM LIABILITY.**—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) **REGULATIONS.**—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) **MONEYS SUBJECT TO PROCESS.**—

"(1) **IN GENERAL.**—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(f) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

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

"(3) ALIMONY.—

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

the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) EXCEPTIONS.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments."

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

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

(B) by striking the period at the end of subparagraph

(C) and inserting "; and"; and

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

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)), before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C.

662(b))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 662(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 662(i)(3)))";

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act."

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

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

(2) TYPE OF ADDRESS.—

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

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

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

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

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) **REGULATIONS.**—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) **COVERED HEARINGS.**—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) **DEFINITIONS.**—For purposes of this subsection—

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) **DATE OF CERTIFICATION OF COURT ORDER.**—Section 1408 of title 10, United States Code, as amended by section 352(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) **CERTIFICATION DATE.**—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary."

(2) **PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.**—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 607(a)(4)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights."

(3) **ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.**—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due."

(4) **PAYROLL DEDUCTIONS.**—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

"(g) **LAWS VOIDING FRAUDULENT TRANSFERS.**—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor."

SEC. 365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) **IN GENERAL.**—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 315, 317(a), and 323 of this Act, is amended by adding at the end the following new paragraph:

"(15) **PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.**—

"(A) **IN GENERAL.**—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) **PAST-DUE SUPPORT DEFINED.**—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living."

(b) **CONFORMING AMENDMENT.**—The flush paragraph at the end of section 466(a) (42 U.S.C. 666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 316 and 345(b) of this Act, is amended by adding at the end the following new subsection:

"(p) **SUPPORT ORDER DEFINED.**—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may

include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief."

SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—"

"(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined)."

SEC. 368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order."

SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, and 365 of this Act, is amended by adding at the end the following:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings."

SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 345 of this Act, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding \$5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 370(b) of the Personal Responsibility and Work Opportunity Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section."

(2) STATE CASE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of this Act, is amended—

- (A) by striking "and" at the end of paragraph (29);
 (B) by striking the period at the end of paragraph (30) and inserting "; and"; and
 (C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding \$5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require."

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) **IN GENERAL.**—The Secretary of State shall, upon certification by the Secretary of Health and Human Services transmitted under section 452(k) of the Social Security Act, refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) **LIMIT ON LIABILITY.**—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) **EFFECTIVE DATE.**—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 371. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) **AUTHORITY FOR INTERNATIONAL AGREEMENTS.**—Part D of title IV, as amended by section 362(a) of this Act, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

"(a) AUTHORITY FOR DECLARATIONS.—

"(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

"(A) the procedures established by the foreign nation regarding the establishment and enforcement of duties of support have been so changed, or the foreign nation's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

"(B) continued operation of the declaration is not consistent with the purposes of this part.

"(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

"(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

"(1) MANDATORY ELEMENTS.—Child support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

"(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

"(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

"(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

"(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

"(C) An agency of the foreign country is designated as a Central Authority responsible for—

"(i) facilitating child support enforcement in cases involving residents of the foreign nation and residents of the United States; and

"(ii) ensuring compliance with the standards established pursuant to this subsection.

"(2) **ADDITIONAL ELEMENTS.**—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

"(c) **DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.**—It shall be the responsibility of the Secretary of Health and Human Services to facilitate child support enforcement in cases involving residents of the United States and residents of foreign nations that are the subject of a declaration under this section, by activities including—

"(1) development of uniform forms and procedures for use in such cases;

"(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

"(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

"(d) **EFFECT ON OTHER LAWS.**—States may enter into reciprocal arrangements for the establishment and enforcement of child support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law."

(b) **STATE PLAN REQUIREMENT.**—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

"(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

"(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor)."

SEC. 371. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, and 369 of this Act, is amended by adding at the end the following new paragraph:

"(17) FINANCIAL INSTITUTION DATA MATCHES.—

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

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

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

"(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

"(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

"(i) for any disclosure of information to the State agency under subparagraph (A)(i);

"(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

"(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' means any Federal or State commercial savings bank, including savings association or cooperative bank, Federal- or State-chartered credit union, benefit association, insurance company, safe deposit company, money-market mutual fund, or any similar entity authorized to do business in the State; and

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

SEC. 372. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, and 372 of this Act, is amended by adding at the end the following new paragraph:

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

SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

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

(1) in paragraph (16) by striking the period at the end and inserting “; or”;

(2) by adding at the end the following:

“(17) to a State or municipality for assistance provided by such State or municipality under a State program funded under section 403 of the Social Security Act to the extent that such assistance is provided for the support of a child of the debtor.”; and

(3) in paragraph (5), by inserting “ or section 403” after “section 402(a)(26).”

(b) **AMENDMENT TO THE SOCIAL SECURITY ACT.**—Section 456(b) of the Social Security Act (42 U.S.C. 656(b)) is amended to read as follows:

“(b) **NONDISCHARGEABILITY.**—A debt (as defined in section 101 of title 11 of the United States Code) to a State (as defined in such section) or municipality (as defined in such section) for assistance provided by such State or municipality under a State program funded under section 403 is not dischargeable under section 727, 1141, 1228(a), 1228(b), or 1328(b) of title 11 of the United States Code to the extent that such assistance is provided for the support of a child of the debtor (as defined in such section).”

(c) **APPLICATION OF AMENDMENTS.**—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the effective date of this section.

Subtitle H—Medical Support

SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

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

(1) by striking “issued by a court of competent jurisdiction”;

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

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

“if such judgment, decree, or order (i) is issued by a court of competent jurisdiction or (ii) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.”

(b) **EFFECTIVE DATE.**—

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

(2) **PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.**—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 465(a) (42 U.S.C. 656(a)), as amended by sections 315, 317(a), 323, 365, 369, 372, and 373 of this Act, is amended by adding at the end the following new paragraph:

"(19) **HEALTH CARE COVERAGE.**—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice."

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

SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651-669) is amended by adding at the end the following:

***SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

"(a) **IN GENERAL.**—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) **AMOUNT OF GRANT.**—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) **ALLOTMENTS TO STATES.**—

"(1) **IN GENERAL.**—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) **MINIMUM ALLOTMENT.**—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) \$50,000 for fiscal year 1996 or 1997; or

"(B) \$100,000 for any succeeding fiscal year.

"(d) **NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.**—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) **STATE ADMINISTRATION.**—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary."

Subtitle J—Effect of Enactment

SEC. 391. EFFECTIVE DATES.

(a) *IN GENERAL*.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) *GRACE PERIOD FOR STATE LAW CHANGES*.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) *GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT*.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

BILL STATUS (May, 1995)

MEASURE: HR4

SPONSOR: Shaw (R-FL)

BRIEF TITLE: Personal Responsibility Act of 1995. (NOTE: This is part of the House Republicans' "Contract With America")

OFFICIAL TITLE: A bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

INTRODUCED: 01/04/95

COSPONSORS: 121 (Dems: 0 Reps: 121 Ind: 0)

COMMITTEES: House Ways and Means
House Rules
House Judiciary
House Commerce
House Economic and Educational Opportunities
House Budget
House Banking and Financial Services
House Agriculture

SHORT TITLE: Personal Responsibility Act of 1995

SHORT TITLE AS PASSED IN HOUSE (03/24/95):

Personal Responsibility Act of 1995 (**HR1214, as amended; amendments shown below in bold print**)
Food Stamp Reform and Commodity Distribution Act
Commodity Distribution Act of 1995
Food Stamp Simplification and Reform Act of 1995

LEGISLATIVE ACTION: 01/04/95: Referred to Committee on Agriculture, Committee on Banking and Financial Services, Committee on the Budget, Committee on Commerce, Committee on Economic and Educational Opportunities, Committee on the Judiciary, Committee on Rules, Committee on Ways and Means , 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.

- 01/04/95: Title I, referred to the Committees on Ways & Means, and in addition to the Committee on Banking & Financial Services
- 01/04/95: Title II, referred to the Committees on Ways & Means, and in addition to the Economic & Educational Opportunities
- 01/04/95: Title III, referred to the Committee on Ways & Means, and in addition to the Committees on Banking & Financial Services; Economic & Educational Opportunities; Budget; and Rules
- 01/04/95: Title IV, referred to the Committee on Ways & Means, and in addition to the Committees on Banking & Financial Services; Commerce; Economic & Educational Opportunities; Judiciary; and Agriculture
- 01/04/95: Title V, referred to the Committee on Agriculture, and in addition to the Committees on Economic & Educational Opportunities; and the Judiciary
- 01/04/95: Title VI-VII, referred to the Committee on Ways & Means.
- 01/04/95: Title VIII, referred to the Committee on Ways & Means, and in addition to the Committees on Agriculture; Budget; Economic & Educational Opportunities; Banking & Financial Services; Commerce; the Judiciary; and Rules
- 01/13/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/05/95: Committee hearings held by the House Ways & Means Committee.

- 01/10/95: Committee hearings held by the House Ways & Means Committee.
- 01/11/95: Committee hearings held by the House Ways & Means Committee.
- 01/12/95: Committee hearings held by the House Ways & Means Committee.
- 01/18/95: Committee hearings held by the House Economic & Educational Opportunities Committee.
- 01/19/95: Subcommittee hearings held by the House Economic & Educational Opportunities Committee, Subcommittee on Postsecondary Education, Training, and Life-Long Learning.
- 01/20/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/23/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/27/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/30/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 01/31/95: Subcommittee hearings held by the House Economic & Educational Opportunities Committee, Subcommittee on Early Childhood, Youth and Families.
- 01/31/95: Committee hearings held by the House Ways & Means Committee.
- 02/01/95: Committee hearings completed by the House Ways & Means Committee.

- 02/01/95: Committee hearings held by the House Economic & Educational Opportunities Committee.
- 02/02/95: Subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources.
- 02/03/95: Joint subcommittee hearings held by the House Ways & Means Committee, Subcommittee on Human Resources; and the Economic & Educational Opportunities Committee, Subcommittee on Early Childhood, Youth and Families.
- 02/06/95: Subcommittee hearings completed by the House Ways & Means Committee, Subcommittee on Human Resources.
- 02/09/95: Subcommittee hearings held by the House Agriculture Committee, Subcommittee on Department Operations, Nutrition and Foreign Agriculture.
- 02/13/95: Committee consideration and markup session held by the House Ways & Means Committee.
- 02/15/95: Human Resources Subcommittee of House Ways and Means Committee begins mark up.
- 02/15/95: Approved for full committee action amended by the House Ways & Means Committee, Subcommittee on Human Resources.
- 02/21/95: The provisions of this measure under the jurisdiction of the Economic & Educational Opportunities Committee relating to child nutrition programs were introduced as HR999.
- 02/28/95: Committee consideration and markup session held by the House Ways & Means Committee.
- 03/01/95: Committee consideration and markup session held by the House Ways & Means Committee.

- 03/02/95 Committee consideration and markup session held by the House Ways & Means Committee.
- 03/06/95 Provisions of this measure under the jurisdiction of the Agriculture Committee regarding the food stamp program are included in HR1135.
- 03/08/95 Provisions agreed to by the Ways & Means Committee were introduced as HR1157.
- 03/16/95 Hearing held by the House Committee on Rules. House Rules Committee granted a rule providing for general debate only -- two hours to be equally divided and controlled between the chairman and ranking minority members of the Committee on Ways & Means and three hours equally divided and controlled by the chairman and ranking minority members of the Committee on Economic and Education Opportunities and the Committee on Agriculture -- on the bill; the rule also provides that the Committee shall rise after general debate without motion and that there shall be no future consideration of the bill except by a subsequent order of the House.
- 03/21/95 House Rules Committee granted a modified closed rule providing for further consideration of the bill; the rule provides for the adoption in the House and the Committee of the Whole of an amendment in the nature of a substitute consisting of the text of HR1214, for the bill as so amended to be considered an original bill for the purpose of amendment, and for the bill as so amended to be considered as read; only amendments printed in the Rules Committee report or specified in the rule are in order, and the amendments are considered as read; except as otherwise specified in the rule, amendments printed in the rule may only be offered in the order specified, by the member designated, and are debatable for 20 minutes each, equally divided between the proponent and an opponent, except that the chairman and ranking minority member of the Ways & Means Committee, or their designees, may offer one pro forma amendment

each per amendment for debate purposes; all points of order are waived against the amendments made in order by the rule; the chairman of the Committee on Ways & Means or a designee may offer amendments en bloc consisting of amendments not previously disposed of which are printed in the Rules Committee report or germane modifications thereof; the amendments offered en bloc shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided between the chairman and ranking minority member of the Ways & Means Committee; the rule permits the original proponent of an amendment included in an en bloc amendment to insert a statement in the Congressional Record immediately prior to the disposition of the amendments en bloc; the rule permits the chairman of the Committee of the Whole to postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment made in order by the rule, and to reduce to five minutes the time for voting on any such postponed question following the first such vote if there is no intervening business; the chairman of the Committee of the Whole may recognize out of the order printed the consideration of any amendment made in order by the rule, provided it is not sooner than one hour after the chairman of the Ways & Means Committee or a designee announces from the floor a request to that effect; following the disposition of the amendments printed in the Rules Committee report and any en bloc combinations thereof, it shall be in order to consider three amendments in the nature of a substitute if offered by the named proponent or a designee, if offered in the following order, debatable for one hour each: (1) an amendment in the nature of a substitute consisting of the text of HR1267 if offered by DEAL, D-Ga.; (2) an amendment in the nature of a substitute consisting of the text of HR1250, if offered by MINK, D-Hawaii; and (3) an amendment in the nature of a substitute consisting of the text of the bill as amended prior to the consideration of the three

substitutes if offered by the chairman of the Committee on Ways & Means or a designee; the amendments shall not be subject to further amendment except for the third amendment which may be amended by any amendment printed in the report not yet offered, but subject to the same conditions for debate and consideration out of order, including the one-hour notice requirement; if more than one amendment in the nature of a substitute is adopted, the one receiving the most affirmative votes shall be considered as finally adopted and reported to the House; in the case of a tie, the last such amendment adopted receiving the most votes shall be reported; it shall be in order in the House to demand a separate vote to any amendment adopted to the bill or incorporated in the third amendment in the nature of a substitute made in order unless it is replaced by another amendment in the nature of a substitute; the rule provides one motion to recommit, with or without instructions.

- 03/21/95 House completed all general debate on HR4 but came to no resolution thereon.
- 03/22/95 Substitute amendment (consisting of the text of HR1214) was considered and agreed to. The bill, as amended, considered as an original bill for the purpose of amendment.
- 03/22/95 **ARCHER, R-Texas, modified en bloc amendment, to express the sense of the Congress regarding marriage as the foundation of a successful society and that out-of-wedlock births have negative consequences; to strike the provision in Title I (Temporary Family Assistance Block Grants) requiring states to reduce out-of-wedlock births and replace it with (1) a requirement to reduce out-of-wedlock pregnancies, (2) strikes the requirement that states provide education, counseling, and health services to male and female teenagers as a means of reducing such pregnancies, and (3) prohibits states from using block grant funds to provide**

health services; to increase required work participation rates in Title I for all families over the course of a fiscal year from 4 percent to 10 percent in fiscal year 1996, from 4 percent to 15 percent in fiscal year 1997, from 8 percent to 20 percent in fiscal year 1998, from 12 percent to 25 percent in fiscal year 1999, and from 17 percent to 27 percent in fiscal year 2000; to prohibit the secretary of Health and Human Services from overruling the ability of states to determine in their definitions of child abuse and neglect what is proper health care for a child; to express the sense of the Congress that states should establish expedited adoption procedures and allocate sufficient funds from their Child Protection Block Grant toward adoption and medical assistance to reduce the amount of time children must spend in foster care; to require family and school-based Nutrition Block Grants to be equitably distributed to members of the armed forces residing in a state; to limit the secretary of Agriculture's authority to request specific information concerning grants under his jurisdiction to what "can reasonably be required"; to add criminal forfeiture authority to the powers of the Departments of Justice and Agriculture in prosecuting violators of the Food Stamp Act; to clarify the ten-year penalty for willfully misrepresenting residency in order to receive benefits in more than one state; to strike provisions in Title VII (Child Support) that prohibit the secretary of Health and Human Services from granting exemptions to the following state law requirements: (1) procedures for establishing paternity, modification of orders, recording orders in the state registry, recording Social Security numbers, interstate enforcement, or expedited processing, (2) requires the secretary to conclude that a network of local disbursement units costs less and takes less time than a centralized system in order to secure approval, (3) requires states to give employers one address to send child support withholding payments for centralized collection, and makes a

number of technical corrections; and to require the Social Security number of the deceased appear on death certificates, agreed to by yeay-nay vote: 249-177.

- 03/23/95 Considered and amended by the House.
- 03/23/95 UPTON, R-Mich., modified amendment, to prohibit individuals who are delinquent in making court-ordered child support payments from receiving assistance under the food stamp program if the court is not allowing the payment to be delayed, agreed to by voice vote.
- 03/23/95 SALMON, R-Ariz., amendment, to require states to adopt procedures to automatically put liens against property of persons for delinquent child support payments ordered by another state, agreed to by yeay-nay vote: 433-0.
- 03/23/95 ROUKEMA, R-N.J., amendment, to authorize states to withhold or suspend the driver's license of individuals who owe back child support, agreed to by yeay-nay vote: 426-5.
- 03/24/95 Measure, as amended, passed in House by yeay-nay vote: 234-199.
- 03/29/95 Referred to Senate Committee on Finance.
- 04/26/95 Committee hearings held on related provisions by the Senate Finance Committee.
- 04/27/95 Committee hearings held and completed by the Senate Finance Committee.
- 05/24/95 Committee consideration and markup session held by the Senate Finance Committee.
- 05/26/95 Committee consideration and markup session held by the Senate Finance Committee.
- 05/26/95 Ordered to be reported by Senate Finance with an amendment in the nature of a substitute.

BILL ANALYSIS (MAY, 1995)

MEASURE: HR 4

SPONSOR: SHAW (R-FL)

OFFICIAL TITLE: An Act to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

SHORT TITLE: Personal Responsibility Act of 1995

DIGEST:

TABLE OF CONTENTS:

- Title I: Block Grants for Temporary Assistance for Needy Families
- Title II: Child Protection Block Grant Program
- Title III: Block Grants for Child Care and for Nutrition Assistance
 - Subtitle A: Child Care Block Grants
 - Subtitle B: Family and School-Based Nutrition Block Grants
 - Subtitle C: Other Repealers and Conforming Amendments
 - Subtitle D: Related Provisions
 - Subtitle E: General Effective Date; Preservation of Actions, Obligations, and Rights
- Title IV: Restricting Welfare and Public Benefits for Aliens
 - Subtitle A: Eligibility for Federal Benefits Programs
 - Subtitle B: Eligibility for State and Local Public Benefits Programs
 - Subtitle C: Attribution of Income and Affidavits of Support
 - Subtitle D: General Provisions
 - Subtitle E: Conforming Amendments
- Title V: Food Stamp Reform and Commodity Distribution
 - Subtitle A: Commodity Distribution Provisions
 - Subtitle B: Simplification and Reform of Food Stamp Program
 - Subtitle C: Effective Dates and Miscellaneous Provisions
- Title VI: Supplemental Security Income
- Title VII: Child Support
 - Subtitle A: Eligibility for Services; Distribution of Payments
 - Subtitle B: Locate and Case Tracking
 - Subtitle C: Streamlining and Uniformity of Procedures
 - Subtitle D: Paternity Establishment
 - Subtitle E: Program Administration and Funding
 - Subtitle F: Establishment and Modification of Support Orders
 - Subtitle G: Enforcement of Support Orders
 - Subtitle H: Medical Support
 - Subtitle I: Enhancing Responsibility and Opportunity for Nonresidential Parents

Subtitle J: Effect of Enactment
Title VIII: Miscellaneous Provisions

Title I: Block Grants For Temporary Assistance For Needy Families

Expresses the sense of the Congress with regard to the importance of marriage and the reduction of out-of-wedlock births which impose negative consequences on the child, the mother, and society.

(Sec. 101) Amends part A of title IV of the Social Security Act (SSA) to replace the current AFDC program with block grants to States with specified work, job search, and education and training requirements designed to increase State flexibility in providing time-limited assistance and support services (including birth control and child care services) to needy families to enable them to leave the program and become self-sufficient.

Prohibits State family assistance grants, generally, to: (1) certain aliens; (2) families without a minor child; (3) families not cooperating in paternity establishment or child support; (4) children born out-of-wedlock to a minor parent (or the parent until such parent turns age 18); (5) families not assigning support rights to the State; (6) minor children born to benefit recipients; (7) a person found to have fraudulently misrepresented residence in order to obtain benefits in two or more States; (8) fugitive felons and probation and parole violators; (9) minor children who are absent from the home for a significant period; and (10) relatives who fail to notify the appropriate State agency of the absence of a child. Withholds a portion of assistance for families which include a child whose paternity is not established.

Provides that in order to be eligible for block grants under such program a State must submit to the Secretary of Health and Human Services a plan that includes: (1) an outline of the assistance the State intends on providing to needy families with children; and (2) certifications that the State will operate revised SSA title IV part B (Child-Welfare Services) and D (Child Support and Establishment of Paternity) programs in accordance with this Act.

Allows States to use grants for: (1) providing low-income household heating and cooling assistance; (2) implementing an electronic benefit transfer system for providing assistance to needy families with children; and (3) carrying out a State program pursuant to specified provisions of Federal law, including the Child Care and Development Block Grant Act of 1990. Prohibits the use of such grants to provide medical services.

Gives States the authority to treat families moving interstate under the former State program rules if they reside in their new State of residence for less than 12 months. Increases the amount of such grants for States which have reduced their out-of-wedlock births.

Sets out penalties for violations of grant uses and mandatory work requirements.

Establishes in the Treasury a revolving loan fund known as the Federal Rainy Day Fund for making loans to, and receiving payments of principal and interest on such loans from, qualified States under the new State block grant program.

Expresses the sense of the Congress that: (1) the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school; and (2) each State that operates a block grant program is encouraged to assign the highest priority to requiring families that include older preschool or school-age children to be engaged in work activities.

Directs the Secretary to: (1) research the costs and benefits of State activities under this title; (2) evaluate innovative approaches to employing program recipients; (3) rank States in order of their success under the grant program; and (4) review the most and least successful State work programs.

Sets forth requirements for: (1) State data collection and reporting; and (2) a Census Bureau study obtaining information for evaluating the impact of this title on a random national sample of recipients of assistance under State block grant programs. Appropriates funds for the latter.

Authorizes the Secretary to: (1) conduct research on the effects, costs, and benefits of State block grant programs under this title; (2) assist States in development and evaluation of innovative approaches to employing welfare recipients; and (3) conduct studies of the caseloads of States operating programs under this title.

Directs the Secretary to develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this title.

(Sec. 102) Directs the Secretary to report to the Congress a on automated data processing systems under State block grant programs and the modifications necessary for tracking public program participants and checking case records to prohibit participants from participating in public programs of two or more States.

(Sec. 106) Provides for the continued application of current AFDC standards under the Medicaid program under SSA title XIX.

Title II: Child Protection Block Grant Program

Revises SSA title IV part B's Child-Welfare Services program, converting it also into a program of block grants to the States, in this case, for the protection of children in accordance with specified standards.

(Sec. 201) Sets forth requirements, similar to those in title I, pertaining to: (1) State eligibility plans with appropriate certifications; (2) grant uses; (3) penalties; (4) data collection and reporting; (5) research; (6) a national random sample study; and (7) continued application of current standards under the Medicaid program.

Authorizes a State receiving a child protection grant to consider establishing a new type of permanent foster care and adoption placement of children with adult relatives (kinship care).

Adds requirements for: (1) citizen review panels for examining specific cases to ensure that State and local agencies are doing their job properly to protect children; (2) a clearinghouse and telephone hotline on missing and runaway children; (3) decreasing the time children wait for adoption; and (4) preventing discrimination in multiethnic placements of children. Authorizes appropriations.

(Sec. 205) Expresses the sense of the Congress urging States, among other things, to increase timely adoptions and make adoptions more affordable for middle-class families adopting special needs children while also saving money for the State.

Title III: Block Grants For Child Care And For Nutrition Assistance

*Subtitle A: Child Care Block Grants - Amends the Child Care and Development Block Grant Act of 1990 to add the following as goals for such Act: (1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State; (2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs; (3) to encourage States to provide consumer education information to help parents make informed choices about child care; (4) to assist States to provide child care to parents trying to achieve independence from public assistance; and (5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.

(Sec. 301) Reauthorizes and extends such Act through 2000.

Makes various specified technical and other changes to the Child Care and Development Block Grant Act of 1990 with regard to lead State agency designation, State application and plan, and limitations on State allotments.

Repeals earmarked required expenditures. Requires each State to report a plan for annual evaluations of the extent to which the State has achieved each goal established by this Act. Authorizes a State to transfer funds to carry out other State programs operated under specified provisions of Federal law, including State Aid to Families With Dependent Children (AFDC) and Child-Welfare Services programs.

(Sec. 302) Repeals certain child care assistance authorized by specified Acts other than the Social Security Act, including Native Hawaiian Family-Based Education Centers under the Native Hawaiian Education Act.

*Subtitle B: Family and School-Based Nutrition Block Grants - Revises the Child Nutrition Act of 1966, among other changes, converting the current child nutrition program under that Act into a State family nutrition block grant program with goals that include the following: (1) to provide nutritional risk assessment, food assistance based on such risk assessment, and nutrition education and counseling to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children at nutritional risk; and (2) to provide food assistance, including nutritious meal supplements, to such women in order to reduce incidences of low- birthweight babies and babies born with birth defects as a result of nutritional deficiencies.

(Sec. 321) Sets forth the formula for allotting appropriations among the States. Specifies the use of grant amounts, and establishes penalties for misuse of funds. Requires each State to: (1) establish a cost containment system for the procurement of infant formula; and (2) provide assistance to Department of Defense child care programs on military installations on an equitable basis with assistance provided to all other child care programs in the State.

Requires the appropriate State agency to determine that sufficient grant amounts will remain available during a fiscal year to carry out this subtitle before using any such amounts for the fiscal year.

Sets out State reporting requirements.

Directs the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences to develop, and report to specified congressional committees, model nutrition standards for food assistance provided to economically disadvantaged pregnant women, postpartum women, breastfeeding women, infants, and young children.

Authorizes appropriations.

(Sec. 341) Amends the National School Lunch Act, among other changes, converting the current school lunch program into a program of school-based nutrition block grants to States to provide assistance to schools to establish and carry out nutritious food service programs that provide affordable meals and supplements to students.

Requires the appropriate State agency to determine that sufficient grant amounts will remain available during a fiscal year to carry out this subtitle before using any such amounts for the fiscal year.

