

**PERSONAL RESPONSIBILITY
AND WORK OPPORTUNITY
RECONCILIATION ACT
OF 1996**

H.R. 3734

**PUBLIC LAW 104-193
104TH CONGRESS**

Volumes 1 to 19

**BILLS, REPORTS,
DEBATES, AND ACT**

Social Security Administration

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AND WORK OPPORTUNITY
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Volume 17 of 19

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**Office of the Deputy Commissioner for
Legislation and Congressional Affairs**

PREFACE

This 19-volume compilation contains historical documents pertaining to P.L. 104-193, the "Personal Responsibility and Work Opportunity Act of 1996." The books contain congressional debates, a chronological compilation of documents pertinent to the legislative history of the public law and relevant reference materials.

Pertinent documents include:

- o Differing versions of key bills
- o Committee reports
- o Excerpts from the Congressional Record
- o The Public Law

This history is prepared by the Office of the Deputy Commissioner for Legislation and Congressional Affairs and is designed to serve as a helpful resource tool for those charged with interpreting laws administered by the Social Security Administration.

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 - E. H.R. 1135, "Food Stamp Reform and Commodity Distribution Act of 1995" as reported by the House Committee on Agriculture March 14, 1995 (excerpts)
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- F. H.R. 1214, "Personal Responsibility Act of 1995," introduced March 13, 1995 (excerpts). This bill was developed by the three committees with primary jurisdiction (Committees on Ways and Means, Agriculture, and Economic and Educational Opportunities). In addition, the Committee on Commerce worked with Ways and Means staff to draft language for H.R. 1214 as it related to provisions within the Commerce Committee's jurisdiction including ineligibility of illegal aliens for certain public benefits, SSI cash benefits, and SSI service benefits. H.R. 1214 was considered as the base text for floor consideration of welfare reform legislation.
- G. H.R. 1250, "Family Stability and Work Act of 1995," introduced March 15, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214. It failed to pass the House on March 23, 1995 by a vote of 96-336.
- H. H.R. 1267, "Individual Responsibility Act of 1995" introduced March 21, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214 that maintained several key Republican welfare reform provisions while also keeping the Federal entitlement for cash benefits, school lunches and other social programs. It failed to pass the House on March 23, 1995 by a vote of 205-228.
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 2. H.R. 2915, "Personal Responsibility and Work Opportunity Act"--as introduced January 31, 1996 (excerpts). Companion bill to S. 1823. These bills reflect proposals presented in a bipartisan plan by the National Governors Association in early 1996.

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3. H.R. 3266, "Bipartisan Welfare Reform Act of 1996"--as introduced on April 17, 1996 (excerpts). Companion bill to S. 1867. These bills are a compromise between H.R. 4, which was vetoed, and proposals presented in a bipartisan plan by the National Governors Association in early 1996.

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4. H.R. 3507, "Personal Responsibility and Work Opportunity Act of 1996"--as introduced--May 22, 1996 (excerpts). Companion bill to S. 1795.
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104TH CONGRESS
2D SESSION

H. R. 3266

To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1996

Mr. TANNER (for himself, Mr. CASTLE, Mrs. LINCOLN, Mr. SHAYS, Mr. STENHOLM, Mrs. MORELLA, Mr. PAYNE of Virginia, Mrs. JOHNSON of Connecticut, Mr. ORTON, Mr. CAMPBELL, Mr. MINGE, Mr. HOUGHTON, Mr. BROWDER, Mr. FOX of Pennsylvania, Mr. CRAMER, Mr. BOEHLERT, Mr. BAESLER, Mr. RAMSTAD, Mr. HOLDEN, Mr. FRELINGHUYSEN, Mr. LIPINSKI, Mr. HORN, Mr. ROSE, Mr. FAWELL, Mrs. THURMAN, Mr. LAZIO of New York, Mr. ROEMER, Mr. KOLBE, Mr. CLEMENT, and Mr. GORDON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Banking and Financial Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Bipartisan Welfare Re-
3 form Act of 1996”.

4 **SEC. 2. TABLE OF CONTENTS.**

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

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- Sec. 939. Disqualification of retailers who are disqualified from the WIC program.
- Sec. 940. Permanent debarment of retailers who intentionally submit falsified applications.
- Sec. 941. Expanded civil and criminal forfeiture for violations of the food stamp act.
- Sec. 942. Expanded authority for sharing information provided by retailers.
- Sec. 943. Limitation of Federal match.
- Sec. 944. Collection of overissuances.
- Sec. 945. Standards for administration.
- Sec. 946. Response to waivers.
- Sec. 947. Authorization of appropriations.
- Sec. 948. Authorize States to operate simplified food stamp programs.
- Sec. 949. Emergency food assistance program.
- Sec. 950. Food bank demonstration project.

Sec. 951. Report on entitlement commodity processing.

TITLE X—MISCELLANEOUS

Subtitle A—General Provisions

- Sec. 1001. Expenditure of Federal funds in accordance with laws and procedures applicable to expenditure of State funds.
- Sec. 1002. Elimination of housing assistance with respect to fugitive felons and probation and parole violators.
- Sec. 1003. Sense of the Senate regarding enterprise zones.
- Sec. 1004. Sense of the Senate regarding the inability of the non-custodial parent to pay child support.
- Sec. 1005. Food stamp eligibility.
- Sec. 1006. Establishing national goals to prevent teenage pregnancies.
- Sec. 1007. Sense of the Senate regarding enforcement of statutory rape laws.
- Sec. 1008. Sanctioning for testing positive for controlled substances.
- Sec. 1009. Abstinence education.
- Sec. 1010. Provisions to encourage electronic benefit transfer systems.
- Sec. 1011. Reduction in block grants to States for social services.
- Sec. 1012. Efficient use of Federal transportation funds.

1 TITLE I—BLOCK GRANTS FOR 2 TEMPORARY ASSISTANCE 3 FOR NEEDY FAMILIES

4 SEC. 101. FINDINGS.

5 The Congress makes the following findings:

6 (1) Marriage is the foundation of a successful
7 society.

8 (2) Marriage is an essential institution of a suc-
9 cessful society which promotes the interests of chil-
10 dren.

11 (3) Promotion of responsible fatherhood and
12 motherhood is integral to successful child rearing
13 and the well-being of children.

14 (4) In 1992, only 54 percent of single-parent
15 families with children had a child support order es-
16 tablished and, of that 54 percent, only about one-

1 half received the full amount due. Of the cases en-
2 forced through the public child support enforcement
3 system, only 18 percent of the caseload has a collec-
4 tion.

5 (5) The number of individuals receiving aid to
6 families with dependent children (in this section re-
7 ferred to as "AFDC") has more than tripled since
8 1965. More than two-thirds of these recipients are
9 children. Eighty-nine percent of children receiving
10 AFDC benefits now live in homes in which no father
11 is present.