Prohibits a State from requiring a school district, private nonprofit school, or Department of Defense domestic dependents' school to accept commodities, except on request, for use in its

food service program.

Directs the States to ensure that schools provided State assistance in establishing and carrying out nutritious food service programs do not: (1) physically segregate children eligible to receive free or low cost meals or supplements on the basis of such eligibility; (2) provide for overt identification of such children by special means; or (3) otherwise discriminate against them.

Provides that if, by reason of any other provision of law, a State is prohibited from providing assistance received from a grant under such Act to private nonprofit schools or Department of Defense domestic dependents' schools, or if the State has substantially failed or is unwilling to provide such assistance, the Secretary of Agriculture shall arrange for its provision to such schools in accordance with the requirements of such Act.

Directs the Food and Nutrition Board of the Institute of Medicine of the National Academy of Sciences to develop, and report to specified congressional committees, model nutrition standards for meals provided to students under such Act.

Eliminates other current school lunch programs, including the summer food service programs for children in service institutions, the child and adult care food program, meal supplements for children in afterschool care, specified pilot projects, as well as the current publication entitled "Nutrition Guidance for Child Nutrition Programs."

Retains the current program for nutritious food service programs in Department of Defense overseas dependents' schools.

(Sec. 361) Repeals the Commodity Distribution Reform Act and WIC Amendments of 1987 and the Child Nutrition and WIC Reauthorization Act of 1989.

*Subtitle C: Other Repealers and Conforming Amendments - Repeals the Abandoned Infants Assistance Act of 1988 with conforming amendments to the Domestic Volunteer Service Act of 1973.

(Sec. 371) Repeals the Child Abuse Prevention and Treatment Act with conforming amendments to the Victims of Crime Act of 1984.

Repeals the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978.

Makes technical amendments to the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986, eliminating the crisis nursery demonstration program, among other changes.

Repeals: (1) the Missing Children's Assistance Act; (2) the family center support provisions of the Stewart B. McKinney Homeless Assistance Act; (3) certain investigatory and prosecutory provisions of the Victims of Child Abuse Act of 1990; and (4) the family unification program provisions of the United States Housing Act of 1937.

*Subtitle D: Related Provisions - Directs the Secretary to produce and publish data on the incidence of poverty for each State, county, and local government for which data have been compiled, as well as for each school district. Requires a report to the Congress, if such data cannot be produced, enumerating each government or school district excluded and giving the reasons for the exclusion. Authorizes appropriations.

(Sec. 382) Requires the Secretary to produce data relating to participation in programs authorized by this Act by families and children. Authorizes appropriations.

*Subtitle E: General Effective Date; Preservation of Actions, Obligations, And Rights - Specifies the effective date of this Act and the application of its amendments and repeals.

Title IV: Restricting Welfare and Public Benefits for Aliens

Declares that: (1) it is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy; and (2) it is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

*Subtitle A: Eligibility for Federal Benefits Programs - Makes illegal and lawful nonimmigrant aliens ineligible for any Federal means-tested public benefits program, with exceptions: (1) for non-cash, in-kind emergency services and certain types of housing-related assistance; and (2) for certain aliens granted asylum and temporary agricultural workers.

(Sec. 403) Makes aliens lawfully present in the United States ineligible for SSI, block grant temporary assistance for needy families, social services block grant assistance, Medicaid, and food stamps.

Exempts from such eligibility restrictions on lawful aliens: (1) refugees until five years after their arrival in the United States; (2) all lawful permanent residents 76 years of age or older who have resided in the United States for at least five years; and (3) any lawful permanent resident unable because of physical or developmental disability or mental impairment (including Alzheimer's disease) to comply with naturalization requirements.

(Sec. 404) Requires each Federal agency administering a program covered by this title to post information and provide general notification to the public and program recipients, either directly or through the States, of the requirements concerning alien eligibility for any such program pursuant to this title.

*Subtitle B: Eligibility for State and Local Public Benefits Programs - Makes illegal and nonimmigrant aliens ineligible for any State or local means-tested public benefits programs, with certain exceptions including those for non-cash, in-kind emergency services, aliens granted

asylum, and temporary agricultural workers.

(Sec. 413) Authorizes States to determine eligibility requirements for aliens who are lawfully present in the United States (other than as nonimmigrants) for any State or local means-tested public assistance program except non-cash, in-kind emergency assistance.

Exempts from such eligibility restrictions on lawful aliens: (1) refugees until five years after their arrival in the United States; (2) all eligible resident aliens until one year after enactment of this Act; and (3) all lawful permanent residents 76 years of age or older who have resided in the United States for at least five years.

*Subtitle C: Attribution of Income and Affidavits of Support - Provides that in determining the eligibility and the amount of benefits of any alien for any means-tested public benefits program (except those for certain housing-related assistance), the income and resources of the alien shall be deemed to include: (1) the income and resources of any person who executed an affidavit of support on the alien's behalf; and (2) the income and resources of the person's spouse (if any). Applies such requirement with respect to an alien until such time as the alien achieves U.S. citizenship through naturalization.

(Sec. 422) Sets forth requirements for sponsor's affidavit of support.

*Subtitle D: General Provisions - Sets forth definitions and provides for the determination of lawful presence.

*Subtitle E: Conforming Amendments - Makes conforming amendments relating to assisted housing under the Housing and Community Development Act of 1980.

Title V: Food Stamp Reform and Commodity Distribution - Food Stamp Reform and Commodity Distribution Act

*Subtitle A: Commodity Distribution Provisions - Commodity Distribution Act of 1995 - Authorizes the Secretary of Agriculture (Secretary) to purchase and distribute food assistance commodities.

(Sec. 513) Requires the Secretary to establish procedures for supplemental State, local, and private commodity donations.

(Sec. 514) Requires a State seeking commodity assistance to submit an administrative plan every four years to the Secretary.

(Sec. 515) Establishes program allocation guidelines. Requires States to make emergency feeding organizations their first priority.

(Sec. 517) Authorizes the Secretary to use Commodity Credit Corporation (CCC) funds to pay initial commodity processing and packaging costs.

(Sec. 519) Authorizes FY 1996 through 2000 program appropriations, including separate authorization of appropriations for administrative costs.

(Sec. 520) Obligates specified funds for a commodity supplemental food program for women, infants, and children or the elderly. Requires the CCC to donate specified amounts of cheese and nonfat dry milk to such program.

(Sec. 521) States that commodities received under this title shall not be considered income or resources for any Federal, State, or local means-tested program.

(Sec. 528) Repeals specified food and commodity distribution programs.

*Subtitle B: Simplification and Reform of Food Stamp Program - Food Stamp Simplification and Reform Act of 1995

*Chapter 1: Simplified Food Stamp Program and State Assistance for Needy Families - Amends the Food Stamp Act of 1977 (Act) to authorize a State to operate a program under which households receiving cash assistance under the Temporary Assistance for Needy Families (TANF) block grant program established by this Act would receive food stamp benefits based upon TANF rules and procedures. Sets forth the conditions for a State to use TANF rules for food stamp benefits.

*Chapter 2: Food Stamp Program - Amends the Act to revise the thrifty food plan annual adjustment.

(Sec. 552) Eliminates: (1) the food stamp program (program) income exclusion for energy assistance; and (2) annual inflation indexing for income and excess shelter deductions and vehicle allowances.

(Sec. 554) Revises work requirements.

(Sec. 555) Provides for comparable treatment of disqualified individuals under the program and TANF.

(Sec. 556) Encourages States to implement electronic benefit transfer systems. Repeals the requirement of approval by the Secretary, but retains the Secretary's mandate to prescribe certain regulations. Requires such regulations to prescribe measures: (1) to maximize system security using the most recent technology available that the State considers appropriate and cost-effective, including personal identification (PIN) numbers and photographic identification on electronic benefit transfer cards; and (2) to permit the system to differentiate food items that may be acquired with an allotment from those that may not be.

(Sec. 559) Revises State error tolerance level provisions.

*Chapter 3: Program Integrity - Amends the Act to direct the Secretary to establish authorization periods for retail food stores and wholesale food concerns to redeem food stamps or benefits through an electronic benefit transfer (EBT) system.

(Sec. 572) Provides that no food store or concern be approved for program participation without a prior visit by a Department of Agriculture employee, or whenever possible, a designated State or local official.

(Sec. 573) Establishes a six-month reapplication waiting period for a denied food store or concern.

(Sec. 574) States that a food store or concern disqualified from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) shall be similarly disqualified from the program.

(Sec. 575) Makes a permanent disqualification of a food store or concern effective from the date of receipt of the notice of disqualification.

(Sec. 576) Replaces existing administrative forfeiture provisions with criminal forfeiture provisions.

(Sec. 578) Increases specified penalties for program violations.

(Sec. 579) Provides for the permanent disqualification of a person convicted of trafficking in food stamp benefits of \$500 or more.

(Sec. 580) Requires collection of claims against recipients from Federal income tax refunds and pay.

(Sec. 581) Denies program benefits to: (1) persons who have fraudulently misrepresented residence in order to obtain benefits in two or more States; (2) persons in child support arrears; and (3) fugitive felons or probation or parole violators.

*Subtitle C: Effective Dates and Miscellaneous Provisions - Sets forth effective dates for provisions of this Act.

(Sec. 592) Expresses the sense of the Congress that States that operate electronic benefit systems to transfer food stamp benefits should operate compatible systems.

(Sec. 593) Expresses the sense of the House Committee on Agriculture that reductions in outlays resulting from this title shall not be taken into account for certain deficit reduction purposes.

Title VI: Supplemental Security Income

Amends SSA title XVI (Supplemental Security Income) (SSI) to: (1) deny SSI by reason of disability to drug addicts and alcoholics; (2) place restrictions on eligibility for cash benefits for disabled children; (3) establish a program of block grants to States for children with disabilities; and (4) repeal the maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

Provides funding for the: (1) Federal Capacity Expansion Program for drug treatment; and (2) medication development project to improve drug abuse and treatment research.

(Sec. 603) Amends the Social Security Independence and Program Improvements Act of 1994 to provide for the examination of certain mental disorder listings in determining the eligibility of children for SSI benefits by reason of disability.

(Sec. 604) Amends SSA title XI to limit the total amount payable under SSA titles I (Old Age Assistance), X (Aid to the Blind), XIV (Aid to the Permanently and Totally Disabled), and XVI (SSI) to Puerto Rico, the Virgin Islands, and Guam.

(Sec. 605) Repeals maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

(Sec. 606) Denies SSI benefits for ten years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in two or more States.

(Sec. 607) Denies SSI benefits for fugitive felons and probation and parole violators.

Provides for the exchange of SSI information between the Social Security Administration and Federal, State, and local law enforcement officers.

Title VII: Child Support

*Subtitle A: Eligibility for Services; Distribution of Payments - Amends part Title IV-D to revise the requirement that State plans provide for services for establishment of paternity and child support enforcement. 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 XIX agency determines that it would be against the best interests of the child to have IV-D 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 XIX assignment of medical support rights continues. No change in current fee requirements. (Beginning October 1, 1998, all orders entered or modified in state, along with IV-D caseload, must be recorded in a case registry within the IV-D automatic system.

Collection and disbursements of support in IV-D cases made through a centralized disbursement unit.)

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 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 (Sec. 405 and 733 of bill). Although there is no specific provision for a "good cause" finding for non-cooperation in IV-A and IV-B cases, victims of rape or incest are exempt from the prohibition on the furnishing of cash assistance to unmarried, teenage mothers or to other mothers who bear a child while on welfare, as well as to the holding back of either \$50 or 15 percent of assistance (state's choice) to a family in which there is a child whose paternity has not been established, until such time as the paternity is established.

(Sec. 702) Revises the guidelines for distribution by the State of amounts collected on behalf of a family as support. Repeals the \$50 "disregard" 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 case, 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.)

(Sec. 703) Requires State plans to have specific privacy safeguards in effect with respect to confidential information obtained for paternity and child support actions.

*Subtitle B: Locate and Case Tracking - Mandates establishment of an automated State case registry of State-provided services and support orders, including specified contents. 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 registry 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, 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. Subject to IRS code restrictions, the automated system must be capable of extracting data, and communicating them to 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.

(Sec. 712) Requires State plans to include: (1) a State disbursement unit operated according to prescribed guidelines for the collection and disbursement of support payments; (2) an automated State Directory of New Hires; (3) procedures for mandatory income withholding for support payments subject to enforcement; and (4) procedures to ensure that the appropriate Federal and State agencies have access to State locator systems relating to motor vehicles or law enforcement. The disbursement unit would collect, disburse, monitor, and enforce support payments only in IV-D cases in the registry. The unit would be operated directly by the IV-D agency or 2 or more state agencies or by a contractor responsible to the IV-D agency; (2) 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 can be operated as cost-effectively and as efficiently as a central unit); (3) disbursements of support must take place within 2 working days of receipt of payment; and (4) employers would have only one location to which to remit withheld income for support. The unit must use automated procedures and computer-driven technology to the maximum extent 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: (1) to generate withholding orders and notices to employers and other income sources within 2 working days of receiving from the (new) National Directory of New Hires or any other source notice of an income source subject to withholding; (2) to monitor for delinquency of timely payment; and (3) to trigger automatic enforcement mechanisms.

(Sec. 713) Requires states to establish by October 1, 1997, a "State Directory of New Hires" containing information on newly employees from labor unions and employers. 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 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. 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). The State Directory must also, within 4 business days of receiving information from employers, transmit that information to the National Directory of New Hires, and must also send to the National Directory, on a quarterly basis, wage and unemployment compensation information. Information contained in the State Directory may 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.

(Sec. 714) 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 if arrearages occur, without the need for an administrative or judicial hearing. Payment of withheld income to be made through state centralized collection unit within 5 working days after the date amount would have been paid to employee. 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. Requires payment of withheld wages in IV-D cases through state disbursement unit and makes optional the tracking and monitoring of payments of withheld income in non-IV-D cases; requires employers to remit withheld wages within 2 business days of time employees would have been paid or credited with the wages.

(Sec. 715) 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.

(Sec. 716) Revises the Federal Parent Locator Service to add kinds of information which may be transmitted to locate individuals and assets for purposes of establishing parentage and executing child support obligations. Requires the Secretary to establish in the Service an automated Federal Case Registry of Child Support Orders and an automated National Directory of New Hires.

(Sec. 717) Requires State plans to include procedures for recording social security numbers in certain family legal documents and records, including all applications for motor vehicle licenses and professional licenses.

*Subtitle C: Streamlining and Uniformity of Procedures - Requires each State to have in effect as of January 1, 1997, the Uniform Interstate Family Support Act.

(Sec. 722) Revises the Federal judicial code to revise the procedures for a court to apply when determining which State order to recognize for purposes of continuing, exclusive jurisdiction and enforcement for child support orders.

(Sec. 723) Requires State plans to include administrative enforcement procedures in interstate cases.

(Sec. 724) Requires the Secretary to promulgate forms for State use in interstate cases for: (1) collection of child support through income withholding; (2) imposition of liens; and (3) administrative subpoenas.

(Sec. 725) Amends current law to add modification of orders to the purposes of expedited processes and to require IV-D administrative authority, subject to substantive and procedural rules (including specified due process safeguards) to: (1) establish the amount of support awards

in all cases receiving IV-D services and to modify support amounts in orders included in the central registry, in accordance with guidelines; (2) to order genetic testing for parentage determination; (3) to enter a 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; (4) to subpoena financial or other needed information and to sanction for failure to comply; (5) to obtain access to pertinent records of state and local government agencies; (6) to order income withholding; and (7) to increase monthly support amounts to recover arrearages.

Requires parties to an action under the expedited processes to give the tribunal identifying information prior to the issuance of 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 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 due process safeguards in use of expedited processes, including requirements for notice and opportunity to contest and the application of the provisions of the Soldiers' and Sailors' Civil Relief Act. Requires use of automated systems to fullest extent possible in expedited processes.

*Subtitle D: Paternity Establishment - Revises State plan requirements with respect to genetic testing procedures. Modifies the guidelines for voluntary paternity acknowledgment. Amends current law to require states to have procedures: (1) which require genetic testing upon the request of a party, if such request is accompanied by a sworn statement setting forth facts establishing reasonable possibility of sexual contact between the parties or a basis for a denial of requisite sexual contact; and (2) which requires the state agency to front the costs of testing if the agency orders the testing, subject to recoupment from the putative father if paternity is established, and to obtain additional testing if the original testing results are contested and the contesting party pays the costs in advance.

The civil process for voluntary paternity acknowledgement must ensure: (1) that the unwed parents are fully informed of the rights, duties, and benefits of such acknowledgement; (2) that due process safeguards are afforded; (3) that voluntary establishment services be offered by hospitals, state birth records agencies, and "other entities" under regulations of the Secretary; (4) that a voluntary acknowledgement on a federal affidavit constitutes a legal finding of paternity; (5) that, at state option and upon the request of a party, a determination based upon an acknowledgement may be vacated within a 60-day contest period on the basis of new evidence, fraud, or the best interests of the child; (6) that a minor may rescind an acknowledgement after the 60-day period but before the earlier of reaching age of majority or the date of first proceeding to establish support obligation; (7) that voluntary acknowledgement

is admissible as evidence of paternity and as the basis for obtaining a support order, without any further proceedings to establish paternity; (8) that an unchallenged acknowledgement of paternity does not require any judicial or administrative ratification; (9) that genetic testing results indicating threshold probability constitute rebuttable, or at option of state, conclusive presumption; and (10) that paternity acknowledgements and adjudications be filed in the state registry of births.

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: (1) jury trial in a paternity action would not be available; (2) a temporary support order would be issued upon the motion of a party, pending administrative or judicial determination of paternity on the basis of clear and convincing evidence (e.g., genetic testing); (3) 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; and (4) a putative father must have "a reasonable opportunity" to initiate a paternity action.

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.

(Sec. 733) Mandates that the agency responsible for administering a State plan for child and spousal support require recipients of temporary family assistance to furnish information pertaining to paternity and child support orders.

*Subtitle E: Program Administration and Funding - formula for: (1) Federal matching payments to the States; and (2) performance-based incentive adjustments to the Federal matching rate, which shall include a paternity establishment percentage for the State for the immediately preceding year. Keeps FFP at 66 percent but available to states only if they meet a maintenance of effort standard which is that total expenditures for the IV-D program for FY 1997 and each succeeding year, reduced by the federal match of 66 percent, shall not be less than total expenditures for the program in FY 1996, reduced by 66 percent.

Requires Secretary (OCSE) to establish standards 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 12 additional percentage points in federal matching funds may be provided. States must provide the data concerning performance

with respect to the standards set by OCSE. However, in setting these standards and corresponding incentive adjustments, OCSE 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 OCSE in June, 1994, unless the aggregate performance of all states, in fact, exceeds the projected aggregate performance assumed in the 1994 cost estimates.

"Statewide paternity establishment percentage" means (with respect to a state) the ratio of the total number of out-of-wedlock children in a state 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.

(Sec. 743) Requires a State plan for child and spousal support to include prescribed procedures for State reviews and audits. Revises the guidelines for Federal evaluation and audit of State programs governing paternity, child and spousal support, and parent location.

(Sec. 745) Revises the guidelines for automated data processing requirements for State plans to mandate a single statewide automated data processing and information retrieval system which can perform specified tasks. Amends current law to redefine the requirements of the automated systems states are required to have. The redefined requirements include broader identifications of functions (including calculation of performance indicators for audit purposes), of information security and integrity, of access and monitoring of access, and of training. In addition, the states must meet an October 1, 1999 deadline for meeting all the IV-D requirements enacted by this legislation, except that this deadline would be extended 1 day for each, 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.

Through fiscal 2001, the enhanced FFP for automation becomes the higher of 80 percent or the amount of FFP, plus any incentive adjustments, earned by the state (i.e., up to 90 percent). However, there is a cap of \$260 million on what may be expended by the Secretary for the automated systems of all the states for the five years from FY 1997 through FY 2001. These very 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.

(Sec. 746) Appropriates funds to the Secretary for: (1) training of Federal and State staff, research and demonstration programs, and special projects of regional and national significance; and (2) operation of the Federal Parent Locator Service.

*Subtitle F: Establishment and Modification of Support Orders - Revises procedures required

of State plans for the review and adjustment of support orders. Mandatory reviews every 3 years in all IV-D cases, taking into account the best interests of the child. Reviews may 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 is a showing of change of circumstances required, although states must review at the request of a parent upon a showing of change of circumstances. Automatic methods may be used to identify orders eligible for adjustment, to conduct the review and apply the appropriate adjustment. Parties to order would be advised that either parent may request review on basis of change in circumstances.

(Sec. 752) Amends the Fair Credit Reporting Act to authorize a consumer agency to furnish a consumer report: (1) in response to a request by a governmental child support enforcement agency; or (2) to the State administrative agency which sets child support awards.

*Subtitle G: Enforcement of Support Orders - Amends the Internal Revenue Code to revise the order of refund distribution to declare that a reduction shall be assigned to the State with respect to past-due support owed to individuals for the periods such individuals were receiving certain Social Security assistance only after satisfying all other past-due support.

(Sec. 762) Amends current law to prescribe procedural guidelines for: (1) consent by the United States to income withholding, garnishment, and similar proceedings for enforcement of child support and alimony obligations of current and retired Federal employees; and (2) enforcement of child support obligations of members of the Armed Forces.

(Sec. 764) Requires a State plan for child and spousal support to have in effect the Uniform Fraudulent Conveyance Act of 1981, the Uniform Fraudulent Transfer Act of 1984, or a similar law, as well as certain procedures governing the voiding of fraudulent transfers by a child support debtor.

(Sec. 765) Expresses the sense of the Congress that each State should suspend any driver's, business, or occupational license issued to any person who owes past-due child support.

(Sec. 766) Requires a State plan for child and spousal support to include specified procedures: (1) to ensure that persons owing past-due support work or have a plan for payment of such support; (2) to provide for liens against real and personal property for the support arrearages of an absent parent; and (3) to implement the restriction of driver's, professional, occupational, and recreational licenses of individuals owing support arrearages.

*Subtitle H: Medical Support - Amends the Employee Retirement Income Security Act of 1974 (ERISA) to include within the definition of medical child support order an order issued through a State administrative process.

*Subtitle I: Enhancing Responsibility and Opportunity for Non-residential Parents - Amends part D of SSA title IV to prescribe guidelines under which the Administration for Children and

Families shall make grants to enable States to establish and administer access and visitation programs to facilitate absent parents' access to their children.

*Subtitle J: Effect of Enactment - Sets forth effective dates for this Act.

*Title VIII: Miscellaneous Provisions - Amends the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman- Hollings Act) to provide that certain adjustments shall be appropriations for discretionary programs resulting from this Act.

(Sec. 802) Amends the Electronic Fund Transfer Act to exempt from its strictures regarding disclosures, protections, responsibilities, and regulations (except a transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the benefit recipient) any electronic benefit transfer program established or administered under State or local law.

May 1995

IIA

104TH CONGRESS
1ST SESSION

H. R. 4

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, MARCH 27), 1995

Received; read twice and referred to the Committee on Finance

AN ACT

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

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.

1 laws of the place from which the person flees,
2 for a crime, or an attempt to commit a crime,
3 which is a felony under the laws of the place
4 from which the person flees, or which, in the
5 case of the State of New Jersey, is a high mis-
6 demeanor under the laws of such State;

7 “(ii) is violating a condition of probation or
8 parole imposed under Federal or State law; or

9 “(iii) has information that is necessary for
10 the officer to conduct the officer’s official du-
11 ties;

12 “(B) the location or apprehension of the recipi-
13 ent is within the official duties of the officer; and

14 “(C) the request is made in the proper exercise
15 of such duties.”

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, 1995); 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, 1995).

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, 1995), 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 reimbursement 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 CASH ASSISTANCE.—Sec-
23 tion 457(a)(1) of the Social Security Act, as added
24 by the amendment made by subsection (a), shall be-
25 come 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 with
2 respect to the order pursuant to section
3 466(a)(4).

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

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

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

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

19 “(D) any other relevant information.

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

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

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

17 “(2) FEDERAL PARENT LOCATOR SERVICE.—
18 Exchanging information with the Federal Parent
19 Locator Service for the purposes specified in section
20 453.

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

1 and other programs designated by the Secretary, as
2 necessary to perform State agency responsibilities
3 under this part and under such programs.

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

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

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

15 (1) by striking “and” at the end of paragraph
16 (24);

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

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

21 “(26) provide that, on and after October 1,
22 1998, the State agency will—

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

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

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

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

11 “(3) LINKING OF LOCAL DISBURSEMENT
12 UNITS.—The State disbursement unit may be estab-
13 lished by linking local disbursement units through
14 an automated information network, subject to this
15 section. The Secretary must agree that the system
16 will not cost more nor take more time to establish
17 than a centralized system. In addition, employers
18 shall be given 1 location to which income withhold-
19 ing is sent.

20 “(b) REQUIRED PROCEDURES.—The State disburse-
21 ment unit shall use automated procedures, electronic proc-
22 esses, and computer-driven technology to the maximum
23 extent feasible, efficient, and economical, for the collection
24 and disbursement of support payments, including proce-
25 dures—

1 “(1) for receipt of payments from parents, em-
2 ployers, and other States, and for disbursements to
3 custodial parents and other obligees, the State agen-
4 cy, and the agencies of other States;

5 “(2) for accurate identification of payments;

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

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

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

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

20 “(e) USE OF AUTOMATED SYSTEM.—Section 454A, as
21 added by section 745(a)(2) of this Act and as amended
22 by section 711 of this Act, is amended by adding at the
23 end the following:

24 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT.
25 PAYMENTS.—

1 “(1) IN GENERAL.—The State shall use the
2 automated system required by this section, to the
3 maximum extent feasible, to assist and facilitate the
4 collection and disbursement of support payments
5 through the State disbursement unit operated under
6 section 454B, through the performance of functions,
7 including, at a minimum—

8 “(A) transmission of orders and notices to
9 employers (and other debtors) for the withhold-
10 ing of wages (and other income)—

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

17 “(ii) using uniform formats prescribed
18 by the Secretary;

19 “(B) ongoing monitoring to promptly iden-
20 tify failures to make timely payment of support;
21 and

22 “(C) automatic use of enforcement proce-
23 dures (including procedures authorized pursu-
24 ant to section 466(c)) where payments are not
25 timely made.

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

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

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

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

11 (1) by striking “and” at the end of paragraph
12 (25);

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

15 (3) by adding after paragraph (26) the follow-
16 ing:

17 “(27) provide that, on and after October 1,
18 1997, the State will operate a State Directory of
19 New Hires in accordance with section 453A.”.

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

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

24 “(a) ESTABLISHMENT.—

1 “(1) IN GENERAL.—Not later than October 1,
2 1997, each State shall establish an automated direc-
3 tory (to be known as the ‘State Directory of New
4 Hires’) which shall contain information supplied in
5 accordance with subsection (b) by employers and
6 labor organizations on each newly hired employee.

7 “(2) DEFINITIONS.—As used in this section:

8 “(A) EMPLOYEE.—The term ‘employee’—

9 “(i) means an individual who is an
10 employee within the meaning of chapter 24
11 of the Internal Revenue Code of 1986; and

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

21 “(B) GOVERNMENTAL EMPLOYERS.—The
22 term ‘employer’ includes any governmental en-
23 tity.

24 “(C) LABOR ORGANIZATION.—The term
25 ‘labor organization’ shall have the meaning

1 given such term in section 2(5) of the National
2 Labor Relations Act, and includes any entity
3 (also known as a 'hiring hall') which is used by
4 the organization and an employer to carry out
5 requirements described in section 8(f)(3) of
6 such Act of an agreement between the organiza-
7 tion and the employer.

8 "(b) EMPLOYER INFORMATION.—

9 "(1) REPORTING REQUIREMENT.—

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

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

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

4 “(A) 15 days after the date the employer
5 hires the employee; or

6 “(B) the date the employee first receives
7 wages or other compensation from the em-
8 ployer.

9 “(c) REPORTING FORMAT AND METHOD.—Each re-
10 port required by subsection (b) shall be made on a W-
11 4 form or the equivalent, and may be transmitted by first
12 class mail, magnetically, or electronically.

13 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
14 EMPLOYERS.—

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

18 “(A) \$25; or

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

24 “(2) APPLICABILITY OF SECTION 1128.—Section
25 1128 (other than subsections (a) and (b) of such

1 section) shall apply to a civil money penalty under
2 paragraph (1) of this subsection in the same manner
3 as such section applies to a civil money penalty or
4 proceeding under section 1128A(a).

5 “(e) INFORMATION COMPARISONS.—

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

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

1 “(f) TRANSMISSION OF INFORMATION.—

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

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

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

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

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

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

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

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

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

1 “(3) ADMINISTRATION OF EMPLOYMENT SEC-
2 RITY AND WORKERS COMPENSATION.—State agen-
3 cies operating employment security and workers’
4 compensation programs shall have access to informa-
5 tion reported by employers pursuant to subsection
6 (b) for the purposes of administering such pro-
7 grams.”.

8 **SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLD-**
9 **ING.**

10 **(a) MANDATORY INCOME WITHHOLDING.—**

11 (1) IN GENERAL.—Section 466(a)(1) (42
12 U.S.C. 666(a)(1)) is amended to read as follows:

13 “(1) INCOME WITHHOLDING.—

14 “(A) UNDER ORDERS ENFORCED UNDER
15 THE STATE PLAN.—Procedures described in
16 subsection (b) for the withholding from income
17 of amounts payable as support in cases subject
18 to enforcement under the State plan.

19 “(B) UNDER CERTAIN ORDERS PREDATING
20 CHANGE IN REQUIREMENT.—Procedures under
21 which the wages of a person with a support ob-
22 ligation imposed by a support order issued (or
23 modified) in the State before October 1, 1996,
24 if not otherwise subject to withholding under
25 subsection (b), shall become subject to with-

1 holding as provided in subsection (b) if arrear-
2 ages occur, without the need for a judicial or
3 administrative hearing.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
6 666(a)(8)(B)(iii)) is amended—

7 (i) by striking “(5),”; and

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

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

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

21 (D) Section 466(b)(6)(A) (42 U.S.C.
22 666(b)(6)(A)) is amended—

23 (i) in clause (i), by striking “to the
24 appropriate agency” and all that follows
25 and inserting “to the State disbursement

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

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

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

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

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

18 “any employer who—

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

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

3 (B) 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 ob-
11 ligations are sought to be established), and the State
12 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 appears 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 sserting "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;

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; and

9 “(C) any individual who has died be placed
10 in the records relating to the death and be re-
11 corded on the death certificate.”.

12 (b) CONFORMING AMENDMENTS.—Section
13 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
14 section 321(a)(9) of the Social Security Independence and
15 Program Improvements Act of 1994, is amended—

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

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

1 (3) in clause (vi), by striking "may" and insert-
2 ing "shall"; and

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

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

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

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

3 **SEC. 721. 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; and

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. 724. 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) AUTOMATION OF STATE AGENCY FUNCTIONS.—

24 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 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 langed 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 redesignig-
17 nated), 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 redesignig-
23 nated)—

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. 746. 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 ineligible¹ 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. 782. 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 paragraphs (1) and (2) 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 process’ means any writ, order, summons, or other similar process in the nature of garnishment—

2
3
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 agreement which requires the United States to
11 honor the process; or

12
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 payable to an individual to make a payment from
20 the moneys to another party in order to satisfy
21 a legal obligation of the individual to provide
22 child support or make alimony payments.”.

23
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 mainte-
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 **SEC. 768. LIENS.**

12 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
13 to read as follows:

14 “(4) Procedures under which—

15 “(A) liens arise by operation of law against
16 real and personal property for amounts of over-
17 due support owed by an absent parent who re-
18 sides or owns property in the State; and

19 “(B) the State accords full faith and credit
20 to liens described in subparagraph (A) arising
21 in another State, without registration of the un-
22 derlying order.”.

1 SEC. 769. STATE LAW AUTHORIZING SUSPENSION OF LI-
2 CENSES.

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 715, 717(a), and 723 of this Act, is amended by
5 adding at the end the following:

6 “(15) AUTHORITY TO WITHHOLD OR SUSPEND
7 LICENSES.—Procedures under which the State has
8 (and uses in appropriate cases) authority to withhold
9 or suspend, or to restrict the use of driver’s licenses,
10 professional and occupational licenses, and rec-
11 reational licenses of individuals owing overdue sup-
12 port or failing, after receiving appropriate notice, to
13 comply with subpoenas or warrants relating to pa-
14 ternity or child support proceedings.”

15 **Subtitle H—Medical Support**

16 SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION
17 OF MEDICAL CHILD SUPPORT ORDER.

18 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
19 ployee Retirement Income Security Act of 1974 (29
20 U.S.C. 1169(a)(2)(B)) is amended—

21 (1) by striking “issued by a court of competent
22 jurisdiction”;

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

25 (3) by adding, after and below clause (ii), the
26 following:

1 "if such judgment, decree, or order (I) is issued
2 by a court of competent jurisdiction or (II) is
3 issued through an administrative process estab-
4 lished under State law and has the force and ef-
5 fect of law under applicable State law."

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendments made by
8 this section shall take effect on the date of the en-
9 actment of this Act.

10 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
11 JANUARY 1, 1996.—Any amendment to a plan re-
12 quired to be made by an amendment made by this
13 section shall not be required to be made before the
14 first plan year beginning on or after January 1,
15 1996, if—

16 (A) during the period after the date before
17 the date of the enactment of this Act and be-
18 fore such first plan year, the plan is operated
19 in accordance with the requirements of the
20 amendments made by this section; and

21 (B) such plan amendment applies retro-
22 actively to the period after the date before the
23 date of the enactment of this Act and before
24 such first plan year.

1 A plan shall not be treated as failing to be operated
2 in accordance with the provisions of the plan merely
3 because it operates in accordance with this para-
4 graph.

5 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
6 **residential Parents**

8 **SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION**
9 **PROGRAMS.**

10 Part D of title IV (42 U.S.C. 651–669) is amended
11 by adding at the end the following:

12 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
13 **TION PROGRAMS.**

14 **“(a) IN GENERAL.—**The Administration for Children
15 and Families shall make grants under this section to en-
16 able States to establish and administer programs to sup-
17 port and facilitate absent parents’ access to and visitation
18 of their children, by means of activities including medi-
19 ation (both voluntary and mandatory), counseling, edu-
20 cation, development of parenting plans, visitation enforce-
21 ment (including monitoring, supervision and neutral drop-
22 off and pickup), and development of guidelines for visita-
23 tion and alternative custody arrangements.

1 “(b) AMOUNT OF GRANT.—The amount of the grant
2 to be made to a State under this section for a fiscal year
3 shall be an amount equal to the lesser of—

4 “(1) 90 percent of State expenditures during
5 the fiscal year for activities described in subsection
6 (a); or

7 “(2) the allotment of the State under sub-
8 section (c) for the fiscal year.

9 “(c) ALLOTMENTS TO STATES.—

10 “(1) IN GENERAL.—The allotment of a State
11 for a fiscal year is the amount that bears the same
12 ratio to the amount appropriated for grants under
13 this section for the fiscal year as the number of chil-
14 dren in the State living with only 1 biological parent
15 bears to the total number of such children in all
16 States.

17 “(2) MINIMUM ALLOTMENT.—The Administra-
18 tion for Children and Families shall adjust allot-
19 ments to States under paragraph (1) as necessary to
20 ensure that no State is allotted less than—

21 “(A) \$50,000 for fiscal year 1996 or 1997;

22 or

23 “(B) \$100,000 for any succeeding fiscal
24 year.

1 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
2 FOR SIMILAR ACTIVITIES.—A State to which a grant is
3 made under this section may not use the grant to supplant
4 expenditures by the State for activities specified in sub-
5 section (a), but shall use the grant to supplement such
6 expenditures at a level at least equal to the level of such
7 expenditures for fiscal year 1995.

8 “(e) STATE ADMINISTRATION.—Each State to which
9 a grant is made under this section—

10 “(1) may administer State programs funded
11 with the grant, directly or through grants to or con-
12 tracts with courts, local public agencies, or non-prof-
13 it private entities;

14 “(2) shall not be required to operate such pro-
15 grams on a statewide basis; and

16 “(3) shall monitor, evaluate; and report on such
17 programs in accordance with regulations prescribed
18 by the Secretary.”.

19 **Subtitle J—Effect of Enactment**

20 **SEC. 791. EFFECTIVE DATES.**

21 (a) IN GENERAL.—Except as otherwise specifically
22 provided (but subject to subsections (b) and (c))—

23 (1) the provisions of this title requiring the en-
24 actment or amendment of State laws under section
25 466 of the Social Security Act, or revision of State

1 plans under section 454 of such Act, shall be effective
2 with respect to periods beginning on and after
3 October 1, 1996; and

4 (2) all other provisions of this title shall become
5 effective upon enactment.

6 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
7 provisions of this title shall become effective with respect
8 to a State on the later of—

9 (1) the date specified in this title, or

10 (2) the effective date of laws enacted by the leg-
11 islature of such State implementing such provisions,
12 but in no event later than the first day of the first cal-
13 endar quarter beginning after the close of the first regular
14 session of the State legislature that begins after the date
15 of the enactment of this Act. For purposes of the previous
16 sentence, in the case of a State that has a 2-year legisla-
17 tive session, each year of such session shall be deemed to
18 be a separate regular session of the State legislature.

19 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
20 AMENDMENT.—A State shall not be found out of compli-
21 ance with any requirement enacted by this title if the State
22 is unable to so comply without amending the State con-
23 stitution until the earlier of—

24 (1) 1 year after the effective date of the nec-
25 essary State constitutional amendment; or

1 (2) 5 years after the date of the enactment of
2 this title.

3 **TITLE VIII—MISCELLANEOUS**
4 **PROVISIONS**

5 **SEC. 801. SCORING.**

6 Section 251(b)(2) of the Balanced Budget and Emer-
7 gency Deficit Control Act of 1985 is amended by adding
8 at the end the following new subparagraph:

9 “(H) SPECIAL ALLOWANCE FOR WELFARE RE-
10 FORM.—For any fiscal year, the adjustments shall
11 be appropriations for discretionary programs result-
12 ing from the Personal Responsibility Act of 1995 (as
13 described in the joint explanatory statement accom-
14 panying a conference report on that Act) in discre-
15 tionary accounts and the outlays flowing in all years
16 from such appropriations (but not to exceed
17 amounts authorized for those programs by that Act
18 for that fiscal year) minus appropriations for com-
19 parable discretionary programs for fiscal year 1995
20 (as described in the joint explanatory statement ac-
21 companying a conference report on that Act.”.

22 **SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENE-**
23 **FIT TRANSFER SYSTEMS.**

24 Section 904 of the Electronic Fund Transfer Act (15
25 U.S.C. 1693b) is amended—

S. 456
BRADLEY

BILL STATUS (May, 1995)

MEASURE: S456

SPONSOR: Bradley (D-NJ)

BRIEF TITLE: Interstate Child Support Responsibility Act of 1995.

OFFICIAL TITLE: A bill to improve and strengthen the child support collection system, and for other purposes.

INTRODUCED: 02/16/95

COSPONSORS: 12 (Dems: 9 Reps: 3 Ind: 0)

COMMITTEES: Senate Finance

LEGISLATIVE ACTION: 02/16/95: Referred to Committee on Finance

ORIGINAL COSPONSORS:

Chafee (R-RI)

Dodd (D-CT)

Dorgan, B. (D-ND)

Feinstein (D-CA)

Kennedy, E. (D-MA)

Lieberman (D-CT)

Rockefeller (D-WV)

Snowe (R-ME)

BILL ANALYSIS (May, 1995)

MEASURE: S456

SPONSOR: Bradley (D-NJ)

OFFICIAL TITLE: A bill to improve and strengthen the child support collection system, and for other purposes.

SHORT TITLE: Interstate Child Support Responsibility Act of 1995.

DIGEST:

TABLE OF CONTENTS:

Title I: Improvements to the Child Support Collection System

Title III: Effect of Enactment

Title I: Improvements to the Child Support Collection System

*Subtitle A: Eligibility and Other Matters Concerning Title IV-D Program Clients - Amends title IV-D of the Social Security Act (SSA) to require States to have statutorily prescribed procedures to: (1) record child support orders in a central case registry; and (2) collect child support payments through a centralized collections unit.

Absent a determination that it is against the best interests of the child, the IV-D agency must provide services in all IV-A, IV-E, and XIX cases in which there is an assignment and in all other cases in which there is an application for services. IV-D services must be provided to both residents of a state and non-residents.

Amends current law to shift the determination of cooperation and of the "good cause" exception to cooperation to the IV-D agency, which must make such determinations within 10 days of the referral of an individual to the IV-D agency by the IV-A or XIX agency. "Cooperation" would be judged by the extent to which the assistance applicant/recipient provides the IV-D agency with specific and accurate information, including the name of the absent parent/putative father (or fathers), sufficient information to enable the IV-D agency to verify the absent parent/putative father's identity, location, employment birthdate, school, parents, etc. No change in assignment of support rights requirement for AFDC applicants/recipients.

Amends state plan requirements to add provision that states have in effect safeguards to protect privacy rights of individuals served by the IV-D program, including safeguards: (1) against unauthorized use or disclosure of information relating to paternity and support establishment (and modification); and (2) release of information concerning whereabouts of an individual to another

person if that person is subject to a protective order with respect to that individual or has been convicted of criminal assault/abuse against the individual or there is a proceeding pending to obtain such an order or conviction or if the release of information would result in probable harm to the individual.

(Sec. 101) Revises the guidelines for: (1) State plans for child and spousal support; and (2) payments distribution. 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. Allows states the option, following payment of the "disregard" from current and any past month's collections (if paid in the month in which due), of reimbursing the state and federal governments for current month's AFDC or of paying the collected support to the family up to the amount of the current month's ordered support.

(Sec. 103) Requires State plans to establish procedural guidelines for: (1) notification of all proceedings and orders affecting child support obligations; and (2) privacy safeguards regarding paternity and child support actions. Provides that parties to cases handled by IV-D agency, as well as applicants for IV-D services: (1) receive notice of all proceedings in which support obligations might be established or modified; (2) receive a copy of any order within 14 days after issuance; and (3) have access to a fair hearing or other procedure meeting OCSE standards for prompt consideration and resolution of complaints. A notice of determination must be provided parties if no change will be made in support amount, following review. Prohibits state from providing a noncustodial parent with legal representation unless provision of such representation is outside the IV-D agency.

*Subtitle B: Program Administration and Funding - Revises the formula for: (1) Federal matching payments to the States; and (2) incentive adjustments to the Federal matching rate. For states which satisfy new maintenance of effort requirements (as added by the bill) the FFP rises to 69 percent for FY 1997, 72 percent for FY 1998, and 75 percent for FY 1999 and succeeding fiscal years. For states which fail to meet the new requirements, the FFP remains 66 percent.

Maintenance of effort: beginning FY 1997 total expenditures for the state IV-D program must not be less than the total expenditures for the program in FY 1996 and, with respect to FY 1997 and 1998, such expenditures (excluding expenditures for automation) reduced by 66% (the basic federal matching rate) must not be less than such expenditures so reduced for FY 1996.

Repeals current statutory provisions and substitutes a scheme of "incentive adjustments to matching rate," effective October 1, 1997.

Requires Secretary (OCSE) to establish standards 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 5 additional percentage points in matching funds may be provided; and (2) overall performance in child support enforcement, for which up to 10 additional percentage points in

federal matching funds may be provided. States must provide the data concerning performance with respect to the standards set by OCSE. However, in setting these standards and corresponding incentive adjustments, OCSE 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 OCSE in June, 1995, unless the aggregate performance of all states, in fact, exceeds the projected aggregate performance assumed in the 1995 cost estimates.

"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 year 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, except that Secretary may permit a state an alternative measurement if that state doesn't record the out-of-wedlock status of children on birth certificates. "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." Also, provides for the same technical corrections to the computation of the, now, IV-D paternity establishment percentage which were made by the Social Security Amendments of 1994 enacted in the last Congress.

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)).

Amends Title IV-D to impose reductions in the federal contribution to a state's IV-D program based upon the failure of a state: (1) to achieve the IV-D paternity establishment percentage and an appropriate level of overall performance in child support enforcement or other performance measures established by OCSE; or (2) to provide complete or reliable data on program performance, as measured by OCSE audits of data provided by states (unless the data were complete but the unreliability was only technical in character, not affecting program performance); and, with respect to succeeding years, the state failed (1) to take effective corrective action or (2) failed to provide complete and/or reliable data: 3% to 5% for first finding of noncompliance with performance standards, 5% to 7% for second consecutive finding, and 7% to 10% for a third or subsequent finding. (The effective date for the new penalty reductions is the calendar quarters beginning 1 year after enactment.)

(Sec. 113) Requires a State plan for child and spousal support to include prescribed procedures for State reviews and audits. Revises the guidelines for Federal evaluation and audit of State programs governing paternity, child and spousal support, and parent location. Provides for two strata of state program performance review. First, states would be required to conduct their own annual reviews of state 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 the extent to which program service complaints had been appropriately handled). 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," by standards and procedures set by the Secretary.

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 indicators (for the purpose of determining any penalties). Then, OCSE would review and evaluate the state annual reports to determine how well state programs were meeting IV-D requirements. Next, 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 IV-D paternity establishment percentages; (2) the adequacy of financial management of the state program (including collections and distributions); and (3) "for such other purposes as the Secretary may find necessary."

These amendments would become effective with respect to calendar quarters beginning 1 year after enactment of the legislation.

(Sec. 115) Revises the automated data processing requirements for State plans to mandate a single statewide automated data processing and information retrieval system which can perform specified tasks. Amends current law to redefine the requirements of the automated systems states are required to have. The redefined requirements include broader identifications of functions (including calculation of performance indicators for audit purposes), of information security and integrity, of access and monitoring of access, and of training. In addition, the amendments contain: (1) an extension by one year of the current October 1, 1995 deadline for meeting all the IV-D requirements enacted on or before the enactment of the Family Support Act of 1988; and (2) a deadline of October 1, 1999 for meeting all requirements enacted on or before the enactment of this legislation.

In addition, enhanced FFP for automated systems at 90 percent would be extended through fiscal 1996; beyond that time and through fiscal 2001, the enhanced FFP becomes the higher of 80 percent or the amount of FFP, plus any incentive adjustments, earned by the state (i.e., up to 90 percent).

(Sec. 116) Directs the Secretary of Health and Human Services (the Secretary) to conduct staffing studies of each State child support enforcement program and to report the results to the Congress.

(Sec. 117) Makes funds available to the Secretary for: (1) training of Federal and State staff, research and demonstration programs, and special projects of regional and national significance; and (2) operation of the Federal Parent Locator Service.

*Subtitle C: Locate and Case Tracking - Mandates that the single statewide automated data system function as a single central case registry of State-provided services and support orders. Delineates contents of case records and data matching activities, including data exchange with sister States. The required state IV-D automation system must be capable of performing the functions of a central registry containing records of all cases receiving IV-D services and, beginning October 1, 1998, all orders established or modified in the state. The registry must use such standardized data elements as required by the Secretary, and each case record must have detailed and updated support collection and distribution records, including arrearage, fees, and interest amounts, as well as the date the support obligation ends, information on all judicial and/or administrative actions in a case and orders proper to the case, and information obtained from federal, state, and local matches.

The automated state case registry must be capable of extracting data and sharing data with, and receiving data from, other data bases and data matching services, including: a National Child Support Information Clearinghouse; the FPLS; AFDC, and Medicaid agencies in the state or any other states; and other intra- or interstate data sources (e.g., agencies of other states, interstate information networks).

(Sec. 122) Requires State plans to include a centralized, automated unit for the collection and disbursement of support payments. As a new State Plan requirement, effective October 1, 1998, the state IV-D agency must operate an automated centralized collections/distribution unit (as a component of the state's IV-D automated system) with sufficient employees - or at the option of the state, through contractors reporting directly to the IV-D agency - capable of monitoring and enforcing support payments on all IV-D orders recorded in the state central registry. The unit must use automated procedures and computer-driven technology to the maximum extent 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: (1) to generate withholding orders and notices to employers and other income sources within 2 working days of receiving from the (new) National Directory of New Hires or any other source notice of an income source subject to withholding; (2) to monitor for delinquency of timely payment; and (3) to trigger automatic enforcement mechanisms.

(Sec. 123) Requires the States to have statutorily prescribed procedures: (1) for mandatory income withholding for support payments subject to enforcement; and (2) under which child support orders issued before October 1, 1996, shall become subject to withholding from wages if arrearages occur, without the need for a judicial or administrative hearing. Revises the

procedural guidelines for income withholding for child support enforcement. Payment of withheld income to be made through state centralized collection unit within 5 working days after the date amount would have been paid to employee. 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.

(Sec. 125) Revises the Federal Parent Locator Service to add kinds of information which may be transmitted to locate individuals and assets for purposes of establishing parentage and executing child support obligations. Requires the Secretary to establish in the Service a Data Bank of Child Support Orders and an automated directory of New Hires.

(Sec. 126) Requires State plans to include procedures for recording social security numbers on certain family legal documents and records, including all applications for motor vehicle licenses and professional licenses.

*Subtitle D: Streamlining and Uniformity of Procedures - Requires each State to have the Uniform Interstate Family Support Act in effect as of January 1, 1997.

(Sec. 132) Amends the Federal judicial code to revise the procedures for a court to apply when determining which State order to recognize for purposes of continuing, exclusive jurisdiction and enforcement for child support orders.

(Sec. 133) Amends current law to require IV-D administrative authority, subject to substantive and procedural rules (including specified due process safeguards) to: (1) to order genetic testing for parentage determination; (2) to enter a 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) to subpoena financial or other needed information and to sanction for failure to comply; (4) to obtain access to pertinent records of state and local government agencies and public utilities and other private entities; (5) to order income withholding; (6) to intercept and seize certain periodic or lump-sum payments and attach and seize assets or retirement funds of an obligor for past-due support; (7) to impose liens and force sale of property; (8) to increase monthly support amounts to recover arrearages; (9) to suspend drivers' licenses of individuals owing past-due support; (10) to compel the provision of information on an employee by entities in one state upon the request of a IV-D agency in another; and (11) to execute a change of payee in cases which are to be paid through the central collections unit.

Requires parties to an action under the expedited processes to give the tribunal identifying information prior to the issuance of 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 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 due process safeguards in use of expedited processes, including requirements for notice and opportunity to contest and the application of the provisions of the Soldiers' and Sailors' Civil Relief Act. Requires use of automated systems to fullest extent possible in expedited processes.

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.

*Subtitle E: Paternity Establishment - Revises the guidelines for statutorily prescribed procedures governing genetic testing and outreach for voluntary paternity acknowledgment. Amends current law to require states to have procedures: (1) which require genetic testing upon the request of a party, if such request is accompanied by a sworn statement setting forth facts establishing reasonable possibility of sexual contact between the parties or the impossible of requisite sexual contact; and (2) which requires the state agency to front the costs of testing if the agency orders the testing, subject to recoupment from the putative father if paternity is established, and to obtain additional testing if the original testing results are contested and the contesting party pays the costs in advance.

The civil process for voluntary paternity acknowledgement must ensure: (1) that the unwed parents are fully informed of the rights, duties, and benefits of such acknowledgement; (2) that due process safeguards are afforded; (3) that hospitals and other entities participating in the acknowledgement program make the procedures available and inform the unwed parents properly; (4) that a voluntary acknowledgement create at the option of the state either a "conclusive" presumption or a rebuttable presumption which matures into a conclusive presumption within 1 year, unless rebutted or invalidated by an intervening determination; (5) that provides for a 60-day period for challenging a signed paternity acknowledgement on basis of fraud, duress, or material mistake of fact; (6) that allows a minor to rescind an acknowledgement after the 60-day period but before the earlier of reaching age of majority or the date of first proceeding to establish support obligation; (7) that a voluntary acknowledgement is admissible as evidence of paternity and as the basis for obtaining a support order, without any further proceedings to establish paternity; and (8) that an unchallenged acknowledgement of paternity does not require any judicial or administrative ratification.

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: (1) jury trial in a paternity action would not be available; (2) a temporary support order would be issued upon the motion of a party, pending administrative or judicial determination of paternity on the basis of clear and convincing evidence (e.g., genetic testing); (3) 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; (4) tribunal establishing paternity and support would have discretion to waive rights to all or part of amounts owed state for genetic testing, pregnancy, and childbirth and for public assistance if father cooperates or acknowledges paternity before or after testing; and (5) a putative father has "a reasonable opportunity" to initiate a paternity action.

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.

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

In those cases in which the custodial parent has cooperated with the IV-D agency in paternity establishment during the preceding 12-month period, but the agency has failed to establish the paternity, the states would be penalized in its IV-A program, subject to a "tolerance level" of failure, in an amount equal to the product of the number of failure cases, the average monthly assistance under the state IV-A plan, and one-half the federal matching rate.

***Subtitle F: Establishment and Modification of Support Orders - Establishes the National Child Support Guidelines Commission to determine: (1) whether it is appropriate to develop a national child support guideline; or (2) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.**

(Sec. 152) Revises the requirements for State plan procedures for the review and adjustment of support orders. Reviews must take place every 36 months at request of either parent, without a showing of change of circumstances, but either parent may request a review at any time on the basis of a change in circumstances (without any percentage change in income). Both parents must annually exchange financial information, using form developed by Secretary.