12 (A)(i) The average monthly number of
13 children receiving AFDC benefits—

14 (I) was 3,300,000 in 1965;

15 (II) was 6,200,000 in 1970;

16 (III) was 7,400,000 in 1980; and

17 (IV) was 9,300,000 in 1992.

18 (ii) While the number of children receiving
19 AFDC benefits increased nearly threefold be-
20 tween 1965 and 1992, the total number of chil-
21 dren in the United States aged 0 to 18 has de-
22 clined by 5.5 percent.

23 (B) The Department of Health and
24 Human Services has estimated that 12,000,000

1 children will receive AFDC benefits within 10
2 years.

3 (C) The increase in the number of children
4 receiving public assistance is closely related to
5 the increase in births to unmarried women. Be-
6 tween 1970 and 1991, the percentage of live
7 births to unmarried women increased nearly
8 threefold, from 10.7 percent to 29.5 percent.

9 (6) The increase of out-of-wedlock pregnancies
10 and births is well documented as follows:

11 (A) It is estimated that the rate of non-
12 marital teen pregnancy rose 23 percent from 54
13 pregnancies per 1,000 unmarried teenagers in
14 1976 to 66.7 pregnancies in 1991. The overall
15 rate of nonmarital pregnancy rose 14 percent
16 from 90.8 pregnancies per 1,000 unmarried
17 women in 1980 to 103 in both 1991 and 1992.
18 In contrast, the overall pregnancy rate for mar-
19 ried couples decreased 7.3 percent between
20 1980 and 1991, from 126.9 pregnancies per
21 1,000 married women in 1980 to 117.6 preg-
22 nancies in 1991.

23 (B) The total of all out-of-wedlock births
24 between 1970 and 1991 has risen from 10.7
25 percent to 29.5 percent and if the current trend

1 continues, 50 percent of all births by the year
2 2015 will be out-of-wedlock.

3 (7) The negative consequences of an out-of-wed-
4 lock birth on the mother, the child, the family, and
5 society are well documented as follows:

6 (A) Young women 17 and under who give
7 birth outside of marriage are more likely to go
8 on public assistance and to spend more years
9 on welfare once enrolled. These combined ef-
10 fects of “younger and longer” increase total
11 AFDC costs per household by 25 percent to 30
12 percent for 17-year olds.

13 (B) Children born out-of-wedlock have a
14 substantially higher risk of being born at a very
15 low or moderately low birth weight.

16 (C) Children born out-of-wedlock are more
17 likely to experience low verbal cognitive attain-
18 ment, as well as more child abuse, and neglect.

19 (D) Children born out-of-wedlock were
20 more likely to have lower cognitive scores, lower
21 educational aspirations, and a greater likelihood
22 of becoming teenage parents themselves.

23 (E) Being born out-of-wedlock significantly
24 reduces the chances of the child growing up to
25 have an intact marriage.

1 (F) Children born out-of-wedlock are 3
2 times more likely to be on welfare when they
3 grow up.

4 (8) Currently 35 percent of children in single-
5 parent homes were born out-of-wedlock, nearly the
6 same percentage as that of children in single-parent
7 homes whose parents are divorced (37 percent).
8 While many parents find themselves, through divorce
9 or tragic circumstances beyond their control, facing
10 the difficult task of raising children alone, neverthe-
11 less, the negative consequences of raising children in
12 single-parent homes are well documented as follows:

13 (A) Only 9 percent of married-couple fami-
14 lies with children under 18 years of age have
15 income below the national poverty level. In con-
16 trast, 46 percent of female-headed households
17 with children under 18 years of age are below
18 the national poverty level.

19 (B) Among single-parent families, nearly
20 $\frac{1}{2}$ of the mothers who never married received
21 AFDC while only $\frac{1}{5}$ of divorced mothers re-
22 ceived AFDC.

23 (C) Children born into families receiving
24 welfare assistance are 3 times more likely to be

1 on welfare when they reach adulthood than chil-
2 dren not born into families receiving welfare.

3 (D) Mothers under 20 years of age are at
4 the greatest risk of bearing low-birth-weight ba-
5 bies.

6 (E) The younger the single parent mother,
7 the less likely she is to finish high school.

8 (F) Young women who have children be-
9 fore finishing high school are more likely to re-
10 ceive welfare assistance for a longer period of
11 time.

12 (G) Between 1985 and 1990, the public
13 cost of births to teenage mothers under the aid
14 to families with dependent children program,
15 the food stamp program, and the medicaid pro-
16 gram has been estimated at \$120,000,000,000.

17 (H) The absence of a father in the life of
18 a child has a negative effect on school perform-
19 ance and peer adjustment.

20 (I) Children of teenage single parents have
21 lower cognitive scores, lower educational aspira-
22 tions, and a greater likelihood of becoming teen-
23 age parents themselves.

24 (J) Children of single-parent homes are 3
25 times more likely to fail and repeat a year in

1 grade school than are children from intact 2-
2 parent families.

3 (K) Children from single-parent homes are
4 almost 4 times more likely to be expelled or sus-
5 pended from school.

6 (L) Neighborhoods with larger percentages
7 of youth aged 12 through 20 and areas with
8 higher percentages of single-parent households
9 have higher rates of violent crime.

10 (M) Of those youth held for criminal of-
11 fenses within the State juvenile justice system,
12 only 29.8 percent lived primarily in a home with
13 both parents. In contrast to these incarcerated
14 youth, 73.9 percent of the 62,800,000 children
15 in the Nation's resident population were living
16 with both parents.

17 (9) Therefore, in light of this demonstration of
18 the crisis in our Nation, it is the sense of the Con-
19 gress that prevention of out-of-wedlock pregnancy
20 and reduction in out-of-wedlock birth are very im-
21 portant Government interests and the policy con-
22 tained in part A of title IV of the Social Security
23 Act (as amended by section 103 of this Act) is in-
24 tended to address the crisis.

1 **SEC. 102. REFERENCE TO SOCIAL SECURITY ACT.**

2 Except as otherwise specifically provided, wherever in
3 this title an amendment is expressed in terms of an
4 amendment to or repeal of a section or other provision,
5 the reference shall be considered to be made to that sec-
6 tion or other provision of the Social Security Act.

7 **SEC. 103. BLOCK GRANTS TO STATES.**

8 Part A of title IV (42 U.S.C. 601 et seq.) is amended
9 to read as follows:

10 **“PART A—BLOCK GRANTS TO STATES FOR**
11 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

12 **“SEC. 401. PURPOSE.**

13 “(a) IN GENERAL.—The purpose of this part is to
14 increase the flexibility of States in operating a program
15 designed to—

16 “(1) provide assistance to needy families so that
17 children may be cared for in their own homes or in
18 the homes of relatives;

19 “(2) end the dependence of needy parents on
20 government benefits by promoting job preparation,
21 work, and marriage;

22 “(3) prevent and reduce the incidence of out-of-
23 wedlock pregnancies and establish annual numerical
24 goals for preventing and reducing the incidence of
25 these pregnancies; and

1 “(4) encourage the formation and maintenance
2 of two-parent families.