***Subtitle G: Enforcement of Support Orders - Amends the Internal Revenue Code to revise the priority of refund distribution with respect to past-due support owed to individuals. Provides 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). Amends the treatment of lump sum tax refunds in AFDC cases (under Title IV-A) and creates a "qualified asset account" whereby offset amounts in AFDC cases may be deposited in e.g., escrow accounts available to the family for qualified expenses (education or training programs, improvement of employability, purchase of a home for the family, or change of family residence.) Amendments effective October 1, 1999.

(Sec. 163) Amends title IV-D to revise procedural guidelines for: (1) consent by the United States to income withholding, garnishment, and similar proceedings for enforcement of child support and alimony obligations of current and retired Federal employees; and (2) enforcement of child support obligations of current and retired members of the Armed Forces.

(Sec. 165) Requires States to have statutorily prescribed procedures for: (1) placing liens for child support arrearages on motor vehicle titles of the debtor; (2) voiding fraudulent transfers by a child support debtor; (3) suspending any driver's, business, or occupational license issued to any person who owes past-due child support; (4) reporting to credit bureaus the name of the parent in arrears for child support; (5) extending the statute of limitations for collection on child support arrearages; and (6) calculating interest or penalties on such arrearage.

(Sec. 171) Prescribes procedural guidelines for passport denial (including revocation) upon certification of nonpayment of child support.

(Sec. 172) Expresses the sense of the Congress that the United States should ratify the United Nations Convention of 1956. Requires State plans to provide that the State must treat international child support cases as interstate cases.

*Subtitle H: Medical Support - Amends the Employee Retirement Income Security Act of 1974 to include within the definition of medical child support order an order issued through a State administrative process.

*Subtitle I: Access and Visitation Programs - Authorizes State grants to States to establish and administer programs to facilitate absent parents' access and visitation programs. Authorizes appropriations.

Title II: Effect of Enactment - Sets forth effective dates for this Act.

104TH CONGRESS
1ST SESSION

S. 456

To improve and strengthen the child support collection system, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 16 (legislative day, JANUARY 30), 1995

Mr. BRADLEY (for himself, Mr. DODD, Mr. ROCKEFELLER, Mr. CHAFEE, Mrs. FEINSTEIN, Ms. SNOWE, Mr. LIEBERMAN, Mr. DORGAN, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To improve and strengthen the child support collection system, and for other purposes.

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; REFERENCE; TABLE OF CON-**
4 **TENTS.**

5 (a) **SHORT TITLE.**—This Act may be cited as the
6 “Interstate Child Support Responsibility Act of 1995”.

7 (b) **REFERENCE TO SOCIAL SECURITY ACT.**—Except
8 as otherwise specifically provided, wherever in this Act an
9 amendment is expressed in terms of an amendment to or

1 repeal of a section or other provision, the reference shall
 2 be considered to be made to that section or other provision
 3 of the Social Security Act.

4 (c) TABLE OF CONTENTS.—The table of contents of
 5 this Act is as follows:

Sec. 1. Short title; reference; table of contents.

TITLE I—IMPROVEMENTS TO THE CHILD SUPPORT COLLECTION SYSTEM

Subtitle A—Eligibility and Other Matters Concerning Title IV–D Program Clients

- Sec. 101. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 102. Distribution of payments.
- Sec. 103. Rights to notification and hearings.
- Sec. 104. Privacy safeguards.

Subtitle B—Program Administration and Funding

- Sec. 111. Federal matching payments.
- Sec. 112. Performance-based incentives and penalties.
- Sec. 113. Federal and State reviews and audits.
- Sec. 114. Required reporting procedures.
- Sec. 115. Automated data processing requirements.
- Sec. 116. Director of CSE program; staffing study.
- Sec. 117. Funding for secretarial assistance to State programs.
- Sec. 118. Data collection and reports by the Secretary.

Subtitle C—Locate and Case Tracking

- Sec. 121. Central State and case registry.
- Sec. 122. Centralized collection and disbursement of support payments.
- Sec. 123. Amendments concerning income withholding.
- Sec. 124. Locator information from interstate networks.
- Sec. 125. Expanded Federal parent locator service.
- Sec. 126. Use of social security numbers.

Subtitle D—Streamlining and Uniformity of Procedures

- Sec. 131. Adoption of uniform State laws.
- Sec. 132. Improvements to full faith and credit for child support orders.
- Sec. 133. State laws providing expedited procedures.

Subtitle E—Paternity Establishment

- Sec. 141. State laws concerning paternity establishment.
- Sec. 142. Outreach for voluntary paternity establishment.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 151. National Child Support Guidelines Commission.
- Sec. 152. Simplified process for review and adjustment of child support orders.

Subtitle G—Enforcement of Support Orders

- Sec. 161. Federal income tax refund offset.
- Sec. 162. Internal Revenue Service collection of arrearages.
- Sec. 163. Authority to collect support from Federal employees.
- Sec. 164. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 165. Motor vehicle liens.
- Sec. 166. Voiding of fraudulent transfers.
- Sec. 167. State law authorizing suspension of licenses.
- Sec. 168. Reporting arrearages to credit bureaus.
- Sec. 169. Extended statute of limitation for collection of arrearages.
- Sec. 170. Charges for arrearages.
- Sec. 171. Denial of passports for nonpayment of child support.
- Sec. 172. International child support enforcement.

Subtitle H—Medical Support

- Sec. 181. Technical correction to ERISA definition of medical child support order.

Subtitle I—Access and Visitation Programs

- Sec. 191. Grants to States for access and visitation programs.

TITLE II—EFFECT OF ENACTMENT

- Sec. 201. Effective dates.
- Sec. 202. Severability.

1 **TITLE I—IMPROVEMENTS TO**
2 **THE CHILD SUPPORT COL-**
3 **LECTION SYSTEM**

4 **Subtitle A—Eligibility and Other**
5 **Matters Concerning Title IV-D**
6 **Program Clients**

7 **SEC. 101. STATE OBLIGATION TO PROVIDE PATERNITY ES-**
8 **TABLISHMENT AND CHILD SUPPORT EN-**
9 **FORCEMENT SERVICES.**

10 (a) **STATE LAW REQUIREMENTS.**—Section 466(a)
11 (42 U.S.C. 666(a)) is amended by adding at the end the
12 following new paragraph:

13 “(12) Procedures under which—

14 “(A) every child support order established
15 or modified in the State on or after October 1,
16 1998, is recorded in the central case registry
17 established in accordance with section 454A(e);
18 and

19 “(B) child support payments are collected
20 through the centralized collections unit estab-
21 lished in accordance with section 454B—

22 “(i) on and after October 1, 1998,
23 under each order subject to wage withhold-
24 ing under section 466(b); and

1 “(ii) on and after October 1, 1999,
2 under each other order required to be re-
3 corded in such central case registry under
4 this paragraph or section 454A(e), if re-
5 quested by either party subject to such
6 order.”.

7 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
8 U.S.C. 654) is amended—

9 (1) by striking paragraph (4) and inserting the
10 following new paragraph:

11 “(4) provide that such State will undertake—

12 “(A) to provide appropriate services under
13 this part to—

14 “(i) each child with respect to whom
15 an assignment is effective under section
16 402(a)(26), 471(a)(17), or 1912 (except in
17 cases in which the State agency deter-
18 mines, in accordance with paragraph (25),
19 that it is against the best interests of the
20 child to do so); and

21 “(ii) each child not described in clause
22 (i)—

23 “(I) with respect to whom an in-
24 dividual applies for such services; or

1 “(II) on and after October 1,
2 1998, with respect to whom a support
3 order is recorded in the central State
4 case registry established under section
5 454A, if application is made for serv-
6 ices under this part; and

7 (2) in paragraph (6)—

8 (A) by striking “(6) provide that” and all
9 that follows through subparagraph (A) and in-
10 serting the following:

11 “(6) provide that—

12 “(A) services under the State plan shall be
13 made available to nonresidents on the same
14 terms as to residents;”;

15 (B) in subparagraph (B)—

16 (i) by inserting “on individuals not re-
17 ceiving assistance under part A” after
18 “such services shall be imposed”; and

19 (ii) by inserting “but no fees or costs
20 shall be imposed on any absent or custo-
21 dial parent or other individual for inclusion
22 in the central State registry maintained
23 pursuant to section 454A(e)”; and

24 (C) in each of subparagraphs (B), (C),
25 (D), and (E), by indenting such subparagraph

1 and aligning its left margin with the left margin
2 of subparagraph (A); and

3 (D) in each of subparagraphs (B), (C),
4 and (D), by striking the final comma and in-
5 serting a semicolon.

6 (c) CONFORMING AMENDMENTS.—

7 (1) PATERNITY ESTABLISHMENT PERCENT-
8 AGE.—Section 452(g)(2)(A) (42 U.S.C.
9 652(g)(2)(A)) is amended by striking “454(6)” each
10 place it appears and inserting “454(4)(A)(ii)”.

11 (2) STATE PLAN.—Section 454(23) (42 U.S.C.
12 654(23)) is amended, effective October 1, 1998, by
13 striking “information as to any application fees for
14 such services and”.

15 (3) PROCEDURES TO IMPROVE ENFORCE-
16 MENT.—Section 466(a)(3)(B) (42 U.S.C.
17 666(a)(3)(B)) is amended by striking “in the case of
18 overdue support which a State has agreed to collect
19 under section 454(6)” and inserting “in any other
20 case”.

21 (4) DEFINITION OF OVERDUE SUPPORT.—Sec-
22 tion 466(e) (42 U.S.C. 666(e)) is amended by strik-
23 ing “or (6)”.

1 SEC. 102. DISTRIBUTION OF PAYMENTS.

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

6 (1) in subparagraph (A)—

7 (A) by inserting “except as otherwise spe-
8 cifically provided in section 464 or 466(a)(3),”
9 after “is effective,”; and

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

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

14 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
15 CEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
16 ed—

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

19 (2) in subsection (a), as redesignated—

20 (A) in the matter preceding paragraph (2);
21 to read as follows:

22 “(a) IN THE CASE OF A FAMILY RECEIVING
23 AFDC.—Amounts collected under this part during any
24 month as support of a child who is receiving assistance
25 under part A (or a parent or caretaker relative of such

1 a child) shall (except in the case of a State exercising the
2 option under subsection (b)) be distributed as follows:

3 “(1) an amount equal to the amount that will
4 be disregarded pursuant to section 402(a)(8)(A)(vi)
5 shall be taken from each of—

6 “(A) the amounts received in a month
7 which represent payments for that month; and

8 “(B) the amounts received in a month
9 which represent payments for a prior month
10 which were made by the absent parent in that
11 prior month;

12 and shall be paid to the family without affecting its
13 eligibility for assistance or decreasing any amount
14 otherwise payable as assistance to such family dur-
15 ing such month;”;

16 (B) in paragraph (4), by striking “or (B)”
17 and all that follows through the period and in-
18 serting “; then (B) from any remainder,
19 amounts equal to arrearages of such support
20 obligations assigned, pursuant to part A, to any
21 other State or States shall be paid to such
22 other State or States and used to pay any such
23 arrearages (with appropriate reimbursement of
24 the Federal Government to the extent of its

1 participation in the financing); and then (C)
2 any remainder shall be paid to the family.”.

3 (3) by inserting after subsection (a), as redesign-
4 nated, the following new subsection:

5 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
6 ILY RECEIVING AFDC.—In the case of a State electing
7 the option under this subsection, amounts collected as de-
8 scribed in subsection (a) shall be distributed as follows:

9 “(1) an amount equal to the amount that will
10 be disregarded pursuant to section 402(a)(8)(A)(vi)
11 shall be taken from each of—

12 “(A) the amounts received in a month
13 which represent payments for that month; and

14 “(B) the amounts received in a month
15 which represent payments for a prior month
16 which were made by the absent parent in that
17 prior month;

18 and shall be paid to the family without affecting its
19 eligibility for assistance or decreasing any amount
20 otherwise payable as assistance to such family dur-
21 ing such month;

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

1 “(3) third, from any remainder, amounts equal
2 to arrearages of such support obligations assigned,
3 pursuant to part A, to the State making the collec-
4 tion shall be retained and used by such State to pay
5 any such arrearages (with appropriate reimburse-
6 ment of the Federal Government to the extent of its
7 participation in the financing);

8 “(4) fourth, from any remainder, amounts
9 equal to arrearages of such support obligations as-
10 signed, pursuant to part A, to any other State or
11 States shall be paid to such other State or States
12 and used to pay any such arrearages (with appro-
13 priate reimbursement of the Federal Government to
14 the extent of its participation in the financing); and

15 “(5) fifth, any remainder shall be paid to the
16 family.”.

17 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
18 AFDC.—

19 (1) IN GENERAL.—Section 457(c) (42 U.S.C.
20 657(c)) is amended to read as follows:

21 “(c) DISTRIBUTIONS IN CASE OF FAMILY NOT RE-
22 CEIVING AFDC.—Amounts collected by a State agency
23 under this part during any month as support of a child
24 who is not receiving assistance under part A (or of a par-
25 ent or caretaker relative of such a child) shall (subject to

1 the remaining provisions of this section) be distributed as
2 follows:

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

6 “(2) second, from any remainder, amounts
7 equal to arrearages of such support obligations for
8 months during which such child did not receive as-
9 sistance under part A shall be paid to the family;

10 “(3) third, from any remainder, amounts equal
11 to arrearages of such support obligations assigned to
12 the State making the collection pursuant to part A
13 shall be retained and used by such State to pay any
14 such arrearages (with appropriate reimbursement of
15 the Federal Government to the extent of its partici-
16 pation in the financing); and

17 “(4) fourth, from any remainder, amounts
18 equal to arrearages of such support obligations as-
19 signed to any other State pursuant to part A shall
20 be paid to such other State or States, and used to
21 pay such arrearages, in the order in which such ar-
22 rearages accrued (with appropriate reimbursement
23 of the Federal Government to the extent of its par-
24 ticipation in the financing).”

1 (2) EFFECTIVE DATE.—The amendment made
2 by paragraph (1) shall become effective on October
3 1, 1999.

4 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
5 ANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C.
6 657(d)) is amended, in the matter preceding paragraph
7 (1), by striking “Notwithstanding the preceding provisions
8 of this section, amounts” and inserting the following:

9 “(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIV-
10 ING ASSISTANCE UNDER TITLE IV-E.—Amounts”.

11 (e) REGULATIONS.—The Secretary of Health and
12 Human Services shall promulgate regulations—

13 (1) under part D of title IV of the Social Secu-
14 rity Act, establishing a uniform nationwide standard
15 for allocation of child support collections from an ob-
16 ligor owing support to more than 1 family; and

17 (2) under part A of such title, establishing
18 standards applicable to States electing the alter-
19 native formula under section 457(b) of such Act for
20 distribution of collections on behalf of families re-
21 ceiving Aid to Families with Dependent Children,
22 designed to minimize irregular monthly payments to
23 such families.

24 (f) CLERICAL AMENDMENTS.—Section 454 (42
25 U.S.C. 654) is amended—

1 (1) in paragraph (11)—

2 (A) by striking “(11)” and inserting
3 “(11)(A)”; and

4 (B) by inserting after the semicolon “and”;
5 and

6 (2) by redesignating paragraph (12) as sub-
7 paragraph (B) of paragraph (11).

8 (g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

9 (1) IN GENERAL.—Section 402(a)(8)(A)(vi) (42
10 U.S.C. 602(a)(8)(A)(vi)) is amended—

11 (A) by striking “\$50” each place it ap-
12 pears and inserting “\$50, or, if greater, \$50
13 adjusted by the CPI (as prescribed in section
14 406(i));”; and

15 (B) by striking the semicolon at the end
16 and inserting “or, in lieu of each dollar amount
17 specified in this clause, such greater amount as
18 the State may choose (and provide for in its
19 State plan);”.

20 (2) CPI ADJUSTMENT.—Section 406 (42
21 U.S.C. 606) is amended by adding at the end the
22 following new subsection:

23 “(i) For purposes of this part, an amount is ‘adjusted
24 by the CPI’ for any month in a calendar year by multiply-
25 ing the amount involved by the ratio of—

1 “(1) the Consumer Price Index (as prepared by
2 the Department of Labor) for the third quarter of
3 the preceding calendar year, to

4 “(2) such Consumer Price Index for the third
5 quarter of calendar year 1996,

6 and rounding the product, if not a multiple of \$10, to the
7 nearer multiple of \$10.”.

8 **SEC. 103. RIGHTS TO NOTIFICATION AND HEARINGS.**

9 (a) **IN GENERAL.**—Section 454 (42 U.S.C. 654), as
10 amended by section 102(f), is amended by inserting after
11 paragraph (11) the following new paragraph:

12 “(12) establish procedures to provide that—

13 “(A) individuals who are applying for or
14 receiving services under this part, or are parties
15 to cases in which services are being provided
16 under this part—

17 “(i) receive notice of all proceedings in
18 which support obligations might be estab-
19 lished or modified; and

20 “(ii) receive a copy of any order estab-
21 lishing or modifying a child support obliga-
22 tion, or (in the case of a petition for modi-
23 fication) a notice of determination that
24 there should be no change in the amount
25 of the child support award, within 14 days

1 after issuance of such order or determina-
2 tion;

3 "(B) individuals applying for or receiving
4 services under this part have access to a fair
5 hearing or other formal complaint procedure
6 that meets standards established by the Sec-
7 retary and ensures prompt consideration and
8 resolution of complaints (but the resort to such
9 procedure shall not stay the enforcement of any
10 support order); and

11 "(C) the State may not provide to any
12 noncustodial parent of a child representation re-
13 lating to the establishment or modification of
14 an order for the payment of child support with
15 respect to that child, unless the State makes
16 provision for such representation outside the
17 State agency;"

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

20 **SEC. 104. PRIVACY SAFEGUARDS.**

21 (a) **STATE PLAN REQUIREMENT.**—Section 454 (42
22 U.S.C. 454) is amended—

23 (1) by striking "and" at the end of paragraph
24 (23);

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

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

5 “(25) provide that the State will have in effect
6 safeguards applicable to all sensitive and confidential
7 information handled by the State agency designed to
8 protect the privacy rights of the parties, including—

9 “(A) safeguards against unauthorized use
10 or disclosure of information relating to proceed-
11 ings or actions to establish paternity, or to es-
12 tablish or enforce support;

13 “(B) prohibitions on the release of infor-
14 mation on the whereabouts of 1 party to an-
15 other party against whom a protective order
16 with respect to the former party has been en-
17 tered; and

18 “(C) prohibitions on the release of infor-
19 mation on the whereabouts of 1 party to an-
20 other party if the State has reason to believe
21 that the release of the information may result
22 in physical or emotional harm to the former
23 party.”.

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

1 **Subtitle B—Program**
2 **Administration and Funding**

3 **SEC. 111. FEDERAL MATCHING PAYMENTS.**

4 (a) **INCREASED BASE MATCHING RATE.**—Section
5 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
6 follows:

7 “(2) The applicable percent for a quarter for
8 purposes of paragraph (1)(A) is—

9 “(A) for fiscal year 1997, 69 percent,

10 “(B) for fiscal year 1998, 72 percent, and

11 “(C) for fiscal year 1999 and succeeding
12 fiscal years, 75 percent.”.

13 (b) **MAINTENANCE OF EFFORT.**—Section 455 (42
14 U.S.C. 655) is amended—

15 (1) in subsection (a)(1), in the matter preced-
16 ing subparagraph (A), by striking “From” and in-
17 serting “Subject to subsection (c), from”; and

18 (2) by inserting after subsection (b) the follow-
19 ing new subsection:

20 “(c) Notwithstanding the provisions of subsection (a),
21 total expenditures for the State program under this part
22 for fiscal year 1997 and each succeeding fiscal year (ex-
23 cluding 1-time capital expenditures for automation), re-
24 duced by the percentage specified for such fiscal year

1 under subsection (a)(2) shall not be less than such total
2 expenditures for fiscal year 1996, reduced by 66 percent.”.

3 **SEC. 112. PERFORMANCE-BASED INCENTIVES AND PEN-**
4 **ALTIES.**

5 (a) **INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-**
6 **ING RATE.**—Section 458 (42 U.S.C. 658) is amended to
7 read as follows:

8 “INCENTIVE ADJUSTMENTS TO MATCHING RATE

9 “SEC. 458. (a) **INCENTIVE ADJUSTMENT.**—

10 “(1) **IN GENERAL.**—In order to encourage and
11 reward State child support enforcement programs
12 which perform in an effective manner, the Federal
13 matching rate for payments to a State under section
14 455(a)(1)(A), for each fiscal year beginning on or
15 after October 1, 1998, shall be increased by a factor
16 reflecting the sum of the applicable incentive adjust-
17 ments (if any) determined in accordance with regu-
18 lations under this section with respect to Statewide
19 paternity establishment and to overall performance
20 in child support enforcement.

21 “(2) **STANDARDS.**—

22 “(A) **IN GENERAL.**—The Secretary shall
23 specify in regulations—

24 “(i) the levels of accomplishment, and
25 rates of improvement as alternatives to
26 such levels, which States must attain to

1 qualify for incentive adjustments under
2 this section; and

3 “(ii) the amounts of incentive adjust-
4 ment that shall be awarded to States
5 achieving specified accomplishment or im-
6 provement levels, which amounts shall be
7 graduated, ranging up to—

8 “(I) 5 percentage points, in con-
9 nection with Statewide paternity es-
10 tablishment; and

11 “(II) 10 percentage points, in
12 connection with overall performance in
13 child support enforcement.

14 “(B) LIMITATION.—In setting performance
15 standards pursuant to subparagraph (A)(i) and
16 adjustment amounts pursuant to subparagraph
17 (A)(ii), the Secretary shall ensure that the ag-
18 gregate number of percentage point increases as
19 incentive adjustments to all States do not ex-
20 ceed such aggregate increases as assumed by
21 the Secretary in estimates of the cost of this
22 section as of June 1995, unless the aggregate
23 performance of all States exceeds the projected
24 aggregate performance of all States in such cost
25 estimates.

1 “(3) DETERMINATION OF INCENTIVE ADJUST-
2 MENT.—The Secretary shall determine the amount
3 (if any) of incentive adjustment due each State on
4 the basis of the data submitted by the State pursu-
5 ant to section 454(15)(B) concerning the levels of
6 accomplishment (and rates of improvement) with re-
7 spect to performance indicators specified by the Sec-
8 retary pursuant to this section.

9 “(4) FISCAL YEAR SUBJECT TO INCENTIVE AD-
10 JUSTMENT.—The total percentage point increase de-
11 termined pursuant to this section with respect to a
12 State program in a fiscal year shall apply as an ad-
13 justment to the applicable percent under section
14 455(a)(2) for payments to such State for the suc-
15 ceeding fiscal year.

16 “(5) RECYCLING OF INCENTIVE ADJUST-
17 MENT.—A State shall expend in the State program
18 under this part all funds paid to the State by the
19 Federal Government as a result of an incentive ad-
20 justment under this section.

21 “(b) MEANING OF TERMS.—

22 “(1) STATEWIDE PATERNITY ESTABLISHMENT
23 PERCENTAGE.—

24 “(A) IN GENERAL.—For purposes of this
25 section, the term ‘Statewide paternity establish-

1 ment percentage' means, with respect to a fiscal
2 year, the ratio (expressed as a percentage) of—

3 “(i) the total number of out-of-wed-
4 lock children in the State under 1 year of
5 age for whom paternity is established or
6 acknowledged during the fiscal year, to

7 “(ii) the total number of children re-
8 quiring paternity establishment born in the
9 State during such fiscal year.

10 “(B) ALTERNATIVE MEASUREMENT.—The
11 Secretary shall develop an alternate method of
12 measurement for the Statewide paternity estab-
13 lishment percentage for any State that does not
14 record the out-of-wedlock status of children on
15 birth certificates.

16 “(2) the term ‘overall performance in child sup-
17 port enforcement’ means a measure or measures of
18 the effectiveness of the State agency in a fiscal year
19 which takes into account factors including—

20 “(A) the percentage of cases requiring a
21 child support order in which such an order was
22 established;

23 “(B) the percentage of cases in which child
24 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.”.

7 (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF
8 TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as
9 amended by section 111(a), is amended—

10 (1) by striking the period at the end of sub-
11 paragraph (C) and inserting a comma; and

12 (2) by adding after and below subparagraph
13 (C), flush with the left margin of the paragraph, the
14 following:

15 “increased by the incentive adjustment factor (if any) de-
16 termined by the Secretary pursuant to section 458.”.

17 (c) CONFORMING AMENDMENTS.—Section 454(22)
18 (42 U.S.C. 654(22)) is amended—

19 (1) by striking “incentive payments” the first
20 place it appears and inserting “incentive adjust-
21 ments”; and

22 (2) by striking “any such incentive payments
23 made to the State for such period” and inserting
24 “any increases in Federal payments to the State re-
25 sulting from such incentive adjustments”.

1 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-
2 MENT PERCENTAGE.—

3 (1) OVERALL PERFORMANCE.—Section
4 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the
5 matter preceding subparagraph (A) by inserting “its
6 overall performance in child support enforcement is
7 satisfactory (as defined in section 458(b) and regula-
8 tions of the Secretary), and” after “1994,”.

9 (2) DEFINITION.—Section 452(g)(2)(A) (42
10 U.S.C. 652(g)(2)(A)) is amended, in the matter pre-
11 ceding clause (i)—

12 (A) by striking “paternity establishment
13 percentage” and inserting “IV-D paternity es-
14 tablishment percentage”; and

15 (B) by striking “(or all States, as the case
16 may be)”.

17 (3) MODIFICATION OF REQUIREMENTS.—Sec-
18 tion 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

19 (A) by striking subparagraph (A) and re-
20 designating subparagraphs (B) and (C) as sub-
21 paragraphs (A) and (B), respectively;

22 (B) in subparagraph (A), as redesignated,
23 by striking “the percentage of children born
24 out-of-wedlock in the State” and inserting “the
25 percentage of children in the State who are

1 born out of wedlock or for whom support has
2 not been established"; and

3 (C) in subparagraph (B), as redesign-
4 nated—

5 (i) by inserting "and overall perform-
6 ance in child support enforcement" after
7 "paternity establishment percentages"; and

8 (ii) by inserting "and securing sup-
9 port" before the period.

10 (e) REDUCTION OF PAYMENTS UNDER PART D OF
11 TITLE IV.—

12 (1) NEW REQUIREMENTS.—Section 455 (42
13 U.S.C. 655) is amended—

14 (A) by redesignating subsection (e) as sub-
15 section (f); and

16 (B) by inserting after subsection (d) the
17 following new subsection:

18 ; "(e)(1) Notwithstanding any other provision of law,
19 if the Secretary finds, with respect to a State program
20 under this part in a fiscal year beginning on or after Octo-
21 ber 1, 1997—

22 "(A)(i) on the basis of data submitted by a
23 State pursuant to section 454(15)(B), that the State
24 program in such fiscal year failed to achieve the IV-
25 D paternity establishment percentage (as defined in

1 section 452(g)(2)(A)) or the appropriate level of
2 overall performance in child support enforcement (as
3 defined in section 458(b)(2)), or to meet other per-
4 formance measures that may be established by the
5 Secretary, or

6 “(ii) on the basis of an audit or audits of such
7 State data conducted pursuant to section
8 452(a)(4)(C), that the State data submitted, pursu-
9 ant to section 454(15)(B) is incomplete or unreli-
10 able; and

11 “(B) that, with respect to the succeeding fiscal
12 year—

13 “(i) the State failed to take sufficient cor-
14 rective action to achieve the appropriate per-
15 formance levels as described in subparagraph
16 (A)(i) of this paragraph, or

17 “(ii) the data submitted by the State pur-
18 suant to section 454(15)(B) is incomplete or
19 unreliable,

20 the amounts otherwise payable to the State under this
21 part for quarters following the end of such succeeding fis-
22 cal year, prior to quarters following the end of the first
23 quarter throughout which the State program is in compli-
24 ance with such performance requirement, shall be reduced
25 by the percentage specified in paragraph (2).

1 “(2) The reductions required under paragraph (1)
2 shall be—

3 “(A) not less than 3 nor more than 5 percent,
4 or

5 “(B) not less than 5 nor more than 7 percent,
6 if the finding is the second consecutive finding made
7 pursuant to paragraph (1), or

8 “(C) not less than 7 nor more than 10 percent,
9 if the finding is the third or a subsequent consecu-
10 tive such finding.

11 “(3) For purposes of this subsection, section
12 402(a)(27), and section 452(a)(4), a State which is deter-
13 mined as a result of an audit to have submitted incomplete
14 or unreliable data pursuant to section 454(15)(B), shall
15 be determined to have submitted adequate data if the Sec-
16 retary determines that the extent of the incompleteness
17 or unreliability of the data is of a technical nature which
18 does not adversely affect the determination of the level of
19 the State's performance.”.

20 (2) CONFORMING AMENDMENTS.—

21 (A) PAYMENTS TO STATES.—Section 403
22 (42 U.S.C. 603) is amended by striking sub-
23 section (h).

24 (B) DUTIES OF SECRETARY.—Subsections
25 (d)(3)(A), (g)(1), and (g)(3)(A) of section 452

1 (42 U.S.C. 652) are each amended by striking
2 "403(h)" and inserting "455(e)".

3 (f) EFFECTIVE DATES.—

4 (1) INCENTIVE ADJUSTMENTS.—

5 (A) IN GENERAL.—The amendments made
6 by subsections (a), (b), and (c) shall become ef-
7 fective on October 1, 1997, except to the extent
8 provided in subparagraph (B).

9 (B) EXCEPTION.—Section 458 of the So-
10 cial Security Act, as in effect prior to the enact-
11 ment of this section, shall be effective for pur-
12 poses of incentive payments to States for fiscal
13 years prior to fiscal year 1999.

14 (2) PENALTY REDUCTIONS.—

15 (A) IN GENERAL.—The amendments made
16 by subsection (d) shall become effective with re-
17 spect to calendar quarters beginning on and
18 after the date of the enactment of this Act.

19 (B) REDUCTIONS.—The amendments
20 made by subsection (e) shall become effective
21 with respect to calendar quarters beginning on
22 and after the date 1 which is year after the
23 date of the enactment of this Act.

1 **SEC. 113. FEDERAL AND STATE REVIEWS AND AUDITS.**

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

4 (1) in paragraph (14)—

5 (A) by striking “(14)” and inserting
6 “(14)(A)”; and

7 (B) by inserting after the semicolon “and”;

8 (2) by redesignating paragraph (15) as sub-
9 paragraph (B) of paragraph (14); and

10 (3) by inserting after paragraph (14) the fol-
11 lowing new paragraph:

12 “(15) provide for—

13 “(A) a process for annual reviews of and
14 reports to the Secretary on the State program
15 under this part—

16 “(i) which shall include such informa-
17 tion as may be necessary to measure State
18 compliance with Federal requirements for
19 expedited procedures and timely case proc-
20 essing, using such standards and proce-
21 dures as are required by the Secretary;
22 and

23 “(ii) under which the State agency
24 will determine the extent to which such
25 program is in conformity with applicable
26 requirements with respect to the operation

1 of State programs under this part (includ-
2 ing the status of complaints filed under the
3 procedure required under paragraph
4 (12)(B)); and

5 “(B) a process of extracting from the
6 State automated data processing system and
7 transmitting to the Secretary data and calcula-
8 tions concerning the levels of accomplishment
9 (and rates of improvement) with respect to ap-
10 plicable performance indicators (including IV-D
11 paternity establishment percentages and overall
12 performance in child support enforcement) to
13 the extent necessary for purposes of sections
14 452(g) and 458.”

15 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
16 U.S.C. 652(a)(4)) is amended to read as follows:

17 “(4)(A) review data and calculations transmit-
18 ted by State agencies pursuant to section
19 454(15)(B) on State program accomplishments with
20 respect to performance indicators for purposes of
21 section 452(g) and 458, and determine the amount
22 (if any) of penalty reductions pursuant to section
23 455(e) to be applied to the State;

24 “(B) review annual reports by State agencies
25 pursuant to section 454(15)(A) on State program

1 conformity with Federal requirements; evaluate any
2 elements of a State program in which significant de-
3 ficiencies are indicated by such report on the status
4 of complaints under the State procedure under sec-
5 tion 454(12)(B); and, as appropriate, provide to the
6 State agency comments, recommendations for addi-
7 tional or alternative corrective actions, and technical
8 assistance; and

9 “(C) conduct audits, in accordance with the
10 government auditing standards of the United States
11 Comptroller General—

12 “(i) at least once every 3 years (or more
13 frequently, in the case of a State which fails to
14 meet requirements of this part, or of regula-
15 tions implementing such requirements, concern-
16 ing performance standards and reliability of
17 program data) to assess the completeness, reli-
18 ability, and security of the data, and the accu-
19 racy of the reporting systems, used for the cal-
20 culations of performance indicators specified in
21 subsection (g) and section 458;

22 “(ii) of the adequacy of financial manage-
23 ment of the State program, including assess-
24 ments of—

1 “(I) whether Federal and other funds
2 made available to carry out the State pro-
3 gram under this part are being appro-
4 priately expended, and are properly and
5 fully accounted for; and

6 “(II) whether collections and disburse-
7 ments of support payments and program
8 income are carried out correctly and are
9 properly and fully accounted for; and

10 “(iii) for such other purposes as the Sec-
11 retary may find necessary;”.

12 (c) **EFFECTIVE DATE.**—The amendments made by
13 this section shall be effective with respect to calendar
14 quarters beginning on or after the date which is 1 year
15 after the enactment of this section.

16 **SEC. 114. REQUIRED REPORTING PROCEDURES.**

17 (a) **ESTABLISHMENT.**—Section 452(a)(5) (42 U.S.C.
18 652(a)(5)) is amended by inserting “, and establish proce-
19 dures to be followed by States for collecting and reporting
20 information required to be provided under this part, and
21 establish uniform definitions (including those necessary to
22 enable the measurement of State compliance with the re-
23 quirements of this part relating to expedited processes and
24 timely case processing) to be applied in following such pro-
25 cedures” before the semicolon.

1 (b) STATE PLAN REQUIREMENT.—Section 454 (42
2 U.S.C. 654), as amended by section 104(a), is amended—

3 (1) by striking “and” at the end of paragraph
4 (24);

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

7 (3) by adding after paragraph (25) the follow-
8 ing:

9 “(26) provide that the State shall use the defi-
10 nitions established under section 452(a)(5) in col-
11 lecting and reporting information as required under
12 this part.”.

13 **SEC. 115. AUTOMATED DATA PROCESSING REQUIREMENTS.**

14 (a) REVISED REQUIREMENTS.—

15 (1) STATE PLAN.—Section 454(16) (42 U.S.C.
16 654(16)) is amended—

17 (A) by striking “, at the option of the
18 State,”;

19 (B) by inserting “and operation by the
20 State agency” after “for the establishment”;

21 (C) by inserting “meeting the requirements
22 of section 454A” after “information retrieval
23 system”;

24 (D) by striking “in the State and localities
25 thereof, so as (A)” and inserting “so as”;

1 (E) by striking "(i)"; and

2 (F) by striking "(including, but not limited
3 to," and all that follows and to the semicolon.

4 (2) AUTOMATED DATA PROCESSING.—Part D of
5 title IV (42 U.S.C. 651–669) is amended by insert-
6 ing after section 454 the following new section:

7 "AUTOMATED DATA PROCESSING

8 "SEC. 454A. (a) IN GENERAL.—In order to meet the
9 requirements of this section, for purposes of the require-
10 ment of section 454(16), a State agency shall have in op-
11 eration a single statewide automated data processing and
12 information retrieval system which has the capability to
13 perform the tasks specified in this section, and performs
14 such tasks with the frequency and in the manner specified
15 in this part or in regulations or guidelines of the Sec-
16 retary.

17 "(b) PROGRAM MANAGEMENT.—The automated sys-
18 tem required under this section shall perform such func-
19 tions as the Secretary may specify relating to management
20 of the program under this part, including—

21 "(1) controlling and accounting for use of Fed-
22 eral, State, and local funds to carry out such pro-
23 gram; and

24 "(2) maintaining the data necessary to meet
25 Federal reporting requirements on a timely basis.

1 “(c) CALCULATION OF PERFORMANCE INDICA-
2 TORS.—In order to enable the Secretary to determine the
3 incentive and penalty adjustments required by sections
4 452(g) and 458, the State agency shall—

5 “(1) use the automated system—

6 “(A) to maintain the requisite data on
7 State performance with respect to paternity es-
8 tablishment and child support enforcement in
9 the State; and

10 “(B) to calculate the IV-D paternity es-
11 tablishment percentage and overall performance
12 in child support enforcement for the State for
13 each fiscal year; and

14 “(2) have in place systems controls to ensure
15 the completeness, and reliability of, and ready access
16 to, the data described in paragraph (1)(A), and the
17 accuracy of the calculations described in paragraph
18 (1)(B).

19 “(d) INFORMATION INTEGRITY AND SECURITY.—The
20 State agency shall have in effect safeguards on the integ-
21 rity, accuracy, and completeness of, access to, and use of
22 data in the automated system required under this section,
23 which shall include the following (in addition to such other
24 safeguards as the Secretary specifies in regulations):

1 “(1) POLICIES RESTRICTING ACCESS.—Written
2 policies concerning access to data by State agency
3 personnel, and sharing of data with other persons,
4 which—

5 “(A) permit access to and use of data only
6 to the extent necessary to carry out program re-
7 sponsibilities;

8 “(B) specify the data which may be used
9 for particular program purposes, and the per-
10 sonnel permitted access to such data; and

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

14 “(2) SYSTEMS CONTROLS.—Systems controls
15 (such as passwords or blocking of fields) to ensure
16 strict adherence to the policies specified under para-
17 graph (1).

18 “(3) MONITORING OF ACCESS.—Routine mon-
19 itoring of access to and use of the automated sys-
20 tem, through methods such as audit trails and feed-
21 back mechanisms, to guard against and promptly
22 identify unauthorized access or use.

23 “(4) TRAINING AND INFORMATION.—The State
24 agency shall have in effect procedures to ensure that
25 all personnel (including State and local agency staff

1 and contractors) who may have access to or be re-
2 quired to use sensitive or confidential program data
3 are fully informed of applicable requirements and
4 penalties, and are adequately trained in security pro-
5 cedures.

6 “(5) PENALTIES.—The State agency shall have
7 in effect administrative penalties (up to and includ-
8 ing dismissal from employment) for unauthorized ac-
9 cess to, or disclosure or use of, confidential data.”.

10 (3) REGULATIONS.—Section 452 (42 U.S.C.
11 652) is amended by adding at the end the following
12 new subsection:

13 “(j) The Secretary shall prescribe final regulations
14 for implementation of the requirements of section 454A
15 not later than 2 years after the date of the enactment of
16 this subsection.”.

17 (4) IMPLEMENTATION TIMETABLE.—Section
18 454(24) (42 U.S.C. 654(24)), as amended by sec-
19 tions 104(a)(2) and 114(b)(1), is amended to read
20 as follows:

21 “(24) provide that the State will have in effect
22 an automated data processing and information re-
23 trieval system—

24 “(A) by October 1, 1996, meeting all re-
25 quirements of this part which were enacted on

1 or before the date of the enactment of the Fam-
 2 ily Support Act of 1988; and

3 “(B) by October 1, 1999, meeting all re-
 4 quirements of this part enacted on or before the
 5 date of the enactment of the Interstate Child
 6 Support Responsibility Act of 1995 (but this
 7 provision shall not be construed to alter earlier
 8 deadlines specified for elements of such sys-
 9 tem), except that such deadline shall be ex-
 10 tended by 1 day for each day (if any) by which
 11 the Secretary fails to meet the deadline imposed
 12 by section 452(j);”.

13 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
 14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
 15 455(a) (42 U.S.C. 655(a)) is amended—

16 (1) in paragraph (1)(B)—

17 (A) by striking “90 percent” and inserting
 18 “the percent specified in paragraph (3);”;

19 (B) by striking “so much of”; and

20 (C) by striking “which the Secretary” and
 21 all that follows through “thereof”; and

22 (2) by adding at the end the following new
 23 paragraph:

24 “(3)(A) The Secretary shall pay to each State, for
 25 each quarter in fiscal year 1996, 90 percent of so much

1 of State expenditures described in paragraph (1)(B) as the
2 Secretary finds are for a system meeting the requirements
3 specified in section 454(16), or meeting such requirements
4 without regard to subparagraph (D) thereof.

5 “(B)(i) The Secretary shall pay to each State, for
6 each quarter in fiscal years 1997 through 2001, the per-
7 centage specified in clause (ii) of so much of State expend-
8 itures described in paragraph (1)(B) as the Secretary
9 finds are for a system meeting the requirements specified
10 in section 454(16) and 454A, subject to clause (iii).

11 “(ii) The percentage specified in this clause, for pur-
12 poses of clause (i), is the higher of—

13 “(I) 80 percent, or

14 “(II) the percentage otherwise applicable to
15 Federal payments to the State under subparagraph
16 (A) (as adjusted pursuant to section 458).”

17 (e) CONFORMING AMENDMENT.—Section 123(c) of
18 the Family Support Act of 1988 (102 Stat. 2352; Public
19 Law 100-485) is repealed.

20 **SEC. 116. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

21 (a) REPORTING TO SECRETARY.—Section 452(a) (42
22 U.S.C. 652(a)) is amended in the matter preceding para-
23 graph (1) by striking “directly”.

24 (b) STAFFING STUDIES.—

1 (1) SCOPE.—The Secretary of Health and
2 Human Services (in this subsection referred to as
3 the “Secretary”) shall, directly or by contract, con-
4 duct studies of the staffing of each State child sup-
5 port enforcement program under part D of title IV
6 of the Social Security Act. Such studies shall—

7 (A) include a review of the staffing needs
8 created by requirements for automated data
9 processing, maintenance of a central case reg-
10 istry and centralized collections of child sup-
11 port, and of changes in these needs resulting
12 from changes in such requirements; and

13 (B) examine and report on effective staff-
14 ing practices used by the States and on rec-
15 ommended staffing procedures.

16 (2) FREQUENCY OF STUDIES.—The Secretary
17 shall complete the first staffing study required under
18 paragraph (1) not later than October 1, 1997, and
19 may conduct additional studies subsequently at ap-
20 propriate intervals.

21 (3) REPORT TO THE CONGRESS.—The Sec-
22 retary shall submit a report to the Congress stating
23 the findings and conclusions of each study conducted
24 under this subsection.

1 **SEC. 117. FUNDING FOR SECRETARIAL ASSISTANCE TO**
2 **STATE PROGRAMS.**

3 Section 452 (42 U.S.C. 652), as amended by section
4 115(a)(3), is amended by adding at the end the following
5 new subsection:

6 “(k)(1) There shall be available to the Secretary,
7 from amounts appropriated for fiscal year 1996 and each
8 succeeding fiscal year for payments to States under this
9 part, the amount specified in paragraph (2) for the costs
10 to the Secretary for—

11 “(A) information dissemination and technical
12 assistance to States, training of State and Federal
13 staff, staffing studies, and related activities needed
14 to improve programs (including technical assistance
15 concerning State automated systems);

16 “(B) research, demonstration, and special
17 projects of regional or national significance relating
18 to the operation of State programs under this part;
19 and

20 “(C) operation of the Federal Parent Locator
21 Service under section 453, to the extent such costs
22 are not recovered through user fees.

23 “(2) The amount specified in this paragraph for a
24 fiscal year is the amount equal to a percentage of the re-
25 duction in Federal payments to States under part A on
26 account of child support (including arrearages) collected

1 “(ii) the cost to the States and to the
2 Federal Government of furnishing such
3 services to those individuals; and

4 “(iii) the number of cases involving
5 families—

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

9 “(II) with respect to whom a
10 child support payment was received in
11 the same month;”.

12 (2) CERTAIN DATA.—Section 452(a)(10)(C) (42
13 U.S.C. 652(a)(10)(C)) is amended—

14 (A) in the matter preceding clause (i), by
15 striking “with the data required under each
16 clause being separately stated for cases” and all
17 that follows through “part:” and inserting “sep-
18 arately stated for cases where the child is re-
19 ceiving aid to families with dependent children
20 (or foster care maintenance payments under
21 part E), or formerly received such aid or pay-
22 ments and the State is continuing to collect
23 support assigned to it under section 402(a)(26),
24 471(a)(17), or 1912, and all other cases under
25 this part—”;

1 (B) in each of clauses (i) and (ii), by strik-
2 ing “, and the total amount of such obliga-
3 tions”;

4 (C) in clause (iii), by striking “described
5 in” and all that follows through the semicolon
6 and inserting “in which support was collected
7 during the fiscal year;”;

8 (D) by striking clause (iv); and

9 (E) by redesignating clause (v) as clause
10 (vii), and inserting after clause (iii) the follow-
11 ing new clauses:

12 “(iv) the total amount of support col-
13 lected during such fiscal year and distrib-
14 uted as current support;

15 “(v) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as arrearages;

18 “(vi) the total amount of support due
19 and unpaid for all fiscal years; and”.

20 (3) USE OF FEDERAL COURTS.—Section
21 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amend-
22 ed by striking “on the use of Federal courts and”.

23 (4) ADDITIONAL INFORMATION NOT NEC-
24 ESSARY.—Section 452(a)(10) (42 U.S.C.

1 652(a)(10)) is amended by striking all that follows
2 subparagraph (I).

3 (b) DATA COLLECTION AND REPORTING.—Section
4 469 (42 U.S.C. 669) is amended—

5 (1) by striking subsections (a) and (b) and in-
6 serting the following:

7 “(a) The Secretary shall collect and maintain, on a
8 fiscal year basis, up-to-date statistics, by State, with re-
9 spect to services to establish paternity and services to es-
10 tablish child support obligations, the data specified in sub-
11 section (b), separately stated, in the case of each such
12 service, with respect to—

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

15 “(2) families not receiving such aid.

16 “(b) The data referred to in subsection (a) are—

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

20 “(2) the number of such cases in which the
21 service has been provided.”; and

22 (2) in subsection (c), by striking “(a)(2)” and
23 inserting “(b)(2)”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall be effective with respect to fiscal year
3 1996 and succeeding fiscal years.

4 **Subtitle C—Locate and Case**
5 **Tracking**

6 **SEC. 121. CENTRAL STATE AND CASE REGISTRY.**

7 Section 454A, as added by section 115(a)(2), is
8 amended by adding at the end the following new sub-
9 sections:

10 “(e) CENTRAL CASE REGISTRY.—

11 “(1) IN GENERAL.—The automated system re-
12 quired under this section shall perform the func-
13 tions, in accordance with the provisions of this sub-
14 section, of a single central registry containing
15 records with respect to each case in which services
16 are being provided by the State agency (including,
17 on and after October 1, 1998, each order specified
18 in section 466(a)(12)), using such standardized data
19 elements (such as names, social security numbers or
20 other uniform identification numbers, dates of birth,
21 and case identification numbers), and containing
22 such other information (such as information on case
23 status) as the Secretary may require.

24 “(2) PAYMENT RECORDS.—Each case record in
25 the central registry shall include a record of—

1 “(A) the amount of monthly (or other peri-
2 odie) support owed under the support order,
3 and other amounts due or overdue (including
4 arrearages, interest or late payment penalties,
5 and fees);

6 “(B) all child support and related amounts
7 collected (including such amounts as fees, late
8 payment penalties, and interest on arrearages);

9 “(C) the distribution of such amounts col-
10 lected; and

11 “(D) the birth date of the child for whom
12 the child support order is entered.

13 “(3) UPDATING AND MONITORING.—The State
14 agency shall promptly establish and maintain, and
15 regularly monitor, case records in the registry re-
16 quired by this subsection, on the basis of—

17 “(A) information on administrative actions
18 and administrative and judicial proceedings and
19 orders relating to paternity and support;

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

22 “(C) information on support collections
23 and distributions; and

24 “(D) any other relevant information.

1 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
2 INFORMATION.—The automated system required under
3 this section shall have the capacity, and be used by the
4 State agency, to extract data at such times, and in such
5 standardized format or formats, as may be required by
6 the Secretary, and to share and match data with, and re-
7 ceive data from, other data bases and data matching serv-
8 ices, in order to obtain (or provide) information necessary
9 to enable the State agency (or Secretary or other State
10 or Federal agencies) to carry out responsibilities under
11 this part. Data matching activities of the State agency
12 shall include at least the following:

13 “(1) DATA BANK OF CHILD SUPPORT OR-
14 DERS.—Furnishing to the Data Bank of Child Sup-
15 port Orders established under section 453(h) (and
16 updating as necessary, with information, including
17 notice of expiration of orders) minimal information
18 specified by the Secretary on each child support case
19 in the central case registry.

20 “(2) FEDERAL PARENT LOCATOR SERVICE.—
21 Exchanging data with the Federal Parent Locator
22 Service for the purposes specified in section 453.

23 “(3) AFDC AND MEDICAID AGENCIES.—Ex-
24 changing data with State agencies (of the State and
25 of other States) administering the programs under

1 part A and title XIX, as necessary for the perform-
2 ance of State agency responsibilities under this part
3 and under such programs.

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

10 **SEC. 122. CENTRALIZED COLLECTION AND DISBURSEMENT**
11 **OF SUPPORT PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
13 U.S.C. 654), as amended by sections 104(a) and 114(b),
14 is amended—

15 (1) by striking “and” at the end of paragraph
16 (25);

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

19 (3) by adding after paragraph (26) the follow-
20 ing new paragraph:

21 “(27) provide that the State agency, on and
22 after October 1, 1998—

23 “(A) will operate a centralized, automated
24 unit for the collection and disbursement of child

1 support under orders being enforced under this
2 part, in accordance with section 454B; and

3 “(B) will have sufficient State staff (con-
4 sisting of State employees), and, at State op-
5 tion, contractors reporting directly to the State
6 agency to monitor and enforce support collec-
7 tions through such centralized unit, including
8 carrying out the automated data processing re-
9 sponsibilities specified in section 454A(g) and
10 to impose, as appropriate in particular cases,
11 the administrative enforcement remedies speci-
12 fied in section 466(c)(1).”

13 (b) ESTABLISHMENT OF CENTRALIZED COLLECTION
14 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-
15 ed by adding after section 454A the following new section:

16 “CENTRALIZED COLLECTION AND DISBURSEMENT OF
17 SUPPORT PAYMENTS

18 “SEC. 454B. (a) IN GENERAL.—In order to meet the
19 requirement of section 454(27), the State agency must op-
20 erate a single, centralized, automated unit for the collec-
21 tion and disbursement of support payments, coordinated
22 with the automated data system required under section
23 454A, in accordance with the provisions of this section,
24 which shall be—

25 “(1) operated directly by the State agency (or
26 by 2 or more State agencies under a regional cooper-

1 ative agreement), or by a single contractor respon-
2 sible directly to the State agency; and

3 “(2) used for the collection and disbursement
4 (including interstate collection and disbursement) of
5 payments under support orders in all cases being en-
6 forced by the State pursuant to section 454(4).

7 “(b) REQUIRED PROCEDURES.—The centralized col-
8 lections unit shall use automated procedures, electronic
9 processes, and computer-driven technology to the maxi-
10 mum extent feasible, efficient, and economical, for the col-
11 lection and disbursement of support payments, including
12 procedures—

13 “(1) for receipt of payments from parents, em-
14 ployers, and other States, and for disbursements to
15 custodial parents and other obligees, the State agen-
16 cy, and the State agencies of other States;

17 “(2) for accurate identification of payments;

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

20 “(4) to furnish to either parent, upon request,
21 timely information on the current status of support
22 payments.”.

23 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
24 added by section 115(a)(2) and as amended by section

1 121, is amended by adding at the end the following new
2 subsection:

3 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
4 OF SUPPORT PAYMENTS.—The automated system re-
5 quired under this section shall be used, to the maximum
6 extent feasible, to assist and facilitate collections and dis-
7 bursement of support payments through the centralized
8 collections unit operated pursuant to section 454B,
9 through the performance of functions including at a mini-
10 mum—

11 “(1) generation of orders and notices to em-
12 ployers (and other debtors) for the withholding of
13 wages (and other income)—

14 “(A) within 2 working days after receipt
15 (from the directory of New Hires established
16 under section 453(i) or any other source) of no-
17 tice of and the income source subject to such
18 withholding; and

19 “(B) using uniform formats directed by
20 the Secretary;

21 “(2) ongoing monitoring to promptly identify
22 failures to make timely payment; and

23 “(3) automatic use of enforcement mechanisms
24 (including mechanisms authorized pursuant to sec-
25 tion 466(c)) where payments are not timely made.”.

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

3 **SEC. 123. AMENDMENTS CONCERNING INCOME WITHHOLD-**
4 **ING.**

5 (a) MANDATORY INCOME WITHHOLDING.—

6 (1) FROM WAGES.—Section 466(a)(1) (42
7 U.S.C. 666(a)(1)) is amended to read as follows:

8 “(1)(A) Procedures described in subsection (b)
9 for the withholding from income of amounts payable
10 as support in cases subject to enforcement under the
11 State plan.