3 “(b) NO INDIVIDUAL ENTITLEMENT.—This part
4 shall not be interpreted to entitle any individual or family
5 to assistance under any State program funded under this
6 part.

7 **“SEC. 402. ELIGIBLE STATES; STATE PLAN.**

8 “(a) IN GENERAL.—As used in this part, the term
9 ‘eligible State’ means, with respect to a fiscal year, a State
10 that, during the 2-year period immediately preceding the
11 fiscal year, has submitted to the Secretary a plan that
12 meets the requirements of subsection (b) and has been ap-
13 proved by the Secretary with respect to the fiscal year.

14 “(b) CONTENTS OF STATE PLANS.—A plan meets
15 the requirements of this subsection if the plan includes
16 the following:

17 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
18 GRAM.—

19 “(A) GENERAL PROVISIONS.—A written
20 document that outlines how the State will do
21 the following:

22 “(i) Conduct a program, designed to
23 serve all political subdivisions in the State,
24 that provides assistance to needy families
25 with (or expecting) children and provides

1 parents with job preparation, work, and
2 support services to enable them to leave
3 the program and become self-sufficient.

4 “(ii) Determine, on an objective and
5 equitable basis, the needs of and the
6 amount of assistance to be provided to
7 needy families, and treat families of similar
8 needs and circumstances similarly, subject
9 to subparagraph (B).

10 “(iii) Require a parent or caretaker
11 receiving assistance under the program to
12 engage in work (as defined by the State)
13 once the State determines the parent or
14 caretaker is ready to engage in work, or
15 once the parent or caretaker has received
16 assistance under the program for 24
17 months (whether or not consecutive),
18 whichever is earlier.

19 “(iv) Ensure that parents and care-
20 takers receiving assistance under the pro-
21 gram engage in work activities in accord-
22 ance with section 407.

23 “(v) Grant an opportunity for a fair
24 hearing before the State agency to any in-
25 dividual to whom assistance under the pro-

1 gram is denied, reduced, or terminated, or
2 whose request for such assistance is not
3 acted on with reasonable promptness.

4 “(vi) Take such reasonable steps as
5 the State deems necessary to restrict the
6 use and disclosure of information about in-
7 dividuals and families receiving assistance
8 under the program attributable to funds
9 provided by the Federal Government.

10 “(vii) Establish goals and take action
11 to prevent and reduce the incidence of out-
12 of-wedlock pregnancies, with special em-
13 phasis on teenage pregnancies, and estab-
14 lish numerical goals for reducing the ille-
15 gitimacy ratio of the State (as defined in
16 section 403(a)(2)(B)) for calendar years
17 1996 through 2005.

18 “(B) SPECIAL PROVISIONS.—

19 “(i) The plan shall indicate whether
20 the State intends to treat families moving
21 into the State from another State dif-
22 ferently than other families under the pro-
23 gram, and if so, how the State intends to
24 treat such families under the program.

1 “(ii) The plan shall indicate whether
2 the State intends to provide assistance
3 under the program to individuals who are
4 not citizens of the United States, and if so,
5 shall include an overview of such assist-
6 ance.

7 “(2) CERTIFICATION THAT THE STATE WILL
8 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
9 GRAM.—The plan shall include a certification by the
10 chief executive officer of the State that, during the
11 fiscal year, the State will operate a child support en-
12 forcement program under the State plan approved
13 under part D.

14 “(3) CERTIFICATION THAT THE STATE WILL
15 OPERATE A CHILD PROTECTION PROGRAM.—The
16 plan shall include a certification by the chief execu-
17 tive officer of the State that, during the fiscal year,
18 the State will operate a child protection program
19 under the State plan approved under part B.

20 “(4) CERTIFICATION OF THE ADMINISTRATION
21 OF THE PROGRAM.—The plan shall include a certifi-
22 cation by the chief executive officer of the State
23 specifying which State agency or agencies will ad-
24 minister and supervise the program referred to in
25 paragraph (1) for the fiscal year, which shall include

1 assurances that local governments and private sector
2 organizations—

3 “(A) have been working jointly with the
4 State in all phases of the plan and design of
5 welfare services in the State so that services are
6 provided in a manner appropriate to local popu-
7 lations;

8 “(B) have had at least 60 days to submit
9 comments on the final plan and the design of
10 such services; and

11 “(C) will not have unfunded mandates im-
12 posed on them under such plan.

13 Such certification shall also include assurance that
14 when local elected officials are currently responsible
15 for the administration of welfare services, the local
16 elected officials will be able to plan, design, and ad-
17 minister for their jurisdictions the programs estab-
18 lished pursuant to this Act.

19 “(5) CERTIFICATION THAT THE STATE WILL
20 PROVIDE INDIANS WITH EQUITABLE ACCESS TO AS-
21 SISTANCE.—The plan shall include a certification by
22 the chief executive officer of the State that, during
23 the fiscal year, the State will provide each Indian
24 who is a member of an Indian tribe in the State that
25 does not have a tribal family assistance plan ap-

1 proved under section 412 with equitable access to
2 assistance under the State program funded under
3 this part attributable to funds provided by the Fed-
4 eral Government.

5 “(6) CERTIFICATION OF NONDISPLACEMENT
6 AND NONREPLACEMENT OF EMPLOYEES.—The plan
7 shall include a certification that the implementation
8 of the plan will not result in—

9 “(A) the displacement of a currently em-
10 ployed worker or position by an individual to
11 whom assistance is provided under the State
12 program funded under this part;

13 “(B) the replacement of an employee who
14 has been terminated with an individual to whom
15 assistance is provided under the State program
16 funded under this part; or

17 “(C) the replacement of an employee who
18 is on layoff from the same position filled by an
19 individual to whom assistance is provided under
20 the State program funded under this part or
21 any equivalent position.

22 “(c) APPROVAL OF STATE PLANS.—The Secretary
23 shall approve any State plan that meets the requirements
24 of subsection (b) if the Secretary determines that operat-

1 year 1996 is less than 35 percent of
2 the national average level of State
3 welfare spending per poor person for
4 fiscal year 1996; or

5 “(II) the population of the State
6 increased by more than 10 percent
7 from April 1, 1990, to July 1, 1994,
8 as determined by the Bureau of the
9 Census.

10 “(D) DEFINITIONS.—As used in this para-
11 graph:

12 “(i) LEVEL OF WELFARE SPENDING
13 PER POOR PERSON.—The term ‘level of
14 State welfare spending per poor person’
15 means, with respect to a State and a fiscal
16 year—

17 “(I) the sum of—

18 “(aa) the total amount re-
19 quired to be paid to the State
20 under former section 403 (as in
21 effect during fiscal year 1994)
22 for fiscal year 1994; and

23 “(bb) the amount (if any)
24 paid to the State under this

1 paragraph for the immediately
2 preceding fiscal year; divided by

3 “(II) the number of individuals,
4 according to the 1990 decennial cen-
5 sus, who were residents of the State
6 and whose income was below the pov-
7 erty line.

8 “(ii) NATIONAL AVERAGE LEVEL OF
9 STATE WELFARE SPENDING PER POOR
10 PERSON.—The term ‘national average level
11 of State welfare spending per poor person’
12 means, with respect to a fiscal year, an
13 amount equal to—

14 “(I) the total amount required to
15 be paid to the States under former
16 section 403 (as in effect during fiscal
17 year 1994) for fiscal year 1994; di-
18 vided by

19 “(II) the number of individuals,
20 according to the 1990 decennial cen-
21 sus, who were residents of any State
22 and whose income was below the pov-
23 erty line.

1 “(iii) STATE.—The term ‘State’
2 means each of the 50 States of the United
3 States and the District of Columbia.

4 “(E) APPROPRIATION.—Out of any money
5 in the Treasury of the United States not other-
6 wise appropriated, there are appropriated for
7 fiscal years 1997, 1998, 1999, and 2000 such
8 sums as are necessary for grants under this
9 paragraph, in a total amount not to exceed
10 \$800,000,000.

11 “(F) GRANTS REDUCED PRO RATA IF IN-
12 SUFFICIENT APPROPRIATIONS.—If the amount
13 appropriated pursuant to this paragraph for a
14 fiscal year is less than the total amount of pay-
15 ments otherwise required to be made under this
16 paragraph for the fiscal year, then the amount
17 otherwise payable to any State for the fiscal
18 year under this paragraph shall be reduced by
19 a percentage equal to the amount so appro-
20 priated divided by such total amount.

21 “(G) BUDGET SCORING.—Notwithstanding
22 section 257(b)(2) of the Balanced Budget and
23 Emergency Deficit Control Act of 1985, the
24 baseline shall assume that no grant shall be

1 made under this paragraph after fiscal year
2 2000.

3 “(4) SUPPLEMENTAL GRANT FOR OPERATION
4 OF WORK PROGRAM.—

5 “(A) APPLICATION REQUIREMENTS.—An
6 eligible State may submit to the Secretary an
7 application for additional funds to meet the re-
8 quirements of section 407 with respect to a fis-
9 cal year if the Secretary determines that—

10 “(i) the total expenditures of the
11 State to meet such requirements for the
12 fiscal year exceed the total expenditures of
13 the State during fiscal year 1994 to carry
14 out part F (as in effect on September 30,
15 1994);

16 “(ii) the work programs of the State
17 under section 407 are coordinated with the
18 job training programs established by title
19 II of the Job Training Partnership Act, or
20 (if such title is repealed by the Consoli-
21 dated and Reformed Education, Employ-
22 ment, and Rehabilitation Systems Act) the
23 Consolidated and Reformed Education,
24 Employment, and Rehabilitation Systems
25 Act; and

1 “(iii) the State needs additional funds
2 to meet such requirements or certifies that
3 it intends to exceed such requirements.

4 “(B) GRANTS.—The Secretary may make
5 a grant to any eligible State which submits an
6 application in accordance with subparagraph
7 (A) of this paragraph for a fiscal year in an
8 amount equal to the Federal medical assistance
9 percentage of the amount (if any) by which the
10 total expenditures of the State to meet or ex-
11 ceed the requirements of section 407 for the fis-
12 cal year exceeds the total expenditures of the
13 State during fiscal year 1994 to carry out part
14 F (as in effect on September 30, 1994).

15 “(C) REGULATIONS.—The Secretary shall
16 issue regulations providing for the equitable dis-
17 tribution of funds under this paragraph.

18 “(D) APPROPRIATIONS.—

19 “(i) IN GENERAL.—Out of any money
20 in the Treasury of the United States not
21 otherwise appropriated, there are appro-
22 priated to the Secretary for grants under
23 this paragraph \$3,000,000,000 for fiscal
24 year 1999.

1 the amount available for payment from the fund,
2 claims shall be paid on a pro rata basis in a manner
3 to be determined by the Secretary, except in the case
4 of a State described in paragraph (2)(C).

5 “(7) ANNUAL REPORTS.—The Secretary of the
6 Treasury shall annually report to Congress on the
7 status of the Fund.

8 **“SEC. 404. USE OF GRANTS.**

9 “(a) GENERAL RULES.—Subject to this part, a State
10 to which a grant is made under section 403 may use the
11 grant—

12 “(1) in any manner that is reasonably cal-
13 culated to accomplish the purpose of this part, in-
14 cluding to provide low income households with as-
15 sistance in meeting home heating and cooling costs;
16 or

17 “(2) in any manner that the State was author-
18 ized to use amounts received under part A or F, as
19 such parts were in effect on September 30, 1995.

20 “(b) LIMITATION ON USE OF GRANT FOR ADMINIS-
21 TRATIVE PURPOSES.—

22 “(1) LIMITATION.—A State to which a grant is
23 made under section 403 shall not expend more than
24 15 percent of the grant for administrative purposes.

1 “(2) EXCEPTION.—Paragraph (1) shall not
2 apply to the use of a grant for information tech-
3 nology and computerization needed for tracking or
4 monitoring required by or under this part.

5 “(c) AUTHORITY TO TREAT INTERSTATE IMMI-
6 GRANTS UNDER RULES OF FORMER STATE.—A State op-
7 erating a program funded under this part may apply to
8 a family the rules (including benefit amounts) of the pro-
9 gram funded under this part of another State if the family
10 has moved to the State from the other State and has re-
11 sided in the State for less than 12 months.

12 “(d) AUTHORITY TO USE PORTION OF GRANT FOR
13 OTHER PURPOSES.—

14 “(1) IN GENERAL.—A State may use not more
15 than 20 percent of the amount of the grant made to
16 the State under section 403 for a fiscal year to carry
17 out a State program pursuant to the Child Care and
18 Development Block Grant Act of 1990.

19 “(2) APPLICABLE RULES.—Any amount paid to
20 the State under this part that is used to carry out
21 a State program pursuant to the Child Care and De-
22 velopment Block Grant Act of 1990 shall not be sub-
23 ject to the requirements of this part, but shall be
24 subject to the requirements that apply to Federal

1 funds provided directly under such Act to carry out
2 the program.