12 “(B) Procedures under which all child support
13 orders issued (or modified) before October 1, 1996,
14 and which are not otherwise subject to withholding
15 under subsection (b), shall become subject to with-
16 holding from wages as provided in subsection (b) if
17 arrearages occur, without the need for a judicial or
18 administrative hearing.”.

19 (2) REPEAL OF CERTAIN PROVISIONS CONCERN-
20 ING ARREARAGES.—Section 466(a)(8) (42 U.S.C.
21 666(a)(8)) is repealed.

22 (3) PROCEDURES DESCRIBED.—Section 466(b)
23 (42 U.S.C. 666(b)) is amended—

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

4 (B) in paragraph (5), by striking "a public
5 agency" and all that follows through the period
6 and inserting "the State through the central-
7 ized collections unit established pursuant to sec-
8 tion 454B, in accordance with the requirements
9 of such section 454B.";

10 (C) in paragraph (6)(A)(i)—

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

14 (ii) by striking "to the appropriate
15 agency" and all that follows through the
16 period and inserting "to the State central-
17 ized collections unit within 5 working days
18 after the date such amount would (but for
19 this subsection) have been paid or credited
20 to the employee, for distribution in accord-
21 ance with this part.";

22 (D) in paragraph (6)(A)(ii), by inserting
23 "be in a standard format prescribed by the Sec-
24 retary, and" after "shall"; and

25 (E) in paragraph (6)(D) to read as follows:

1 “(D) Provision must be made for the imposition
2 of a fine against any employer who—

3 “(i) discharges from employment, refuses
4 to employ, or takes disciplinary action against
5 any absent parent subject to wage withholding
6 required by this subsection because of the exist-
7 ence of such withholding and the obligations or
8 additional obligations which it imposes upon the
9 employer; or

10 “(ii) fails to withhold support from wages,
11 or to pay such amounts to the State centralized
12 collections unit in accordance with this sub-
13 section.”.

14 (b) CONFORMING AMENDMENT.—Section 466(c) (42
15 U.S.C. 666(c)) is repealed.

16 (c) DEFINITION OF TERMS.—The Secretary of
17 Health and Human Services shall promulgate regulations
18 providing definitions, for purposes of part D of title IV
19 of the Social Security Act, for the term “income” and for
20 such other terms relating to income withholding under sec-
21 tion 466(b) of such Act as the Secretary may find it nec-
22 essary or advisable to define.

1 **SEC. 124. LOCATOR INFORMATION FROM INTERSTATE NET-**
2 **WORKS.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 section 123(a)(2), is amended by inserting after para-
5 graph (7) the following new paragraph:

6 “(8) Procedures ensuring that the State will
7 neither provide funding for, nor use for any purpose
8 (including any purpose unrelated to the purposes of
9 this part), any automated interstate network or sys-
10 tem used to locate individuals—

11 “(A) for purposes relating to the use of
12 motor vehicles; or

13 “(B) providing information for law en-
14 forcement purposes (where child support en-
15 forcement agencies are otherwise allowed access
16 by State and Federal law),

17 unless all Federal and State agencies administering
18 programs under this part (including the entities es-
19 tablished under section 453) have access to informa-
20 tion in such system or network to the same extent
21 as any other user of such system or network.”.

22 **SEC. 125. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

23 (a) **EXPANDED AUTHORITY TO LOCATE INDIVID-**
24 **UALS AND ASSETS.**—Section 453 (42 U.S.C. 653) is
25 amended—

1 (1) in subsection (a), by striking "information
2 as to the whereabouts" and all that follows through
3 the period and inserting ", for the purpose of estab-
4 lishing parentage, establishing, setting the amount
5 of, modifying, or enforcing child support obliga-
6 tions—

7 "(1) information on, or facilitating the discov-
8 ery of, the location of any individual—

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

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

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

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

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

25 (2) in subsection (b)—

1 (A) in the matter preceding paragraph (1),
2 by striking "social security" and all that follows
3 through "absent parent" and inserting "infor-
4 mation specified in subsection (a)"; and

5 (B) in paragraph (2), by inserting before
6 the period ", or from any consumer reporting
7 agency (as defined in section 603(f) of the Fair
8 Credit Reporting Act (15 U.S.C. 1681a(f))";
9 and

10 (3) in subsection (c)(1), by inserting before the
11 period ", or by consumer reporting agencies".

12 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
13 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
14 amended in the fourth sentence by inserting before the
15 period "in an amount which the Secretary determines to
16 be reasonable payment for the data exchange (which
17 amount shall not include payment for the costs of obtain-
18 ing, compiling, or maintaining the data)".

19 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
20 CREDIT REPORTING ACT.—

21 (1) IN GENERAL.—Section 608 of the Fair
22 Credit Reporting Act (15 U.S.C. 1681f) is amend-
23 ed—

24 (A) by striking ", limited to" and inserting
25 "to a governmental agency (including the entire

1 consumer report, in the case of a Federal,
2 State, or local agency administering a program
3 under part D of title IV of the Social Security
4 Act, and limited to"; and

5 (B) by striking "employment, to a govern-
6 mental agency" and inserting "employment, in
7 the case of any other governmental agency)".

8 (2) REIMBURSEMENT FOR REPORTS BY STATE
9 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
10 U.S.C. 653) is amended by adding at the end the
11 following new subsection:

12 "(g) The Secretary is authorized to reimburse to
13 State agencies and consumer credit reporting agencies the
14 costs incurred by such entities in furnishing information
15 requested by the Secretary pursuant to this section in an
16 amount which the Secretary determines to be reasonable
17 payment for the data exchange (which amount shall not
18 include payment for the costs of obtaining, compiling, or
19 maintaining the data).".

20 (d) DISCLOSURE OF TAX RETURN INFORMATION.—

21 (1) BY THE SECRETARY OF THE TREASURY.—
22 Section 6103(l)(6)(A)(ii) of the Internal Revenue
23 Code of 1986 (relating to disclosure of return infor-
24 mation to Federal, State, and local child support en-

1 enforcement agencies) is amended by striking “, but
2 only if” and all that follows to the period.

3 (2) BY THE SOCIAL SECURITY ADMINISTRA-
4 TION.—Section 6103(l)(8) of the Internal Revenue
5 Code of 1986 (relating to disclosure of certain re-
6 turn information by Social Security Administration
7 to State and local child support enforcement agen-
8 cies) is amended—

9 (A) in subparagraph (A), by striking
10 “State or local” and inserting “Federal, State,
11 or local”; and

12 (B) in subparagraph (C), by inserting “(in-
13 cluding any entity under contract with such
14 agency)” after “thereof”.

15 (e) TECHNICAL AMENDMENTS.—

16 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
17 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),
18 663(a), and 663(e)) are each amended by inserting
19 “Federal” before “Parent” each place it appears.

20 (2) Section 453 (42 U.S.C. 653) is amended in
21 the heading by inserting “FEDERAL” before “PAR-
22 ENT”.

23 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
24 653), as amended by subsection (c)(2), is amended by add-
25 ing at the end the following new subsections:

1 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

2 “(1) IN GENERAL.—Not later than October 1,
3 1998, in order to assist States in administering their
4 State plans under this part and parts A, F, and G,
5 and for the other purposes specified in this section,
6 the Secretary shall establish and maintain in the
7 Federal Parent Locator Service an automated reg-
8 istry to be known as the Data Bank of Child Sup-
9 port Orders, which shall contain abstracts of child
10 support orders and other information described in
11 paragraph (2) on each case in each State central
12 case registry maintained pursuant to section
13 454A(e), as furnished (and regularly updated), pur-
14 suant to section 454A(f), by State agencies admin-
15 istering programs under this part.

16 “(2) CASE INFORMATION.—The information re-
17 ferred to in paragraph (1), as specified by the Sec-
18 retary, shall include sufficient information (including
19 names, social security numbers or other uniform
20 identification numbers, and State case identification
21 numbers) to identify the individuals who owe or are
22 owed support (or with respect to or on behalf of
23 whom support obligations are sought to be estab-
24 lished), and the State or States which have estab-

1 lished or modified, or are enforcing or seeking to es-
2 tablish, such an order.

3 “(i) DIRECTORY OF NEW HIRES.—

4 “(1) IN GENERAL.—Not later than October 1,
5 1998, in order to assist States in administering their
6 State plans under this part and parts A, F, and G,
7 and for the other purposes specified in this section,
8 the Secretary shall establish and maintain in the
9 Federal Parent Locator Service an automated direc-
10 tory to be known as the directory of New Hires, con-
11 taining—

12 “(A) information supplied by employers on
13 each newly hired individual, in accordance with
14 paragraph (2); and

15 “(B) information supplied by State agen-
16 cies administering State unemployment com-
17 pensation laws, in accordance with paragraph
18 (3).

19 “(2) EMPLOYER INFORMATION.—

20 “(A) INFORMATION REQUIRED.—Subject
21 to subparagraph (D), each employer shall fur-
22 nish to the Secretary, for inclusion in the direc-
23 tory under this subsection, not later than 10
24 days after the date (on or after October 1,
25 1998) on which the employer hires a new em-

1 ployee (as defined in subparagraph (C)), a re-
2 port containing the name, date of birth, and so-
3 cial security number of such employee, and the
4 employer identification number of the employer.

5 “(B) REPORTING METHOD AND FOR-
6 MAT.—The Secretary shall provide for trans-
7 mission of the reports required under subpara-
8 graph (A) using formats and methods which
9 minimize the burden on employers, which shall
10 include—

11 “(i) automated or electronic trans-
12 mission of such reports;

13 “(ii) transmission by regular mail;
14 and

15 “(iii) transmission of a copy of the
16 form required for purposes of compliance
17 with section 3402 of the Internal Revenue
18 Code of 1986.

19 “(C) EMPLOYEE DEFINED.—For purposes
20 of this paragraph, the term ‘employee’ means
21 any individual subject to the requirement of
22 section 3402(f)(2) of the Internal Revenue Code
23 of 1986.

24 “(D) PAPERWORK REDUCTION REQUIRE-
25 MENT.—As required by the information re-

1 sources management policies published by the
2 Director of the Office of Management and
3 Budget pursuant to section 3504(b)(1) of title
4 44, United States Code, the Secretary, in order
5 to minimize the cost and reporting burden on
6 employers, shall not require reporting pursuant
7 to this paragraph if an alternative reporting
8 mechanism can be developed that either relies
9 on existing Federal or State reporting or en-
10 ables the Secretary to collect the needed infor-
11 mation in a more cost-effective and equally ex-
12 peditious manner, taking into account the re-
13 porting costs on employers.

14 "(E) CIVIL MONEY PENALTY ON NON-
15 COMPLYING EMPLOYERS.—

16 "(i) IN GENERAL.—Any employer that
17 fails to make a timely report in accordance
18 with this paragraph with respect to an in-
19 dividual shall be subject to a civil money
20 penalty, for each calendar year in which
21 the failure occurs, of the lesser of \$500 or
22 1 percent of the wages or other compensa-
23 tion paid by such employer to such individ-
24 ual during such calendar year.

1 “(ii) APPLICATION OF SECTION
2 1128A.—Subject to clause (iii), the provi-
3 sions of section 1128A (other than sub-
4 sections (a) and (b) thereof) shall apply to
5 a civil money penalty under clause (i) in
6 the same manner as they apply to a civil
7 money penalty or proceeding under section
8 1128A(a).

9 “(iii) COSTS TO SECRETARY.—Any
10 employer with respect to whom a penalty
11 under this subparagraph is upheld after an
12 administrative hearing shall be liable to
13 pay all costs of the Secretary with respect
14 to such hearing.

15 “(3) EMPLOYMENT SECURITY INFORMATION.—

16 “(A) REPORTING REQUIREMENT.—Each
17 State agency administering a State unemploy-
18 ment compensation law approved by the Sec-
19 retary of Labor under the Federal Unemploy-
20 ment Tax Act shall furnish to the Secretary ex-
21 tracts of the reports to the Secretary of Labor
22 concerning the wages and unemployment com-
23 pensation paid to individuals required under
24 section 303(a)(6), in accordance with subpara-
25 graph (B).

1 “(B) MANNER OF COMPLIANCE.—The ex-
2 tracts required under subparagraph (A) shall be
3 furnished to the Secretary on a quarterly basis,
4 with respect to calendar quarters beginning on
5 and after October 1, 1996, by such dates, in
6 such format, and containing such information
7 as required by that Secretary in regulations.

8 “(j) DATA MATCHES AND OTHER DISCLOSURES.—

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

11 “(A) TRANSMISSION OF DATA.—The Sec-
12 retary shall transmit data on individuals and
13 employers in the registries maintained under
14 this section to the Social Security Administra-
15 tion to the extent necessary for verification in
16 accordance with subparagraph (B).

17 “(B) VERIFICATION.—The Commissioner of So-
18 cial Security shall verify the accuracy of, correct or
19 supply to the extent necessary and feasible, and re-
20 port to the Secretary, the following information in
21 data supplied by the Secretary pursuant to subpara-
22 graph (A):

23 “(i) the name, social security number, and
24 birth date of each individual; and

1 “(ii) the employer identification number of
2 each employer.

3 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
4 the purpose of locating individuals for purposes of
5 paternity establishment and establishment and en-
6 forcement of child support, the Secretary shall—

7 “(A) match data in the directory of New
8 Hires against the child support order abstracts
9 in the Data Bank of Child Support Orders not
10 less than every 2 working days; and

11 “(B) report information obtained from a
12 match established under subparagraph (A) to
13 concerned State agencies operating programs
14 under this part not later than 2 working days
15 after such match.

16 “(3) DATA MATCHES AND DISCLOSURES OF
17 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM
18 PURPOSES.—The Secretary shall—

19 “(A) perform matches of data in each com-
20 ponent of the Federal Parent Locator Service
21 maintained under this section against data in
22 each other such component (other than the
23 matches required pursuant to paragraph (1)),
24 and report information resulting from such

1 matches to State agencies operating programs
2 under this part and parts A, F, and G; and

3 "(B) disclose data in such registries to
4 such State agencies,

5 to the extent, and with the frequency, that the Sec-
6 retary determines to be effective in assisting such
7 States to carry out their responsibilities under such
8 programs.

9 "(k) FEES.—

10 "(1) FOR SSA VERIFICATION.—The Secretary
11 shall reimburse the Commissioner of Social Security,
12 at a rate negotiated between the Secretary and the
13 Commissioner, the costs incurred by the Commis-
14 sioner in performing the verification services speci-
15 fied in subsection (j).

16 "(2) FOR INFORMATION FROM SESAS.—The
17 Secretary shall reimburse costs incurred by State
18 employment security agencies in furnishing data as
19 required by subsection (i)(3), at rates which the Sec-
20 retary determines to be reasonable (which rates shall
21 not include payment for the costs of obtaining, com-
22 piling, or maintaining such data).

23 "(3) FOR INFORMATION FURNISHED TO STATE
24 AND FEDERAL AGENCIES.—State and Federal agen-
25 cies receiving data or information from the Secretary

1 pursuant to this section shall reimburse the costs in-
2 curred by the Secretary in furnishing such data or
3 information, at rates which the Secretary determines
4 to be reasonable (which rates shall include payment
5 for the costs of obtaining, verifying, maintaining,
6 and matching such data or information).

7 “(l) RESTRICTION ON DISCLOSURE AND USE.—Data
8 in the Federal Parent Locator Service, and information
9 resulting from matches using such data, shall not be used
10 or disclosed except as specifically provided in this section.

11 “(m) RETENTION OF DATA.—Data in the Federal
12 Parent Locator Service, and data resulting from matches
13 performed pursuant to this section, shall be retained for
14 such period (determined by the Secretary) as appropriate
15 for the data uses specified in this section.

16 “(n) INFORMATION INTEGRITY AND SECURITY.—The
17 Secretary shall establish and implement safeguards with
18 respect to the entities established under this section de-
19 signed to—

20 “(1) ensure the accuracy and completeness of
21 information in the Federal Parent Locator Service;
22 and

23 “(2) restrict access to confidential information
24 in the Federal Parent Locator Service to authorized

1 persons, and restrict use of such information to au-
2 thorized purposes.

3 “(o) LIMIT ON LIABILITY.—The Secretary shall not
4 be liable to either a State or an individual for inaccurate
5 information provided to a component of the Federal Par-
6 ent Locator Service and disclosed by the Secretary in ac-
7 cordance with this section.”.

8 (g) CONFORMING AMENDMENTS.—

9 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
10 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
11 654(8)(B)) is amended to read as follows:

12 “(B) the Federal Parent Locator Service
13 established under section 453;”.

14 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
15 Section 3304(16) of the Internal Revenue Code of
16 1986 (relating to approval of State laws) is amend-
17 ed—

18 (A) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and
20 inserting “Secretary of Health and Human
21 Services”;

22 (B) in subparagraph (B), by striking
23 “such information” and all that follows through
24 the semicolon and inserting “information fur-
25 nished under subparagraph (A) or (B) is used

1 only for the purposes authorized under such
2 subparagraph;";

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

5 (D) by redesignating subparagraph (B) as
6 subparagraph (C); and .

7 (E) by inserting after subparagraph (A)
8 the following new subparagraph:

9 "(B) wage and unemployment compensa-
10 tion information contained in the records of
11 such agency shall be furnished to the Secretary
12 of Health and Human Services (in accordance
13 with regulations promulgated by such Sec-
14 retary) as necessary for the purposes of the di-
15 rectory of New Hires established under section
16 453(i) of the Social Security Act, and".

17 (3) TO STATE GRANT PROGRAM UNDER TITLE
18 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
19 (42 U.S.C. 503(a)) is amended—

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

22 (B) by striking the period at the end of
23 paragraph (9) and inserting "; and"; and

24 (C) by adding after paragraph (9) the fol-
25 lowing new paragraph:

1 “(10) The making of quarterly electronic re-
2 ports, at such dates, in such format, and containing
3 such information, as required by the Secretary under
4 section 453(i)(3), and compliance with such provi-
5 sions as such Secretary may find necessary to en-
6 sure the correctness and verification of such re-
7 ports.”.

8 **SEC. 126. USE OF SOCIAL SECURITY NUMBERS.**

9 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
10 U.S.C. 666(a)), as amended by section 101(a), is amended
11 by adding at the end the following new paragraph:

12 “(13) Procedures requiring the recording of so-
13 cial security numbers—

14 “(A) of both parties on marriage licenses
15 and divorce decrees;

16 “(B) of both parents, on birth records and
17 child support and paternity orders; and

18 “(C) on all applications for motor vehicle
19 licenses and professional licenses.”.

20 (b) CLARIFICATION OF FEDERAL POLICY.—Section
21 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended
22 by striking the third sentence and inserting “This clause
23 shall not be considered to authorize disclosure of such
24 numbers except as provided in the preceding sentence.”.

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

3 **SEC. 131. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by
5 sections 101(a) and 126(a), is amended by adding at the
6 end the following new paragraph:

7 “(14)(A) Procedures under which the State
8 adopts in its entirety (with the modifications and ad-
9 ditions specified in this paragraph) not later than
10 January 1, 1997, and uses on and after such date,
11 the Uniform Interstate Family Support Act, as ap-
12 proved by the National Conference of Commissioners
13 on Uniform State Laws in August 1992.

14 “(B) The State law adopted pursuant to sub-
15 paragraph (A) shall be applied to any case—

16 “(i) involving an order established or modi-
17 fied in one State and for which a subsequent
18 modification is sought in another State; or

19 “(ii) in which interstate activity is required
20 to enforce an order.

21 “(C) The State law adopted pursuant to sub-
22 paragraph (A) of this paragraph shall contain the
23 following provision in lieu of section 611(a)(1) of the
24 Uniform Interstate Family Support Act described in
25 such subparagraph (A):

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 “(D) The State law adopted pursuant to sub-
15 paragraph (A) shall recognize as valid, for purposes
16 of any proceeding subject to such State law, service
17 of process upon persons in the State (and proof of
18 such service) by any means acceptable in another
19 State which is the initiating or responding State in
20 such proceeding.”.

21 **SEC. 132. IMPROVEMENTS TO FULL FAITH AND CREDIT**
22 **FOR CHILD SUPPORT ORDERS.**

23 Section 1738B of title 28, United States Code, is
24 amended—

1 (1) in subsection (a)(2), by striking "subsection
2 (e)" and inserting "subsections (e), (f), and (i)";

3 (2) in subsection (b), by inserting after the first
4 undesignated paragraph the following:

5 " 'child's home State' means the State in which
6 a child lived with a parent or a person acting as par-
7 ent for at least 6 consecutive months immediately
8 preceding the time of filing of a petition or com-
9 parable pleading for support and, if a child is less
10 than 6 months old, the State in which the child lived
11 from birth with any of them. A period of temporary
12 absence of any of them is counted as part of the 6-
13 month period.";

14 (3) in subsection (c), by inserting "by a court
15 of a State" before "is made";

16 (4) in subsection (c)(1), by inserting "and sub-
17 sections (e), (f), and (g)" after "located";

18 (5) in subsection (d)—

19 (A) by inserting "individual" before "con-
20 testant"; and

21 (B) by striking "subsection (e)" and in-
22 serting "subsections (e) and (f)";

23 (6) in subsection (e), by striking "make a modi-
24 fication of a child support order with respect to a

1 child that is made" and inserting "modify a child
2 support order issued";

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

5 (8) in subsection (e)(2)—

6 (A) by inserting "individual" before "con-
7 testant" each place such term appears; and

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

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

15 (10) by inserting after subsection (e) the follow-
16 ing new subsection:

17 "(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

18 If 1 or more child support orders have been issued in this
19 or another State with regard to an obligor and a child,
20 a court shall apply the following rules in determining
21 which order to recognize for purposes of continuing, exclu-
22 sive jurisdiction and enforcement:

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

1 “(2) If 2 or more courts have issued child sup-
2 port orders for the same obligor and child, and only
3 1 of the courts would have continuing, exclusive ju-
4 risdiction under this section, the order of that court
5 must be recognized.

6 “(3) If 2 or more courts have issued child sup-
7 port orders for the same obligor and child, and only
8 1 of the courts would have continuing, exclusive ju-
9 risdiction under this section, an order issued by a
10 court in the current home State of the child must
11 be recognized, but if an order has not been issued
12 in the current home State of the child, the order
13 most recently issued must be recognized.

14 “(4) If 2 or more courts have issued child sup-
15 port orders for the same obligor and child, and none
16 of the courts would have continuing, exclusive juris-
17 diction under this section, a court may issue a child
18 support order, which must be recognized.

19 “(5) The court that has issued an order recog-
20 nized under this subsection is the court having con-
21 tinuing, exclusive jurisdiction.”;

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

23 (A) by striking “PRIOR” and inserting

24 “MODIFIED”; and

1 (B) by striking “subsection (e)” and in-
2 serting “subsections (e) and (f)”;

3 (12) in subsection (h) (as so redesignated)—

4 (A) in paragraph (2), by inserting “includ-
5 ing the duration of current payments and other
6 obligations of support” before the comma; and

7 (B) in paragraph (3), by inserting “arrear
8 under” after “enforce”; and

9 (13) by adding at the end the following new
10 subsection:

11 “(i) REGISTRATION FOR MODIFICATION.—If there is
12 no individual contestant or child residing in the issuing
13 State, the party or support enforcement agency seeking
14 to modify, or to modify and enforce, a child support order
15 issued in another State shall register that order in a State
16 with jurisdiction over the nonmovant for the purpose of
17 modification.”.

18 **SEC. 133. STATE LAWS PROVIDING EXPEDITED PROCE-**
19 **DURES.**

20 (a) STATE LAW REQUIREMENTS.—Section 466 (42
21 U.S.C. 666), as amended by section 123(b), is amended—

22 (1) in subsection (a)(2), in the first sentence, to
23 read as follows: “Expedited administrative and judi-
24 cial procedures (including the procedures specified in
25 subsection (c)) for establishing paternity and for es-

1 tablishing, modifying, and enforcing support obliga-
2 tions.”; and

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

5 “(e) The procedures specified in this subsection are
6 the following:

7 “(1) Procedures which give the State agency
8 the authority (and recognize and enforce the author-
9 ity of State agencies of other States), without the
10 necessity of obtaining an order from any other judi-
11 cial or administrative tribunal (but subject to due
12 process safeguards, including (as appropriate) re-
13 quirements for notice, opportunity to contest the ac-
14 tion, and opportunity for an appeal on the record to
15 an independent administrative or judicial tribunal),
16 to take the following actions relating to establish-
17 ment or enforcement of orders:

18 “(A) To order genetic testing for the pur-
19 pose of paternity establishment as provided in
20 section 466(a)(5).

21 “(B) To enter a default order, upon a
22 showing of service of process and any additional
23 showing required by State law—

1 “(i) establishing paternity, in the case
2 of any putative father who refuses to sub-
3 mit to genetic testing; and

4 “(ii) establishing or modifying a sup-
5 port obligation, in the case of a parent (or
6 other obligor or obligee) who fails to re-
7 spond to notice to appear at a proceeding
8 for such purpose.

9 “(C) To subpoena any financial or other
10 information needed to establish, modify, or en-
11 force an order, and to sanction failure to re-
12 spond to any such subpoena.

13 “(D) To require all entities in the State
14 (including for-profit, nonprofit, and govern-
15 mental employers) to provide promptly, in re-
16 sponse to a request by the State agency of that
17 or any other State administering a program
18 under this part, information on the employ-
19 ment, compensation, and benefits of any indi-
20 vidual employed by such entity as an employee
21 or contractor, and to sanction failure to respond
22 to any such request.

23 “(E) To obtain access, subject to safe-
24 guards on privacy and information security, to
25 the following records (including automated ac-

1 cess, in the case of records maintained in auto-
2 mated data bases):

3 “(i) Records of other State and local
4 government agencies, including—

5 “(I) vital statistics (including
6 records of marriage, birth, and di-
7 vorce);

8 “(II) State and local tax and rev-
9 enue records (including information
10 on residence address, employer, in-
11 come and assets);

12 “(III) records concerning real
13 and titled personal property;

14 “(IV) records of occupational and
15 professional licenses, and records con-
16 cerning the ownership and control of
17 corporations, partnerships, and other
18 business entities;

19 “(V) employment security
20 records;

21 “(VI) records of agencies admin-
22 istering public assistance programs;

23 “(VII) records of the motor vehi-
24 cle department; and

25 “(VIII) corrections records.

1 “(ii) Certain records held by private
2 entities, including—

3 “(I) customer records of public
4 utilities and cable television compa-
5 nies; and

6 “(II) information (including in-
7 formation on assets and liabilities) on
8 individuals who owe or are owed sup-
9 port (or against or with respect to
10 whom a support obligation is sought)
11 held by financial institutions (subject
12 to limitations on liability of such enti-
13 ties arising from affording such ac-
14 cess).

15 “(F) To order income withholding in ac-
16 cordance with subsection (a)(1) and (b) of sec-
17 tion 466.