3 “(e) **AUTHORITY TO RESERVE CERTAIN AMOUNTS**
4 **FOR ASSISTANCE.**—A State may reserve amounts paid to
5 the State under this part for any fiscal year for the pur-
6 pose of providing, without fiscal year limitation, assistance
7 under the State program funded under this part.

8 “(f) **AUTHORITY TO OPERATE EMPLOYMENT PLACE-**
9 **MENT PROGRAM.**—A State to which a grant is made under
10 section 403 may use the grant to make payments (or pro-
11 vide job placement vouchers) to State-approved public and
12 private job placement agencies that provide employment
13 placement services to individuals who receive assistance
14 under the State program funded under this part.

15 “(g) **IMPLEMENTATION OF ELECTRONIC BENEFIT**
16 **TRANSFER SYSTEM.**—A State to which a grant is made
17 under section 403 is encouraged to implement an elec-
18 tronic benefit transfer system for providing assistance
19 under the State program funded under this part, and may
20 use the grant for such purpose.

21 **“SEC. 405. ADMINISTRATIVE PROVISIONS.**

22 “(a) **QUARTERLY.**—The Secretary shall pay each
23 grant payable to a State under section 403 in quarterly
24 installments.

1 “(b) NOTIFICATION.—Not later than 3 months before
2 the payment of any such quarterly installment to a State,
3 the Secretary shall notify the State of the amount of any
4 reduction determined under section 412(a)(1)(B) with re-
5 spect to the State.

6 “(c) COMPUTATION AND CERTIFICATION OF PAY-
7 MENTS TO STATES.—

8 “(1) COMPUTATION.—The Secretary shall esti-
9 mate the amount to be paid to each eligible State for
10 each quarter under this part, such estimate to be
11 based on a report filed by the State containing an
12 estimate by the State of the total sum to be ex-
13 pended by the State in the quarter under the State
14 program funded under this part and such other in-
15 formation as the Secretary may find necessary.

16 “(2) CERTIFICATION.—The Secretary of Health
17 and Human Services shall certify to the Secretary of
18 the Treasury the amount estimated under paragraph
19 (1) with respect to a State, reduced or increased to
20 the extent of any overpayment or underpayment
21 which the Secretary of Health and Human Services
22 determines was made under this part to the State
23 for any prior quarter and with respect to which ad-
24 justment has not been made under this paragraph.

1 “(d) PAYMENT METHOD.—Upon receipt of a certifi-
2 cation under subsection (c)(2) with respect to a State, the
3 Secretary of the Treasury shall, through the Fiscal Service
4 of the Department of the Treasury and before audit or
5 settlement by the General Accounting Office, pay to the
6 State, at the time or times fixed by the Secretary of
7 Health and Human Services, the amount so certified.

8 “(e) COLLECTION OF STATE OVERPAYMENTS TO
9 FAMILIES FROM FEDERAL TAX REFUNDS.—

10 “(1) IN GENERAL.—Upon receiving notice from
11 the Secretary of Health and Human Services that a
12 State agency administering a program funded under
13 this part has notified the Secretary that a named in-
14 dividual has been overpaid under the State program
15 funded under this part, the Secretary of the Treas-
16 ury shall determine whether any amounts as refunds
17 of Federal taxes paid are payable to such individual,
18 regardless of whether the individual filed a tax re-
19 turn as a married or unmarried individual. If the
20 Secretary of the Treasury finds that any such
21 amount is so payable, the Secretary shall withhold
22 from such refunds an amount equal to the overpay-
23 ment sought to be collected by the State and pay
24 such amount to the State agency.

1 “(2) REGULATIONS.—The Secretary of the
2 Treasury shall issue regulations, after review by the
3 Secretary of Health and Human Services, that pro-
4 vide—

5 “(A) that a State may only submit under
6 paragraph (1) requests for collection of over-
7 payments with respect to individuals—

8 “(i) who are no longer receiving as-
9 sistance under the State program funded
10 under this part;

11 “(ii) with respect to whom the State
12 has already taken appropriate action under
13 State law against the income or resources
14 of the individuals or families involved to
15 collect the past-due legally enforceable
16 debt; and

17 “(iii) to whom the State agency has
18 given notice of its intent to request with-
19 holding by the Secretary of the Treasury
20 from the income tax refunds of such indi-
21 viduals;

22 “(B) that the Secretary of the Treasury
23 will give a timely and appropriate notice to any
24 other person filing a joint return with the indi-

1 vidual whose refund is subject to withholding
2 under paragraph (1); and

3 “(C) the procedures that the State and the
4 Secretary of the Treasury will follow in carrying
5 out this subsection which, to the maximum ex-
6 tent feasible and consistent with the provisions
7 of this subsection, will be the same as those is-
8 sued pursuant to section 464(b) applicable to
9 collection of past-due child support.

10 **“SEC. 406. FEDERAL LOANS FOR STATE WELFARE PRO-**
11 **GRAMS.**

12 “(a) LOAN AUTHORITY.—

13 “(1) IN GENERAL.—The Secretary shall make
14 loans to any loan-eligible State, for a period to ma-
15 turity of not more than 3 years.

16 “(2) LOAN-ELIGIBLE STATE.—As used in para-
17 graph (1), the term ‘loan-eligible State’ means a
18 State against which a penalty has not been imposed
19 under section 409(e).

20 “(b) RATE OF INTEREST.—The Secretary shall
21 charge and collect interest on any loan made under this
22 section at a rate equal to the current average market yield
23 on outstanding marketable obligations of the United
24 States with remaining periods to maturity comparable to
25 the period to maturity of the loan.

1 “(c) USE OF LOAN.—A State shall use a loan made
2 to the State under this section only for any purpose for
3 which grant amounts received by the State under section
4 403(a) may be used, including—

5 “(1) welfare anti-fraud activities; and

6 “(2) the provision of assistance under the State
7 program to Indian families that have moved from
8 the service area of an Indian tribe with a tribal fam-
9 ily assistance plan approved under section 412.

10 “(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO
11 A STATE.—The cumulative dollar amount of all loans
12 made to a State under this section during fiscal years
13 1997 through 2001 shall not exceed 10 percent of the
14 State family assistance grant.

15 “(e) LIMITATION ON TOTAL AMOUNT OF OUTSTAND-
16 ING LOANS.—The total dollar amount of loans outstand-
17 ing under this section may not exceed \$1,700,000,000.

18 “(f) APPROPRIATION.—Out of any money in the
19 Treasury of the United States not otherwise appropriated,
20 there are appropriated such sums as may be necessary for
21 the cost of loans under this section.

22 **“SEC. 407. MANDATORY WORK REQUIREMENTS; INDIVID-**
23 **UAL RESPONSIBILITY PLANS.**

24 “(a) PARTICIPATION RATE REQUIREMENTS.—

1 “(1) ALL FAMILIES.—A State to which a grant
 2 is made under section 403 for a fiscal year shall
 3 achieve the minimum participation rate specified in
 4 the following table for the fiscal year with respect to
 5 all families receiving assistance under the State pro-
 6 gram funded under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	15
1997	20
1998	25
1999	30
2000	35
2001	40
2002 or thereafter	50.

7 “(2) 2-PARENT FAMILIES.—A State to which a
 8 grant is made under section 403 for a fiscal year
 9 shall achieve the minimum participation rate speci-
 10 fied in the following table for the fiscal year with re-
 11 spect to 2-parent families receiving assistance under
 12 the State program funded under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	50
1997	75
1998	75
1999 or thereafter	90.

13 “(b) CALCULATION OF PARTICIPATION RATES.—

14 “(1) ALL FAMILIES.—

15 “(A) AVERAGE MONTHLY RATE.—For pur-
 16 poses of subsection (a)(1), the participation
 17 rate for all families of a State for a fiscal year

1 is the average of the participation rates for all
2 families of the State for each month in the fis-
3 cal year.

4 “(B) MONTHLY PARTICIPATION RATES.—

5 The participation rate of a State for all families
6 of the State for a month, expressed as a per-
7 centage, is—

8 “(i) the number of families receiving
9 assistance under the State program funded
10 under this part that include an adult who
11 is engaged in work for the month; divided
12 by

13 “(ii) the amount by which—

14 “(I) the number of families re-
15 ceiving such assistance during the
16 month that include an adult receiving
17 such assistance; exceeds

18 “(II) the number of families re-
19 ceiving such assistance that are sub-
20 ject in such month to a penalty de-
21 scribed in subsection (e)(1) but have
22 not been subject to such penalty for
23 more than 3 months within the pre-
24 ceding 12-month period (whether or
25 not consecutive).

1 “(C) SPECIAL RULE.—An individual shall
2 be considered to be engaged in work and to be
3 an adult recipient of assistance under a State
4 program funded under this part for purposes of
5 subparagraph (B) for the first 6 months
6 (whether or not consecutive) after the first ces-
7 sation of assistance to an individual under the
8 program during which the individual is em-
9 ployed for an average of more than 25 hours
10 per week in an unsubsidized job in the private
11 sector.

12 “(2) 2-PARENT FAMILIES.—

13 “(A) AVERAGE MONTHLY RATE.—For pur-
14 poses of subsection (a)(2), the participation
15 rate for 2-parent families of a State for a fiscal
16 year is the average of the participation rates for
17 2-parent families of the State for each month in
18 the fiscal year.

19 “(B) MONTHLY PARTICIPATION RATES.—

20 The participation rate of a State for 2-parent
21 families of the State for a month shall be cal-
22 culated by use of the formula set forth in para-
23 graph (1)(B), except that in the formula the
24 term ‘number of 2-parent families’ shall be sub-

1 stituted for the term ‘number of families’ each
2 place such latter term appears.

3 “(3) PRO RATA REDUCTION OF PARTICIPATION
4 RATE DUE TO CASELOAD REDUCTIONS NOT RE-
5 QUIRED BY FEDERAL LAW.—

6 “(A) IN GENERAL.—The Secretary shall
7 prescribe regulations for reducing the minimum
8 participation rate otherwise required by this
9 section for a fiscal year by the number of per-
10 centage points equal to the number of percent-
11 age points (if any) by which—

12 “(i) the number of families receiving
13 assistance during the fiscal year under the
14 State program funded under this part is
15 less than

16 “(ii) the number of families that re-
17 ceived aid under the State plan approved
18 under part A (as in effect on September
19 30, 1995) during fiscal year 1995.

20 The minimum participation rate shall not be re-
21 duced to the extent that the Secretary deter-
22 mines that the reduction in the number of fami-
23 lies receiving such assistance is required by
24 Federal law.

1 “(B) ELIGIBILITY CHANGES NOT COUNT-
2 ED.—The regulations described in subpara-
3 graph (A) shall not take into account families
4 that are diverted from a State program funded
5 under this part as a result of differences in eli-
6 gibility criteria under a State program funded
7 under this part and eligibility criteria under the
8 State program operated under the State plan
9 approved under part A (as such plan and such
10 part were in effect on September 30, 1995).
11 Such regulations shall place the burden on the
12 Secretary to prove that such families were di-
13 verted as a direct result of differences in such
14 eligibility criteria.

15 “(4) STATE OPTION TO INCLUDE INDIVIDUALS
16 RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY
17 ASSISTANCE PLAN.—For purposes of paragraphs
18 (1)(B) and (2)(B), a State may, at its option, in-
19 clude families receiving assistance under a tribal
20 family assistance plan approved under section 412.

21 “(5) STATE OPTION FOR PARTICIPATION RE-
22 QUIREMENT EXEMPTIONS.—For any fiscal year, a
23 State may, at its option, not require an individual
24 who is a single custodial parent caring for a child
25 who has not attained 12 months of age to engage in

1 work and may disregard such an individual in deter-
 2 mining the participation rates under subsection (a).

3 “(c) ENGAGED IN WORK.—

4 “(1) ALL FAMILIES.—For purposes of sub-
 5 section (b)(1)(B)(i), a recipient is engaged in work
 6 for a month in a fiscal year if the recipient is par-
 7 ticipating in such activities for at least the minimum
 8 average number of hours per week specified in the
 9 following table during the month, not fewer than 20
 10 hours per week of which are attributable to an activ-
 11 ity described in paragraph (1), (2), (3), (4), (5), (7),
 12 or (8) of subsection (d) (or, if the participation of
 13 the recipient in an activity described in subsection
 14 (d)(6) has been taken into account for purposes of
 15 paragraph (1) or (2) of subsection (b) for fewer than
 16 4 weeks in the fiscal year, an activity described in
 17 subsection (d)(6)):

“If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999 or thereafter	25.

18 “(2) 2-PARENT FAMILIES.—For purposes of
 19 subsection (b)(2)(B)(i), an adult is engaged in work
 20 for a month in a fiscal year if the adult is making
 21 progress in such activities for at least 25 hours per
 22 week during the month, not fewer than 20 hours per

1 week of which are attributable to an activity de-
2 scribed in paragraph (1), (2), (3), (4), (5), (7), or
3 (8) of subsection (d) (or, if the participation of the
4 recipient in an activity described in subsection (d)(6)
5 has been taken into account for purposes of para-
6 graph (1) or (2) of subsection (b) for fewer than 4
7 weeks in the fiscal year, an activity described in sub-
8 section (d)(6)).

9 “(3) LIMITATION ON VOCATIONAL EDUCATION
10 ACTIVITIES COUNTED AS WORK.—For purposes of
11 determining monthly participation rates under para-
12 graphs (1)(B)(i) and (2)(B)(i) of subsection (b), not
13 more than 20 percent of adults in all families and
14 in 2-parent families determined to be engaged in
15 work in the State for a month may meet the work
16 activity requirement through participation in voca-
17 tional educational training.