18 “(G) In cases where support is subject to
19 an assignment under section 402(a)(26),
20 471(a)(17), or 1912, or to a requirement to pay
21 through the centralized collections unit under
22 section 454B) upon providing notice to obligor
23 and obligee, to direct the obligor or other payor
24 to change the payee to the appropriate govern-
25 ment entity.

1 “(H) For the purpose of securing overdue
2 support—

3 “(i) to intercept and seize any peri-
4 odic or lump-sum payment to the obligor
5 by or through a State or local government
6 agency, including—

7 “(I) unemployment compensa-
8 tion, workers’ compensation, and
9 other benefits;

10 “(II) judgments and settlements
11 in cases under the jurisdiction of the
12 State or local government; and

13 “(III) lottery winnings;

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

16 “(iii) to attach public and private re-
17 tirement funds in appropriate cases, as de-
18 termined by the Secretary; and

19 “(iv) to impose liens in accordance
20 with paragraph (a)(4) and, in appropriate
21 cases, to force sale of property and dis-
22 tribution of proceeds.

23 “(I) For the purpose of securing overdue
24 support, to increase the amount of monthly
25 support payments to include amounts for ar-

1 rearages (subject to such conditions or restric-
2 tions as the State may provide).

3 “(J) To suspend drivers’ licenses of indi-
4 viduals owing past-due support, in accordance
5 with subsection (a)(16).

6 “(2) The expedited procedures required under
7 subsection (a)(2) shall include the following rules
8 and authority, applicable with respect to all proceed-
9 ings to establish paternity or to establish, modify, or
10 enforce support orders:

11 “(A) Procedures under which—

12 “(i) the parties to any paternity or
13 child support proceedings are required
14 (subject to privacy safeguards) to file with
15 the tribunal before entry of an order, and
16 to update as appropriate, information on
17 location and identity (including social secu-
18 rity number, residential and mailing ad-
19 dresses, telephone number, driver’s license
20 number, and name, address, and telephone
21 number of employer); and

22 “(ii) in any subsequent child support
23 enforcement action between the same par-
24 ties, the tribunal shall be authorized, upon
25 sufficient showing that diligent effort has

1 been made to ascertain such party's cur-
2 rent location, to deem due process require-
3 ments for notice and service of process to
4 be met, with respect to such party, by de-
5 livery to the most recent residential or em-
6 ployer address so filed pursuant to clause
7 (i).

8 “(B) Procedures under which—

9 “(i) the State agency and any admin-
10 istrative or judicial tribunal with authority
11 to hear child support and paternity cases
12 exerts statewide jurisdiction over the par-
13 ties, and orders issued in such cases have
14 statewide effect; and

15 “(ii) in the case of a State in which
16 orders in such cases are issued by local ju-
17 risdictions, a case may be transferred be-
18 tween jurisdictions in the State without
19 need for any additional filing by the peti-
20 tioner, or service of process upon the re-
21 spondent, to retain jurisdiction over the
22 parties.”.

23 (c) 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 “(d)(1)
2 Subject to paragraph (2), if”; and

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

5 “(2) The Secretary shall not grant an exemption
6 from the requirements of—

7 “(A) subsection (a)(5) (concerning procedures
8 for paternity establishment);

9 “(B) subsection (a)(10) (concerning modifica-
10 tion of orders);

11 “(C) subsection (a)(12) (concerning recording
12 of orders in the central State case registry);

13 “(D) subsection (a)(13) (concerning recording
14 of social security numbers);

15 “(E) subsection (a)(14) (concerning interstate
16 enforcement); or

17 “(F) subsection (e) (concerning expedited pro-
18 cedures), other than paragraph (1)(A) thereof (con-
19 cerning establishment or modification of support
20 amount).”.

21 (c) AUTOMATION OF STATE AGENCY FUNCTIONS.—
22 Section 454A, as added by section 115(a)(2) and as
23 amended by sections 121 and 122(c), is amended by add-
24 ing at the end the following new subsection:

1 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
 2 The automated system required under this section shall
 3 be used, to the maximum extent feasible, to implement any
 4 expedited administrative procedures required under sec-
 5 tion 466(c).”.

6 **Subtitle E—Paternity** 7 **Establishment**

8 **SEC. 141. STATE LAWS CONCERNING PATERNITY ESTAB-**
 9 **LISHMENT.**

10 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
 11 U.S.C. 666(a)(5)) is amended—

12 (1) in subparagraph (B)—

13 (A) by striking “(B)” and inserting
 14 “(B)(i)”;

15 (B) in clause (i), as redesignated, by in-
 16 serting before the period “, where such request
 17 is supported by a sworn statement—

18 “(I) by such party alleging paternity setting
 19 forth facts establishing a reasonable possibility of
 20 the requisite sexual contact of the parties; or

21 “(II) by such party denying paternity setting
 22 forth facts establishing a reasonable possibility of
 23 the nonexistence of sexual contact of the parties;”;

24 and

1 (C) by inserting after clause (i) (as reded-
2 ignated) the following new clause:

3 "(ii) Procedures which require the State agen-
4 cy, in any case in which such agency orders genetic
5 testing—

6 "(I) to pay the costs of such tests, subject
7 to recoupment (where the State so elects) from
8 the putative father if paternity is established;
9 and

10 "(II) to obtain additional testing in any
11 case where an original test result is disputed,
12 upon request and advance payment by the dis-
13 puting party.";

14 (2) by striking subparagraphs (C), (D), (E),
15 and (F) and inserting the following:

16 "(C)(i) Procedures for a simple civil process for
17 voluntarily acknowledging paternity under which the
18 State must provide that, before a mother and a pu-
19 tative father can sign an acknowledgment of pater-
20 nity, the putative father and the mother must be
21 given notice, orally, in writing, and in a language
22 that each can understand, of the alternatives to, the
23 legal consequences of, and the rights (including, if 1
24 parent is a minor, any rights afforded due to minor-

1 ity status) and responsibilities that arise from, sign-
2 ing the acknowledgment.

3 “(ii) Such procedures must include a hospital-
4 based program for the voluntary acknowledgment of
5 paternity focusing on the period immediately before
6 or after the birth of a child.

7 “(iii) Such procedures must require the State
8 agency responsible for maintaining birth records to
9 offer voluntary paternity establishment services.

10 “(iv) The Secretary shall prescribe regulations
11 governing voluntary paternity establishment services
12 offered by hospitals and birth record agencies. The
13 Secretary shall prescribe regulations specifying the
14 types of other entities that may offer voluntary pa-
15 ternity establishment services, and governing the
16 provision of such services, which shall include a re-
17 quirement that such an entity must use the same
18 notice provisions used by, the same materials used
19 by, provide the personnel providing such services
20 with the same training provided by, and evaluate the
21 provision of such services in the same manner as,
22 voluntary paternity establishment programs of hos-
23 pitals and birth record agencies.

24 “(D)(i) Procedures under which a signed ac-
25 knowledgment of paternity is considered a legal find-

1 ing of paternity, subject to the right of any signa-
2 tory to rescind the acknowledgment within 60 days.

3 “(ii)(I) Procedures under which, after the 60-
4 day period referred to in clause (i), a signed ac-
5 knowledgment of paternity may be challenged in
6 court only on the basis of fraud, duress, or material
7 mistake of fact, with the burden of proof upon the
8 challenger, and under which the legal responsibilities
9 (including child support obligations) of any signatory
10 arising from the acknowledgment may not be sus-
11 pended during the challenge, except for good cause
12 shown.

13 “(II) Procedures under which, after the 60-day
14 period referred to in clause (i), a minor who signs
15 an acknowledgment of paternity other than in the
16 presence of a parent or court-appointed guardian ad
17 litem may rescind the acknowledgment in a judicial
18 or administrative proceeding, until the earlier of—

19 “(aa) attaining the age of majority; or

20 “(bb) the date of the first judicial or ad-
21 ministrative proceeding brought (after the sign-
22 ing) to establish a child support obligation, visi-
23 tation rights, or custody rights with respect to
24 the child whose paternity is the subject of the
25 acknowledgment, and at which the minor is rep-

1 resented by a parent, guardian ad litem, or at-
2 torney.

3 “(E) Procedures under which no judicial or ad-
4 ministrative proceedings are required or permitted to
5 ratify an unchallenged acknowledgment of paternity.

6 “(F) Procedures requiring—

7 “(i) that the State admit into evidence, for
8 purposes of establishing paternity, results of
9 any genetic test that is—

10 “(I) of a type generally acknowledged,
11 by accreditation bodies designated by the
12 Secretary, as reliable evidence of paternity;
13 and

14 “(II) performed by a laboratory ap-
15 proved by such an accreditation body;

16 “(ii) that any objection to genetic testing
17 results must be made in writing not later than
18 a specified number of days before any hearing
19 at which such results may be introduced into
20 evidence (or, at State option, not later than a
21 specified number of days after receipt of such
22 results); and

23 “(iii) that, if no objection is made, the test
24 results are admissible as evidence of paternity

1 without the need for foundation testimony or
2 other proof of authenticity or accuracy.”; and
3 (3) by adding after subparagraph (H) the fol-
4 lowing new subparagraphs:

5 “(I) Procedures providing that the parties to an
6 action to establish paternity are not entitled to a
7 jury trial.

8 “(J) Procedures which require that a temporary
9 order be issued, upon motion by a party, requiring
10 the provision of child support pending an adminis-
11 trative or judicial determination of parentage, where
12 there is clear and convincing evidence of paternity
13 (on the basis of genetic tests or other evidence).

14 “(K) Procedures under which bills for preg-
15 nancy, childbirth, and genetic testing are admissible
16 as evidence without requiring third-party foundation
17 testimony, and shall constitute prima facie evidence
18 of amounts incurred for such services and testing on
19 behalf of the child.

20 “(L) At the option of the State, procedures
21 under which the tribunal establishing paternity and
22 support has discretion to waive rights to all or part
23 of amounts owed to the State (but not to the moth-
24 er) for costs related to pregnancy, childbirth, and
25 genetic testing and for public assistance paid to the

1 family where the father cooperates or acknowledges
2 paternity before or after genetic testing.

3 “(M) Procedures ensuring that the putative fa-
4 ther has a reasonable opportunity to initiate a pater-
5 nity action.”

6 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
7 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
8 amended by inserting “, and develop an affidavit to be
9 used for the voluntary acknowledgment of paternity which
10 shall include the social security number of each parent”
11 before the semicolon.

12 (c) TECHNICAL AMENDMENT.—Section 468 (42
13 U.S.C. 668) is amended by striking “a simple civil process
14 for voluntarily acknowledging paternity and”.

15 **SEC. 142. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
16 **LISHMENT.**

17 (a) STATE PLAN REQUIREMENT.—Section 454(23)
18 (42 U.S.C. 654(23)) is amended—

19 (1) by striking “(23)” and inserting “(23)(A)”;

20 (2) by inserting “and” after the semicolon; and

21 (3) by adding at the end the following new sub-
22 paragraph:

23 “(B) publicize the availability and encourage
24 the use of procedures for voluntary establishment of

1 paternity and child support through a variety of
2 means, which—

3 “(i) include distribution of written mate-
4 rials at health care facilities (including hospitals
5 and clinics), and other locations such as
6 schools;

7 “(ii) may include pre-natal programs to
8 educate expectant couples on individual and
9 joint rights and responsibilities with respect to
10 paternity (and may require all expectant recipi-
11 ents of assistance under part A to participate in
12 such pre-natal programs, as an element of co-
13 operation with efforts to establish paternity and
14 child support);

15 “(iii) include, with respect to each child
16 discharged from a hospital after birth for whom
17 paternity or child support has not been estab-
18 lished, reasonable follow-up efforts, providing—

19 “(I) in the case of a child for whom
20 paternity has not been established, infor-
21 mation on the benefits of and procedures
22 for establishing paternity; and

23 “(II) in the case of a child for whom
24 paternity has been established but child
25 support has not been established, informa-

1 Guidelines Commission" (in this section referred to as the
2 "Commission").

3 (b) GENERAL DUTIES.—

4 (1) IN GENERAL.—The Commission shall deter-
5 mine—

6 (A) whether it is appropriate to develop a
7 national child support guideline for consider-
8 ation by the Congress or for adoption by indi-
9 vidual States; or

10 (B) based on a study of various guideline
11 models, the benefits and deficiencies of such
12 models, and any needed improvements.

13 (2) DEVELOPMENT OF MODELS.—If the Com-
14 mission determines under paragraph (1)(A) that a
15 national child support guideline is needed or under
16 paragraph (1)(B) that improvements to guideline
17 models are needed, the Commission shall develop
18 such national guideline or improvements.

19 (c) MATTERS FOR CONSIDERATION BY THE COMMIS-
20 SION.—In making the recommendations concerning guide-
21 lines required under subsection (b), the Commission shall
22 consider—

23 (1) the adequacy of State child support guide-
24 lines established pursuant to section 467;

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

3 (A) the feasibility of adopting uniform
4 terms in all child support orders;

5 (B) how to define income and under what
6 circumstances income should be imputed; and

7 (C) tax treatment of child support pay-
8 ments;

9 (3) the appropriate treatment of cases in which
10 either or both parents have financial obligations to
11 more than 1 family, including the effect (if any) to
12 be given to—

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

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

17 (4) the appropriate treatment of expenses for
18 child care (including care of the children of either
19 parent, and work-related or job-training-related child
20 care);

21 (5) the appropriate treatment of expenses for
22 health care (including uninsured health care) and
23 other extraordinary expenses for children with spe-
24 cial needs;

1 (6) the appropriate duration of support by 1 or
2 both parents, including

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

5 (B) support for disabled adult children;

6 (7) procedures to automatically adjust child
7 support orders periodically to address changed eco-
8 nomic circumstances, including changes in the
9 consumer price index or either parent's income and
10 expenses in particular cases;

11 (8) procedures to help non-custodial parents ad-
12 dress grievances regarding visitation and custody or-
13 ders to prevent such parents from withholding child
14 support payments until such grievances are resolved;
15 and

16 (9) whether, or to what extent, support levels
17 should be adjusted in cases in which custody is
18 shared or in which the noncustodial parent has ex-
19 tended visitation rights.

20 (d) MEMBERSHIP.—

21 (1) NUMBER; APPOINTMENT.—

22 (A) IN GENERAL.—The Commission shall
23 be composed of 12 individuals appointed jointly
24 by the Secretary of Health and Human Services

1 and the Congress, not later than January 15,
2 1997, of which—

3 (i) 2 shall be appointed by the Chair-
4 man of the Committee on Finance of the
5 Senate, and 1 shall be appointed by the
6 ranking minority member of the Commit-
7 tee;

8 (ii) 2 shall be appointed by the Chair-
9 man of the Committee on Ways and Means
10 of the House of Representatives, and 1
11 shall be appointed by the ranking minority
12 member of the Committee; and

13 (iii) 6 shall be appointed by the Sec-
14 retary of Health and Human Services.

15 (B) QUALIFICATIONS OF MEMBERS.—

16 Members of the Commission shall have exper-
17 tise and experience in the evaluation and devel-
18 opment of child support guidelines. At least 1
19 member shall represent advocacy groups for
20 custodial parents, at least 1 member shall rep-
21 resent advocacy groups for noncustodial par-
22 ents, and at least 1 member shall be the direc-
23 tor of a State program under part D of title IV
24 of the Social Security Act.

1 (2) TERMS OF OFFICE.—Each member shall be
2 appointed for a term of 2 years. A vacancy in the
3 Commission shall be filled in the manner in which
4 the original appointment was made.

5 (e) COMMISSION POWERS, COMPENSATION, ACCESS
6 TO INFORMATION, AND SUPERVISION.—The first sentence
7 of subparagraph (C), the first and third sentences of sub-
8 paragraph (D), subparagraph (F) (except with respect to
9 the conduct of medical studies), clauses (ii) and (iii) of
10 subparagraph (G), and subparagraph (H) of section
11 1886(e)(6) of the Social Security Act shall apply to the
12 Commission in the same manner in which such provisions
13 apply to the Prospective Payment Assessment Commis-
14 sion.

15 (f) REPORT.—Not later than 2 years after the ap-
16 pointment of members, the Commission shall submit to
17 the President, the Committee on Ways and Means of the
18 House of Representatives, and the Committee on Finance
19 of the Senate, a recommended national child support
20 guideline and a final assessment of issues relating to such
21 a proposed national child support guideline.

22 (g) TERMINATION.—The Commission shall terminate
23 6 months after the submission of the report described in
24 subsection (e).

1 **SEC. 152. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
2 **MENT OF CHILD SUPPORT ORDERS.**

3 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
4 ed to read as follows:

5 “(10)(A)(i) Procedures under which—

6 “(I) every 3 years, at the request of either
7 parent subject to a child support order, the
8 State shall review and, as appropriate, adjust
9 the order in accordance with the guidelines es-
10 tablished under section 467(a) if the amount of
11 the child support award under the order differs
12 from the amount that would be awarded in ac-
13 cordance with such guidelines, without a re-
14 quirement for any other change in cir-
15 cumstances; and

16 “(II) upon request at any time of either
17 parent subject to a child support order, the
18 State shall review and, as appropriate, adjust
19 the order in accordance with the guidelines es-
20 tablished under section 467(a) based on a sub-
21 stantial change in the circumstances of either
22 such parent.

23 “(ii) Such procedures shall require both parents
24 subject to a child support order to be notified of
25 their rights and responsibilities provided for under
26 clause (i) at the time the order is issued and in the

1 annual information exchange form provided under
2 subparagraph (B).

3 “(B) Procedures under which each child sup-
4 port order issued or modified in the State after the
5 effective date of this subparagraph shall require the
6 parents subject to the order to provide each other
7 with a complete statement of their respective finan-
8 cial condition annually on a form which shall be pro-
9 vided by the State. The Secretary shall establish reg-
10 ulations for the enforcement of such exchange of in-
11 formation.”

12 **Subtitle G—Enforcement of** 13 **Support Orders**

14 **SEC. 161. FEDERAL INCOME TAX REFUND OFFSET.**

15 (a) CHANGED ORDER OF REFUND DISTRIBUTION
16 UNDER INTERNAL REVENUE CODE.—Section 6402(c) of
17 the Internal Revenue Code of 1986 (relating to offset of
18 past-due support against overpayments) is amended—

19 (1) by striking “The amount” and inserting

20 “(1) IN GENERAL.—The amount”;

21 (2) by striking “paid to the State. A reduction”
22 and inserting “paid to the State.

23 “(2) PRIORITIES FOR OFFSET.—A reduction”;

24 (3) by striking “has been assigned” and insert-
25 ing “has not been assigned”; and

1 (4) by striking "and shall be applied" and all
2 that follows and inserting "and shall thereafter be
3 applied to satisfy any past-due support that has
4 been so assigned."

5 (b) ELIMINATION OF DISPARITIES IN TREATMENT
6 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

7 (1) IN GENERAL.—Section 464(a) (42 U.S.C.
8 664(a)) is amended—

9 (A) in paragraph (1)—

10 (i) in the first sentence, by striking
11 "which has been assigned to such State
12 pursuant to section 402(a)(26) or section
13 471(a)(17)"; and

14 (ii) in the second sentence, by striking
15 "in accordance with section 457 (b)(4) or
16 (d)(3)" and inserting "as provided in para-
17 graph (2)";

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

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

22 "(A) in accordance with subsection (a)(4)
23 or (d)(3) of section 457, in the case of past-due
24 support assigned to a State pursuant to section
25 402(a)(26) or section 471(a)(17); and

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

4 (C) in paragraph (3)—

5 (i) by striking “or (2)” each place it
6 appears; and

7 (ii) in subparagraph (B), by striking
8 “under paragraph (2)” and inserting “on
9 account of past-due support described in
10 paragraph (2)(B)”.

11 (2) NOTICES OF PAST-DUE SUPPORT.—Section
12 464(b) (42 U.S.C. 664(b)) is amended—

13 (A) by striking “(b)(1)” and inserting
14 “(b)”; and

15 (B) by striking paragraph (2).

16 (3) DEFINITION OF PAST-DUE SUPPORT.—Sec-
17 tion 464(e) (42 U.S.C. 664(e)) is amended—

18 (A) by striking “(c)(1) Except as provided
19 in paragraph (2), as” and inserting “(c) As”;
20 and

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

22 (c) TREATMENT OF LUMP-SUM TAX REFUND
23 UNDER AFDC.—

24 (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-
25 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended

1 by inserting before the semicolon at the end the fol-
2 lowing: “, but this paragraph shall not apply to in-
3 come received by a family that is attributable to a
4 child support obligation owed with respect to a mem-
5 ber of the family and that is paid to the family from
6 amounts withheld from a Federal income tax refund
7 otherwise payable to the person owing such obliga-
8 tion, to the extent that such income is placed in a
9 qualified asset account (as defined in section 406(j))
10 the total amounts in which, after such placement,
11 does not exceed \$10,000”.

12 (2) QUALIFIED ASSET ACCOUNT DEFINED.—

13 Section 406 (42 U.S.C. 606), as amended by section
14 102(g)(2), is amended by adding at the end the fol-
15 lowing new subsection:

16 “(j)(1) The term ‘qualified asset account’ means a
17 mechanism approved by the State (such as individual re-
18 tirement accounts, escrow accounts, or savings bonds) that
19 allows savings of a family receiving aid to families with
20 dependent children to be used for qualified distributions.

21 “(2) The term ‘qualified distribution’ means a dis-
22 tribution from a qualified asset account for expenses di-
23 rectly related to 1 or more of the following purposes:

24 “(A) The attendance of a member of the family
25 at any education or training program.

1 “(B) The improvement of the employability (in-
2 cluding self-employment) of a member of the family
3 (such as through the purchase of an automobile).

4 “(C) The purchase of a home for the family.

5 “(D) A change of the family residence.”.

6 (d) EFFECTIVE DATE.—The amendments made by
7 this section shall become effective October 1, 1999.

8 **SEC. 162. INTERNAL REVENUE SERVICE COLLECTION OF**
9 **ARREARAGES.**

10 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
11 Section 6305(a) of the Internal Revenue Code of 1986 (re-
12 lating to collection of certain liability) is amended—

13 (1) in paragraph (1), by inserting “except as
14 provided in paragraph (5)” after “collected”;

15 (2) by striking “and” at the end of paragraph
16 (3);

17 (3) by striking the period at the end of para-
18 graph (4) and inserting “, and”;

19 (4) by adding at the end the following new
20 paragraph:

21 “(5) no additional fee may be assessed for ad-
22 justments to an amount previously certified pursu-
23 ant to such section 452(b) with respect to the same
24 obligor.”; and

1 (5) by striking "Secretary of Health, Edu-
2 cation, and Welfare" each place it appears and in-
3 serting "Secretary of Health and Human Services".

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall become effective October 1, 1997.

6 **SEC. 163. AUTHORITY TO COLLECT SUPPORT FROM FED-**
7 **ERAL EMPLOYEES.**

8 (a) CONSOLIDATION AND STREAMLINING OF AU-
9 THORITIES.—

10 (1) Section 459 (42 U.S.C. 659) is amended—

11 (1) in the heading, by inserting "INCOME WITH-
12 HOLDING," before "GARNISHMENT";

13 (2) in subsection (a)—

14 (A) by striking "section 207" and insert-
15 ing "section 207 and section 5301 of title 38,
16 United States Code"; and

17 (B) by striking "to legal process" and all
18 that follows through the period and inserting
19 "to withholding in accordance with State law
20 pursuant to subsections (a)(1) and (b) of sec-
21 tion 466 and regulations of the Secretary there-
22 under, and to any other legal process brought,
23 by a State agency administering a program
24 under this part or by an individual obligee, to

1 enforce the legal obligation of such individual to
2 provide child support or alimony.”;

3 (3) in subsection (b), to read as follows:

4 “(b) Except as otherwise provided herein, each entity
5 specified in subsection (a) shall be subject, with respect
6 to notice to withhold income pursuant to subsection (a)(1)
7 or (b) of section 466, or to any other order or process
8 to enforce support obligations against an individual (if
9 such order or process contains or is accompanied by suffi-
10 cient data to permit prompt identification of the individual
11 and the moneys involved), to the same requirements as
12 would apply if such entity were a private person.”;

13 (4) by striking subsections (c) and (d) and in-
14 serting the following new subsections:

15 “(c)(1) The head of each agency subject to the re-
16 quirements of this section shall—

17 “(A) designate an agent or agents to receive or-
18 ders and accept service of process; and

19 “(B) publish—

20 “(i) in the appendix of such regulations;

21 “(ii) in each subsequent republication of
22 such regulations; and

23 “(iii) annually in the Federal Register,

1 the designation of such agent or agents, identified
2 by title of position, mailing address, and telephone
3 number.

4 "(2) Whenever an agent designated pursuant to para-
5 graph (1) receives notice pursuant to subsection (a)(1) or
6 (b) of section 466, or is effectively served with any order,
7 process, or interrogatories, with respect to an individual's
8 child support or alimony payment obligations, such agent
9 shall—

10 "(A) as soon as possible (but not later than 15
11 days) thereafter, send written notice of such notice
12 or service (together with a copy thereof) to such in-
13 dividual at his duty station or last-known home ad-
14 dress;

15 "(B) not later than 30 days (or such longer pe-
16 riod as may be prescribed by applicable State law)
17 after receipt of a notice pursuant to subsection
18 (a)(1) or (b) of section 466, comply with all applica-
19 ble provisions of such section 466; and

20 "(C) not later than 30 days (or such longer pe-
21 riod as may be prescribed by applicable State law)
22 after effective service of any other such order, proc-
23 ess, or interrogatories, respond thereto.

24 "(d) In the event that a governmental entity receives
25 notice or is served with process, as provided in this section,

1 concerning amounts owed by an individual to more than
2 1 person—

3 “(1) support collection under section 466(b)
4 must be given priority over any other process, as
5 provided in section 466(b)(7);

6 “(2) allocation of moneys due or payable to an
7 individual among claimants under section 466(b)
8 shall be governed by the provisions of such section
9 466(b) and regulations thereunder; and

10 “(3) such moneys as remain after compliance
11 with subparagraphs (A) and (B) shall be available to
12 satisfy any other such processes on a first-come,
13 first-served basis, with any such process being satis-
14 fied out of such moneys as remain after the satisfac-
15 tion of all such processes which have been previously
16 served.”;

17 (5) in subsection (f)—

18 (A) by striking “(f)” and inserting
19 “(f)(1)”; and

20 (B) by adding at the end the following new
21 paragraph:

22 “(2) No Federal employee whose duties include tak-
23 ing actions necessary to comply with the requirements of
24 subsection (a) with regard to any individual shall be sub-
25 ject under any law to any disciplinary action or civil or

1 criminal liability or penalty for, or on account of, any dis-
2 closure of information made by him in connection with the
3 carrying out of such duties.”; and

4 (6) by adding at the end the following new sub-
5 sections:

6 “(g) Authority to promulgate regulations for the im-
7 plementation of the provisions of this section shall, insofar
8 as the provisions of this section are applicable to moneys
9 due from (or payable by)—

10 “(1) the executive branch of the Federal Gov-
11 ernment (including in such branch, for the purposes
12 of this subsection, the territories and possessions of
13 the United States, the United States Postal Service,
14 the Postal Rate Commission, any wholly owned Fed-
15 eral corporation created by an Act of Congress, and
16 the government of the District of Columbia), be
17 vested in the President (or the President’s designee);

18 “(2) the legislative branch of the Federal Gov-
19 ernment, be vested jointly in the President pro tem-
20 pore of the Senate and the Speaker of the House of
21 Representatives (or their designees); and

22 “(3) the judicial branch of the Federal Govern-
23 ment, be vested in the Chief Justice of the United
24 States (or the Chief Justice’s designee).

1 “(h) Subject to subsection (i), moneys paid or payable
2 to an individual which are considered to be based upon
3 remuneration for employment, for purposes of this sec-
4 tion—

5 “(1) consist of—

6 “(A) compensation paid or payable for per-
7 sonal services of such individual, whether such
8 compensation is denominated as wages, salary,
9 commission, bonus, pay, allowances, or other-
10 wise (including severance pay, sick pay, and in-
11 centive pay);

12 “(B) periodic benefits (including a periodic
13 benefit as defined in section 228(h)(3)) or other
14 payments—

15 “(i) under the insurance system estab-
16 lished by title II;

17 “(ii) under any other system or fund
18 established by the United States which
19 provides for the payment of pensions, re-
20 tirement or retired pay, annuities, depend-
21 ents' or survivors' benefits, or similar
22 amounts payable on account of personal
23 services performed by the individual or any
24 other individual;

1 “(iii) as compensation for death under
2 any Federal program;

3 “(iv) under any Federal program es-
4 tablished to provide ‘black lung’ benefits;
5 or

6 “(v) by the Secretary of Veterans Af-
7 fairs as pension, or as compensation for a
8 service-connected disability or death (ex-
9 cept any compensation paid by such Sec-
10 retary to a former member of the Armed
11 Forces who is in receipt of retired or re-
12 tainer pay if such former member has
13 waived a portion of his retired pay in order
14 to receive such compensation); and

15 “(C) worker’s compensation benefits paid
16 under Federal or State law; but

17 “(2) do not include any payment—

18 “(A) by way of reimbursement or other-
19 wise, to defray expenses incurred by such indi-
20 vidual in carrying out duties associated with his
21 employment; or

22 “(B) as allowances for members of the uni-
23 formed services payable pursuant to chapter 7
24 of title 37, United States Code, as prescribed
25 by the Secretaries concerned (defined by section

1 101(5) of such title) as necessary for the effi-
2 cient performance of duty.

3 “(i) In determining the amount of any moneys due
4 from, or payable by, the United States to any individual,
5 there shall be excluded amounts which—

6 “(1) are owed by such individual to the United
7 States;

8 “(2) are required by law to be, and are, de-
9 ducted from the remuneration or other payment in-
10 volved, including Federal employment taxes, and
11 fines and forfeitures ordered by court-martial;

12 “(3) are properly withheld for Federal, State,
13 or local income tax purposes, if the withholding of
14 such amounts is authorized or required by law and
15 if amounts withheld are not greater than would be
16 the case if such individual claimed all the depend-
17 ents that the individual was entitled to (the with-
18 holding of additional amounts pursuant to section
19 3402(i) of the Internal Revenue Code of 1986 may
20 be permitted only when such individual presents evi-
21 dence of a tax obligation which supports the addi-
22 tional withholding);

23 “(4) are deducted as health insurance pre-
24 miums;

1 “(5) are deducted as normal retirement con-
2 tributions (not including amounts deducted for sup-
3 plementary coverage); or

4 “(6) are deducted as normal life insurance pre-
5 miums from salary or other remuneration for em-
6 ployment (not including amounts deducted for sup-
7 plementary coverage).

8 “(j) For purposes of this section—”.

9 (b) TRANSFER OF SUBSECTIONS.—Subsections (a)
10 through (e) of section 462 (42 U.S.C. 662), are trans-
11 ferred and redesignated as paragraphs (1) through (4),
12 respectively of section 459(j) (as added by subsection
13 (a)(6)), and the left margin of each of such paragraphs
14 (1) through (4) is indented 2 ems to the right of the left
15 margin of subsection (j) (as added by subsection (a)(6)).

16 (c) CONFORMING AMENDMENTS.—

17 (1) TO PART D OF TITLE IV.—Sections 461 and
18 462 (42 U.S.C. 661) are repealed.

19 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
20 tion 5520a of title 5, United States Code, is amend-
21 ed, in subsections (h)(2) and (i), by striking “sec-
22 tions 459, 461, and 462 of the Social Security Act
23 (42 U.S.C. 659, 661, and 662)” each place it ap-
24 pears and inserting “section 459 of the Social Secu-
25 rity Act (42 U.S.C. 659)”.

1 (d) MILITARY RETIRED AND RETAINER PAY.—Sec-
2 tion 1408(a)(1) of title 10, United States Code, is amend-
3 ed—

4 (1) in paragraph (1)—

5 (A) in subparagraph (B), by striking
6 “and”;

7 (B) in subparagraph (C), by striking the
8 period and inserting “; and”; and

9 (C) by adding at the end the following new
10 subparagraph:

11 “(D) any administrative or judicial tribu-
12 nal of a State competent to enter orders for
13 support or maintenance (including a State
14 agency administering a State program under
15 part D of title IV of the Social Security Act).”;

16 (2) in paragraph (2), by inserting “or a court
17 order for the payment of child support not included
18 in or accompanied by such a decree or settlement,”
19 before “which—”;

20 (3) in subsection (d)—

21 (A) in the heading, by inserting “(OR FOR
22 BENEFIT OF)” after “CONCERNED”; and

23 (B) in paragraph (1), in the first sentence,
24 by inserting “(or for the benefit of such spouse
25 or former spouse to a State central collections

1 unit or other public payee designated by a
2 State, in accordance with part D of title IV of
3 the Social Security Act, as directed by court
4 order, or as otherwise directed in accordance
5 with such part D)" before "in an amount suffi-
6 cient"; and

7 (4) by adding at the end the following new sub-
8 section:

9 "(j) RELATIONSHIP TO OTHER LAWS.—In any case
10 involving a child support order against a member who has
11 never been married to the other parent of the child, the
12 provisions of this section shall not apply, and the case
13 shall be subject to the provisions of section 459 of the
14 Social Security Act."

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall become effective 6 months after the date
17 of the enactment of this Act.

18 **SEC. 164. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
19 **TIONS OF MEMBERS OF THE ARMED FORCES.**

20 (a) AVAILABILITY OF LOCATOR INFORMATION.—

21 (1) MAINTENANCE OF ADDRESS INFORMA-
22 TION.—The Secretary of Defense shall establish a
23 centralized personnel locator service that includes
24 the address of each member of the Armed Forces
25 under the jurisdiction of the Secretary. Upon re-

1 quest of the Secretary of Transportation, addresses
2 for members of the Coast Guard shall be included in
3 the centralized personnel locator service.

4 (2) TYPE OF ADDRESS.—

5 (A) RESIDENTIAL ADDRESS.—Except as
6 provided in subparagraph (B), the address for
7 a member of the Armed Forces shown in the lo-
8 cator service shall be the residential address of
9 that member.

10 (B) DUTY ADDRESS.—The address for a
11 member of the Armed Forces shown in the loca-
12 tor service shall be the duty address of that
13 member in the case of a member—

14 (i) who is permanently assigned over-
15 seas, to a vessel, or to a routinely
16 deployable unit; or

17 (ii) with respect to whom the Sec-
18 retary concerned makes a determination
19 that the member's residential address
20 should not be disclosed due to national se-
21 curity or safety concerns.

22 (3) UPDATING OF LOCATOR INFORMATION.—

23 Not later than 30 days after a member listed in the
24 locator service establishes a new residential address
25 (or a new duty address, in the case of a member cov-

1 ered by paragraph (2)(B)), the Secretary concerned
2 shall update the locator service to indicate the new
3 address of the member.

4 (4) AVAILABILITY OF INFORMATION.—The Sec-
5 retary of Defense shall make information regarding
6 the address of a member of the Armed Forces listed
7 in the locator service available, on request, to the
8 Federal Parent Locator Service.

9 (b) FACILITATING GRANTING OF LEAVE FOR AT-
10 TENDANCE AT HEARINGS.—

11 (1) REGULATIONS.—The Secretary of each
12 military department, and the Secretary of Transpor-
13 tation with respect to the Coast Guard when it is
14 not operating as a service in the Navy, shall pre-
15 scribe regulations to facilitate the granting of leave
16 to a member of the Armed Forces under the juris-
17 diction of that Secretary in a case in which—

18 (A) the leave is needed for the member to
19 attend a hearing described in paragraph (2);

20 (B) the member is not serving in or with
21 a unit deployed in a contingency operation (as
22 defined in section 101 of title 10, United States
23 Code); and

24 (C) the exigencies of military service (as
25 determined by the Secretary concerned) do not

1 otherwise require that such leave not be grant-
2 ed.

3 (2) COVERED HEARINGS.—Paragraph (1) ap-
4 plies to a hearing that is conducted by a court or
5 pursuant to an administrative process established
6 under State law, in connection with a civil action—

7 (A) to determine whether a member of the
8 Armed Forces is a natural parent of a child; or

9 (B) to determine an obligation of a mem-
10 ber of the Armed Forces to provide child sup-
11 port.

12 (3) DEFINITIONS.—For purposes of this sub-
13 section:

14 (A) The term “court” has the meaning
15 given that term in section 1408(a) of title 10,
16 United States Code.

17 (B) The term “child support” has the
18 meaning given such term in section 462 of the
19 Social Security Act (42 U.S.C. 662).

20 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
21 PLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408
22 of title 10, United States Code, as amended by section
23 163(d)(4), is amended—

24 (1) by redesignating subsections (i) and (j) as
25 subsections (j) and (k), respectively;

1 (2) by inserting after subsection (h) the follow-
2 ing new subsection:

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 or an order of an adminis-
6 trative process established under State law for child sup-
7 port received by the Secretary concerned for the purposes
8 of this section be recent in relation to the date of receipt
9 by the Secretary."; and

10 (3) in subsection (d)—

11 (A) in paragraph (1), by inserting after
12 the first sentence the following: "In the case of
13 a spouse or former spouse who, pursuant to
14 section 402(a)(26) of the Social Security Act
15 (42 U.S.C. 602(26)), assigns to a State the
16 rights of the spouse or former spouse to receive
17 support, the Secretary concerned may make the
18 child support payments referred to in the pre-
19 ceding sentence to that State in amounts con-
20 sistent with that assignment of rights."; and

21 (B) by adding at the end the following new
22 paragraph:

23 "(6) In the case of a court order or an order of an
24 administrative process established under State law for
25 which effective service is made on the Secretary concerned

1 on or after the date of the enactment of this paragraph
2 and which provides for payments from the disposable re-
3 tired pay of a member to satisfy the amount of child sup-
4 port set forth in the order, the authority provided in para-
5 graph (1) to make payments from the disposable retired
6 pay of a member to satisfy the amount of child support
7 set forth in a court order or an order of an administrative
8 process established under State law shall apply to payment
9 of any amount of child support arrearages set forth in that
10 order as well as to amounts of child support that currently
11 become due.”.

12 **SEC. 165. MOTOR VEHICLE LIENS.**

13 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
14 ed—

15 (1) by striking “(4)” and inserting “(4)(A)”;

16 and

17 (2) by adding at the end the following new sub-
18 paragraph:

19 “(B) Procedures for placing liens for arrearages
20 of child support on motor vehicle titles of individuals
21 owing such arrearages equal to or exceeding 1
22 month of support (or other minimum amount set by
23 the State), under which—

24 “(i) any person owed such arrearages may
25 place such a lien;

1 “(ii) the State agency administering the
2 program under this part shall systematically
3 place such liens;

4 “(iii) expedited methods are provided for—

5 “(I) ascertaining the amount of ar-
6 rears;

7 “(II) affording the person owing the
8 arrears or other titleholder to contest the
9 amount of arrears or to obtain a release
10 upon fulfilling the support obligation;

11 “(iv) such a lien has precedence over all
12 other encumbrances on a vehicle title other than
13 a purchase money security interest; and

14 “(v) the individual or State agency owed
15 the arrears may execute on, seize, and sell the
16 property in accordance with State law.”.

17 **SEC. 166. VOIDING OF FRAUDULENT TRANSFERS.**

18 Section 466(a) (42 U.S.C. 666(a)), as amended by
19 sections 101(a), 126(a), and 131, is amended by adding
20 at the end the following new paragraph:

21 “(15) Procedures under which—

22 “(A) the State has in effect—

23 “(i) the Uniform Fraudulent Convey-
24 ance Act of 1981,

1 “(ii) the Uniform Fraudulent Trans-
2 fer Act of 1984, or

3 “(iii) another law, specifying indicia of
4 fraud which create a prima facie case that
5 a debtor transferred income or property to
6 avoid payment to a child support creditor,
7 which the Secretary finds affords com-
8 parable rights to child support creditors;
9 and

10 “(B) in any case in which the State knows
11 of a transfer by a child support debtor with re-
12 spect to which such a prima facie case is estab-
13 lished, the State must—

14 “(i) seek to void such transfer; or

15 “(ii) obtain a settlement in the best
16 interests of the child support creditor.”.

17 **SEC. 167. STATE LAW AUTHORIZING SUSPENSION OF LI-**
18 **CENSES.**

19 Section 466(a) (42 U.S.C. 666(a)), as amended by
20 sections 101(a), 126(a), 131, and 166, is amended by add-
21 ing at the end the following new paragraph:

22 “(16) Procedures under which the State has
23 (and uses in appropriate cases) authority (subject to
24 appropriate due process safeguards) to withhold or
25 suspend, or to restrict the use of driver's licenses,

1 professional and occupational licenses, and rec-
2 reational licenses of individuals owing overdue child
3 support or failing, after receiving appropriate notice,
4 to comply with subpoenas or warrants relating to
5 paternity or child support proceedings.”.

6 **SEC. 168. REPORTING ARREARAGES TO CREDIT BUREAUS.**

7 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
8 to read as follows:

9 “(7)(A) Procedures (subject to safeguards pur-
10 suant to subparagraph (B)) requiring the State to
11 report periodically to consumer reporting agencies
12 (as defined in section 603(f) of the Fair Credit Re-
13 porting Act (15 U.S.C. 1681a(f)) the name of any
14 absent parent who is delinquent in the payment of
15 support, and the amount of overdue support owed by
16 such parent.

17 “(B) Procedures ensuring that, in carrying out
18 subparagraph (A), information with respect to an
19 absent parent is reported—

20 “(i) only after such parent has been af-
21 farded all due process required under State law,
22 including notice and a reasonable opportunity
23 to contest the accuracy of such information;
24 and

1 “(ii) only to an entity that has furnished
2 evidence satisfactory to the State that the en-
3 tity is a consumer reporting agency.”.

4 **SEC. 169. EXTENDED STATUTE OF LIMITATION FOR COL-**
5 **LECTION OF ARREARAGES.**

6 (a) **IN GENERAL.**—Section 466(a)(9) (42 U.S.C.
7 666(a)(9)) is amended—

8 (1) by redesignating subparagraphs (A), (B),
9 and (C) as clauses (i), (ii), and (iii), respectively;

10 (2) by striking “(9)” and inserting “(9)(A)”;
11 and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(B) Procedures under which the statute
15 of limitations on any arrearages of child sup-
16 port extends at least until the child owed such
17 support is 30 years of age.”.

18 (b) **APPLICATION OF REQUIREMENT.**—The amend-
19 ment made by this section shall not be interpreted to re-
20 quire any State law to revive any payment obligation
21 which had lapsed prior to the effective date of such State
22 law.

23 **SEC. 170. CHARGES FOR ARREARAGES.**

24 (a) **STATE LAW REQUIREMENT.**—Section 466(a) (42
25 U.S.C. 666(a)), as amended by sections 101(a), 126(a),

1 131, 166, and 167, is amended by adding at the end the
2 following new paragraph:

3 “(17) Procedures providing for the calculation
4 and collection of interest or penalties for arrearages
5 of child support, and for distribution of such interest
6 or penalties collected for the benefit of the child (ex-
7 cept where the right to support has been assigned to
8 the State).”

9 (b) REGULATIONS.—The Secretary of Health and
10 Human Services shall establish by regulation a rule to re-
11 solve choice of law conflicts arising in the implementation
12 of the amendment made by subsection (a).

13 (c) CONFORMING AMENDMENT.—Section 454(21)
14 (42 U.S.C. 654(21)) is repealed.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall be effective with respect to arrearages
17 accruing on or after October 1, 1998.

18 **SEC. 171. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
19 **CHILD SUPPORT.**

20 (a) HHS CERTIFICATION PROCEDURE.—

21 (1) SECRETARIAL RESPONSIBILITY.—Section
22 452 (42 U.S.C. 652), as amended by sections
23 115(a)(3) and 117, is amended by adding at the end
24 the following new subsection:

1 “(1)(1) If the Secretary receives a certification by a
2 State agency in accordance with the requirements of sec-
3 tion 454(28) that an individual owes arrearages of child
4 support in an amount exceeding \$5,000 or in an amount
5 exceeding 24 months’ worth of child support, the Sec-
6 retary shall transmit such certification to the Secretary
7 of State for action (with respect to denial, revocation, or
8 limitation of passports) pursuant to section 171(b) of the
9 Interstate Child Support Responsibility Act of 1995.

10 “(2) The Secretary shall not be liable to an individual
11 for any action with respect to a certification by a State
12 agency under this section.”.

13 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
14 tion 454 (42 U.S.C. 654), as amended by sections
15 104(a), 114(b), and 122(a), is amended—

16 (A) by striking “and” at the end of para-
17 graph (26);

18 (B) by striking the period at the end of
19 paragraph (27) and inserting “; and”; and

20 (C) by adding after paragraph (27) the fol-
21 lowing new paragraph:

22 “(28) provide that the State agency will have in
23 effect a procedure (which may be combined with the
24 procedure for tax refund offset under section 464)
25 for certifying to the Secretary, for purposes of the

1 procedure under section 452(l) (concerning denial of
2 passports) determinations that individuals owe ar-
3 rearages of child support in an amount exceeding
4 \$5,000 or in an amount exceeding 24 months' worth
5 of child support, under which procedure—

6 “(A) each individual concerned is afforded
7 notice of such determination and the con-
8 sequences thereof, and an opportunity to con-
9 test the determination; and

10 “(B) the certification by the State agency
11 is furnished to the Secretary in such format,
12 and accompanied by such supporting docu-
13 mentation, as the Secretary may require.”

14 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
15 OF PASSPORTS.—

16 (1) IN GENERAL.—The Secretary of State,
17 upon certification by the Secretary of Health and
18 Human Services, in accordance with section 452(l)
19 of the Social Security Act, that an individual owes
20 arrearages of child support in excess of \$5,000, shall
21 refuse to issue a passport to such individual, and
22 may revoke, restrict, or limit a passport issued pre-
23 viously to such individual.

24 (2) LIMIT ON LIABILITY.—The Secretary of
25 State shall not be liable to an individual for any ac-

1 tion with respect to a certification by a State agency
2 under this section.

3 (c) EFFECTIVE DATE.—This section and the amend-
4 ments made by this section shall become effective October
5 1, 1996.

6 **SEC. 172. INTERNATIONAL CHILD SUPPORT ENFORCE-**
7 **MENT.**

8 (a) SENSE OF THE CONGRESS THAT THE UNITED
9 STATES SHOULD RATIFY THE UNITED NATIONS CON-
10 VENTION OF 1956.—It is the sense of the Congress that
11 the United States should ratify the United Nations Con-
12 vention of 1956.

13 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
14 PORT CASES AS INTERSTATE CASES.—Section 454 (42
15 U.S.C. 654), as amended by sections 104(a), 114(b),
16 122(a), and 171(a)(2) of this Act, is amended—

17 (1) by striking “and” at the end of paragraph
18 (27);

19 (2) by striking the period at the end of para-
20 graph (28) and inserting “; and”; and

21 (3) by inserting after paragraph (28) the fol-
22 lowing new paragraph:

23 “(29) provide that the State must treat inter-
24 national child support cases in the same manner as

1 the State treats interstate child support cases under
2 the plan.".

3 **Subtitle H—Medical Support**

4 **SEC. 181. TECHNICAL CORRECTION TO ERISA DEFINITION** 5 **OF MEDICAL CHILD SUPPORT ORDER.**

6 (a) **IN GENERAL.**—Section 609(a)(2)(B) of the Em-
7 ployee Retirement Income Security Act of 1974 (29
8 U.S.C. 1169(a)(2)(B)) is amended—

9 (1) by striking “issued by a court of competent
10 jurisdiction”;

11 (2) in clause (ii) by striking the period and in-
12 serting a comma; and

13 (3) by adding after clause (ii), the following
14 flush left language:

15 “if such judgment, decree, or order (I) is issued
16 by a court of competent jurisdiction or (II) is
17 issued by an administrative adjudicator and has
18 the force and effect of law under applicable
19 State law.”.

20 (b) **EFFECTIVE DATE.**—

21 (1) **IN GENERAL.**—The amendments made by
22 this section shall become effective on the date of the
23 enactment of this Act.

24 (2) **PLAN AMENDMENTS NOT REQUIRED UNTIL**
25 **JANUARY 1, 1996.**—

1 (A) IN GENERAL.—Any amendment to a
2 plan required to be made by an amendment
3 made by this section shall not be required to be
4 made before the first plan year beginning on or
5 after January 1, 1996, if—

6 (i) during the period after the date
7 before the date of the enactment of this
8 Act and before such first plan year, the
9 plan is operated in accordance with the re-
10 quirements of the amendments made by
11 this section; and

12 (ii) such plan amendment applies
13 retroactively to the period after the date
14 before the date of the enactment of this
15 Act and before such first plan year.

16 (B) NO FAILURE FOR COMPLIANCE WITH
17 THIS PARAGRAPH.—A plan shall not be treated
18 as failing to be operated in accordance with the
19 provisions of the plan merely because it oper-
20 ates in accordance with this paragraph.

1 **Subtitle I—Access and Visitation**
2 **Programs**

3 **SEC. 191. GRANTS TO STATES FOR ACCESS AND VISITATION**
4 **PROGRAMS.**

5 (a) IN GENERAL.—Part D of title IV is amended by
6 adding at the end the following new section:

7 “GRANTS TO STATES FOR ACCESS AND VISITATION
8 PROGRAMS

9 “SEC. 469A. (a) PURPOSES; AUTHORIZATION OF AP-
10 PROPRIATIONS.—For purposes of enabling States to es-
11 tablish and administer programs to support and facilitate
12 absent parents’ access to and visitation of their children,
13 by means of activities including mediation (both voluntary
14 and mandatory), counseling, education, development of
15 parenting plans, visitation enforcement (including mon-
16 itoring, supervision, and neutral drop-off and pickup), and
17 development of guidelines for visitation and alternative
18 custody arrangements, there are authorized to be appro-
19 priated \$5,000,000 for each of fiscal years 1996 and
20 1997, and \$10,000,000 for each succeeding fiscal year.

21 “(b) PAYMENTS TO STATES.—

22 “(1) IN GENERAL.—Each State shall be enti-
23 tled to payment under this section for each fiscal
24 year in an amount equal to its allotment under sub-
25 section (c) for such fiscal year, to be used for pay-

1 ment of 90 percent of State expenditures for the
2 purposes specified in subsection (a).

3 “(2) SUPPLEMENTARY USE.—Payments under
4 this section shall be used by a State to supplement
5 (and not to substitute for) expenditures by the
6 State, for activities specified in subsection (a), at a
7 level at least equal to the level of such expenditures
8 for fiscal year 1994.

9 “(c) ALLOTMENTS TO STATES.—

10 “(1) IN GENERAL.—For purposes of subsection
11 (b), each State shall be entitled (subject to para-
12 graph (2)) to an amount for each fiscal year bearing
13 the same ratio to the amount authorized to be ap-
14 propriated pursuant to subsection (a) for such fiscal
15 year as the number of children in the State living
16 with only 1 biological parent bears to the total num-
17 ber of such children in all States.

18 “(2) MINIMUM ALLOTMENT.—Allotments to
19 States under paragraph (1) shall be adjusted as nec-
20 essary to ensure that no State is allotted less than
21 \$50,000 for fiscal year 1996 or 1997, or \$100,000
22 for any succeeding fiscal year.

23 “(d) FEDERAL ADMINISTRATION.—The program
24 under this section shall be administered by the Adminis-
25 tration for Children and Families.

1 "(e) STATE PROGRAM ADMINISTRATION.—

2 "(1) IN GENERAL.—Each State may administer
3 the program under this section directly or through
4 grants to or contracts with courts, local public agen-
5 cies, or non-profit private entities.

6 "(2) STATEWIDE PLAN PERMISSIBLE.—State
7 programs under this section may, but need not, be
8 statewide.

9 "(3) EVALUATION.—States administering pro-
10 grams under this section shall monitor, evaluate,
11 and report on such programs in accordance with re-
12 quirements established by the Secretary."

13 **TITLE II—EFFECT OF**
14 **ENACTMENT**

15 **SEC. 201. EFFECTIVE DATES.**

16 (a) IN GENERAL.—Except as otherwise specifically
17 provided (but subject to subsections (b) and (c))—

18 (1) provisions of title I requiring enactment or
19 amendment of State laws under section 466 of the
20 Social Security Act, or revision of State plans under
21 section 454 of such Act, shall be effective with re-
22 spect to periods beginning on and after October 1,
23 1996; and

24 (2) all other provisions of title I shall become
25 effective upon the date of the enactment of this Act.

1 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
2 provisions of title I shall become effective with respect to
3 a State on the later of—

4 (1) the date specified in title I, 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 title I if it is unable
17 to comply without amending the State constitution until
18 the earlier of—

19 (1) the date which is 1 year after the effective
20 date of the necessary State constitutional amend-
21 ment, or

22 (2) the date which is 5 years after the date of
23 the enactment of this Act.

1 **SEC. 202. SEVERABILITY.**

2 If any provision of title I or the application thereof
3 to any person or circumstance is held invalid, the invalid-
4 ity shall not affect other provisions or applications of title
5 I which can be given effect without regard to the invalid
6 provision or application, and to this end the provisions of
7 title I shall be severable.

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