18 “(4) OPTION TO REDUCE NUMBER OF HOURS
19 OF WORK REQUIRED OF SINGLE PARENTS WITH A
20 CHILD UNDER AGE 6.—Notwithstanding paragraph
21 (1), a State may reduce to 20 the number of hours
22 per week during which a single custodial parent is
23 required pursuant to this section to engage in work
24 activities if the family of the parent includes an indi-
25 vidual who has not attained 6 years of age.

1 “(d) WORK ACTIVITIES DEFINED.—As used in this
2 section, the term ‘work activities’ means—

3 “(1) unsubsidized employment;

4 “(2) subsidized private sector employment;

5 “(3) subsidized public sector employment;

6 “(4) work experience (including work associated
7 with the refurbishing of publicly assisted housing) if
8 sufficient private sector employment is not available;

9 “(5) on-the-job training;

10 “(6) job search and job readiness assistance;

11 “(7) community service programs;

12 “(8) vocational educational training (not to ex-
13 ceed 12 months with respect to any individual);

14 “(9) job skills training directly related to em-
15 ployment;

16 “(10) education directly related to employment,
17 in the case of a recipient who has not attained 20
18 years of age, and has not received a high school di-
19 ploma or a certificate of high school equivalency; and

20 “(11) satisfactory attendance at secondary
21 school, in the case of a recipient who—

22 “(A) has not completed secondary school;

23 and

24 “(B) is a dependent child, or a head of
25 household who has not attained 20 years of age.

1 “(e) PENALTIES AGAINST INDIVIDUALS.—

2 “(1) IN GENERAL.—Except as provided in para-
3 graph (2), if an adult in a family receiving assist-
4 ance under the State program funded under this
5 part refuses to engage in work required in accord-
6 ance with this section, the State shall—

7 “(A) reduce the amount of assistance oth-
8 erwise payable to the family pro rata (or more,
9 at the option of the State) with respect to any
10 period during a month in which the adult so re-
11 fuses; or

12 “(B) terminate such assistance,
13 subject to such good cause and other exceptions as
14 the State may establish.

15 “(2) EXCEPTION.—Notwithstanding paragraph
16 (1), a State may not reduce or terminate assistance
17 under the State program funded under this part
18 based on a refusal of an adult to work if the adult
19 is a single custodial parent caring for a child who
20 has not attained 6 years of age, and the adult proves
21 that the adult has a demonstrated inability (as de-
22 termined by the State) to obtain needed child care,
23 for 1 or more of the following reasons:

1 “(A) Unavailability of appropriate child
2 care within a reasonable distance from the indi-
3 vidual’s home or work site.

4 “(B) Unavailability or unsuitability of in-
5 formal child care by a relative or under other
6 arrangements.

7 “(C) Unavailability of appropriate and af-
8 fordable formal child care arrangements.

9 “(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 an adult in a family receiving assistance under a
12 State program funded under this part attributable to
13 funds provided by the Federal Government may fill
14 a vacant employment position in order to engage in
15 a work activity described in subsection (d).

16 “(2) NO FILLING OF CERTAIN VACANCIES.—No
17 adult in a work activity described in subsection (d)
18 which is funded, in whole or in part, by funds pro-
19 vided by the Federal Government shall be employed
20 or assigned—

21 “(A) when any other individual is on layoff
22 from the same or any substantially equivalent
23 job; or

24 “(B) if the employer has terminated the
25 employment of any regular employee or other-

1 wise caused an involuntary reduction of its
2 workforce in order to fill the vacancy so created
3 with an adult described in paragraph (1).

4 “(3) NO PREEMPTION.—Nothing in this sub-
5 section shall preempt or supersede any provision of
6 State or local law that provides greater protection
7 for employees from displacement.

8 “(g) INDIVIDUAL RESPONSIBILITY PLANS.—

9 “(1) ASSESSMENT.—The State agency respon-
10 sible for administering the State program funded
11 under this part shall make an initial assessment of
12 the skills, prior work experience, and employability
13 of each applicant for, or recipient of, assistance
14 under the program who—

15 “(A) has attained 18 years of age; or

16 “(B) has not completed high school or ob-
17 tained a certificate of high school equivalency,
18 and is not attending secondary school.

19 “(2) CONTENTS OF PLANS.—

20 “(A) IN GENERAL.—On the basis of the
21 assessment made under paragraph (1) with re-
22 spect to an individual, the State agency, in con-
23 sultation with the individual, shall develop an
24 individual responsibility plan for the individual,
25 which—

1 “(i) shall provide that participation by
2 the individual in job search activities shall
3 be a condition of eligibility for assistance
4 under the State program funded under this
5 part, except during any period for which
6 the individual is employed full-time in an
7 unsubsidized job in the private sector;

8 “(ii) sets forth an employment goal
9 for the individual and a plan for moving
10 the individual immediately into private sec-
11 tor employment;

12 “(iii) sets forth the obligations of the
13 individual, which may include a require-
14 ment that the individual attend school,
15 maintain certain grades and attendance,
16 keep school age children of the individual
17 in school, immunize children, attend
18 parenting and money management classes,
19 or do other things that will help the indi-
20 vidual become and remain employed in the
21 private sector;

22 “(iv) to the greatest extent possible
23 shall be designed to move the individual
24 into whatever private sector employment
25 the individual is capable of handling as

1 quickly as possible, and to increase the re-
2 sponsibility and amount of work the indi-
3 vidual is to handle over time;

4 “(v) shall describe the services the
5 State will provide the individual so that the
6 individual will be able to obtain and keep
7 employment in the private sector, and de-
8 scribe the job counseling and other services
9 that will be provided by the State; and

10 “(vi) at the option of the State, may
11 require the individual to undergo appro-
12 priate substance abuse treatment.

13 “(B) TIMING.—The State agency shall
14 comply with subparagraph (A) with respect to
15 an individual—

16 “(i) within 90 days (or, at the option
17 of the State, 180 days) after the effective
18 date of this part, in the case of an individ-
19 ual who, as of such effective date, is a re-
20 cipient of aid under the State plan ap-
21 proved under part A (as in effect imme-
22 diately before such effective date); or

23 “(ii) within 30 days (or, at the option
24 of the State, 90 days) after the individual

1 is determined to be eligible for such assist-
2 ance, in the case of any other individual.

3 “(3) PROVISION OF PROGRAM AND EMPLOY-
4 MENT INFORMATION.—The State shall inform all ap-
5 plicants for and recipients of assistance under the
6 State program funded under this part of all avail-
7 able services under the program for which they are
8 eligible.

9 “(4) PENALTY FOR NONCOMPLIANCE BY INDI-
10 VIDUAL.—The State shall reduce, by such amount
11 as the State considers appropriate, the amount of
12 assistance otherwise payable under the State pro-
13 gram funded under this part to a family that in-
14 cludes an individual who fails without good cause to
15 comply with an individual responsibility plan signed
16 by the individual.

17 “(h) SENSE OF THE CONGRESS.—It is the sense of
18 the Congress that in complying with this section, each
19 State that operates a program funded under this part is
20 encouraged to assign the highest priority to requiring
21 adults in 2-parent families and adults in single-parent
22 families that include older preschool or school-age children
23 to be engaged in work activities.

24 “(i) SENSE OF THE CONGRESS THAT STATES
25 SHOULD IMPOSE CERTAIN REQUIREMENTS ON NON-

1 CUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the
2 sense of the Congress that the States should require non-
3 custodial, nonsupporting parents who have not attained 18
4 years of age to fulfill community work obligations and at-
5 tend appropriate parenting or money management classes
6 after school.

7 **“SEC. 408. PROHIBITIONS; REQUIREMENTS.**

8 “(a) IN GENERAL.—

9 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A
10 MINOR CHILD.—A State to which a grant is made
11 under section 403 shall not use any part of the
12 grant to provide assistance to a family, unless the
13 family includes—

14 “(A) a minor child who resides with a cus-
15 todial parent or other adult caretaker relative of
16 the child; or

17 “(B) a pregnant individual.

18 “(2) NO ADDITIONAL CASH ASSISTANCE FOR
19 CHILDREN BORN TO FAMILIES RECEIVING ASSIST-
20 ANCE.—

21 “(A) GENERAL RULE.—A State to which a
22 grant is made under section 403 shall not use
23 any part of the grant to provide cash benefits
24 for a minor child who is born to—

1 “(i) a recipient of assistance under
2 the program operated under this part; or

3 “(ii) a person who received such as-
4 sistance at any time during the 10-month
5 period ending with the birth of the child.

6 “(B) EXCEPTION FOR CHILDREN BORN
7 INTO FAMILIES WITH NO OTHER CHILDREN.—
8 Subparagraph (A) shall not apply to a minor
9 child who is born into a family that does not in-
10 clude any other children.

11 “(C) EXCEPTION FOR VOUCHERS.—Sub-
12 paragraph (A) shall not apply to vouchers
13 which are provided in lieu of cash benefits and
14 which may be used only to pay for particular
15 goods and services specified by the State as
16 suitable for the care of the child involved.

17 “(D) EXCEPTION FOR RAPE OR INCEST.—
18 Subparagraph (A) shall not apply with respect
19 to a child who is born as a result of rape or in-
20 cest.

21 “(E) STATE ELECTION TO OPT OUT.—Sub-
22 paragraph (A) shall not apply to a State if
23 State law specifically exempts the State pro-
24 gram funded under this part from the applica-
25 tion of subparagraph (A).

1 “(ii) decreasing out-of-wedlock preg-
2 nancies and child poverty;

3 “(2) the demographic and financial characteris-
4 tics of families applying for assistance, families re-
5 ceiving assistance, and families that become ineli-
6 gible to receive assistance;

7 “(3) the characteristics of each State program
8 funded under this part; and

9 “(4) the trends in employment and earnings of
10 needy families with minor children living at home.

11 **“SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY IN-**
12 **DIAN TRIBES.**

13 “(a) GRANTS FOR INDIAN TRIBES.—

14 “(1) TRIBAL FAMILY ASSISTANCE GRANT.—

15 “(A) IN GENERAL.—For each of fiscal
16 years 1997, 1998, 1999, and 2000, the Sec-
17 retary shall pay to each Indian tribe that has
18 an approved tribal family assistance plan a trib-
19 al family assistance grant for the fiscal year in
20 an amount equal to the amount determined
21 under subparagraph (B), and shall reduce the
22 grant payable under section 403(a)(1) to any
23 State in which lies the service area or areas of
24 the Indian tribe by that portion of the amount

1 so determined that is attributable to expendi-
2 tures by the State.

3 “(B) AMOUNT DETERMINED.—

4 “(i) IN GENERAL.—The amount de-
5 termined under this subparagraph is an
6 amount equal to the total amount of the
7 Federal payments to a State or States
8 under section 403 (as in effect during such
9 fiscal year) for fiscal year 1994 attrib-
10 utable to expenditures (other than child
11 care expenditures) by the State or States
12 under parts A and F (as so in effect) for
13 fiscal year 1994 for Indian families resid-
14 ing in the service area or areas identified
15 by the Indian tribe pursuant to subsection
16 (b)(1)(C) of this section.

17 “(ii) USE OF STATE SUBMITTED
18 DATA.—

19 “(I) IN GENERAL.—The Sec-
20 retary shall use State submitted data
21 to make each determination under
22 clause (i).

23 “(II) DISAGREEMENT WITH DE-
24 TERMINATION.—If an Indian tribe or
25 tribal organization disagrees with

1 State submitted data described under
2 subclause (I), the Indian tribe or trib-
3 al organization may submit to the
4 Secretary such additional information
5 as may be relevant to making the de-
6 termination under clause (i) and the
7 Secretary may consider such informa-
8 tion before making such determina-
9 tion.

10 “(2) GRANTS FOR INDIAN TRIBES THAT RE-
11 CEIVED JOBS FUNDS.—

12 “(A) IN GENERAL.—The Secretary shall
13 pay to each eligible Indian tribe for each of fis-
14 cal years 1996, 1997, 1998, 1999, and 2000 a
15 grant in an amount equal to the amount re-
16 ceived by the Indian tribe in fiscal year 1994
17 under section 482(i) (as in effect during fiscal
18 year 1994).

19 “(B) ELIGIBLE INDIAN TRIBE.—For pur-
20 poses of subparagraph (A), the term ‘eligible
21 Indian tribe’ means an Indian tribe or Alaska
22 Native organization that conducted a job oppor-
23 tunities and basic skills training program in fis-
24 cal year 1995 under section 482(i) (as in effect
25 during fiscal year 1995).

1 “(C) USE OF GRANT.—Each Indian tribe
2 to which a grant is made under this paragraph
3 shall use the grant for the purpose of operating
4 a program to make work activities available to
5 members of the Indian tribe.

6 “(D) APPROPRIATION.—Out of any money
7 in the Treasury of the United States not other-
8 wise appropriated, there are appropriated
9 \$7,638,474 for each fiscal year specified in sub-
10 paragraph (A) for grants under subparagraph
11 (A).

12 “(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

13 “(1) IN GENERAL.—Any Indian tribe that de-
14 sires to receive a tribal family assistance grant shall
15 submit to the Secretary a 3-year tribal family assist-
16 ance plan that—

17 “(A) outlines the Indian tribe’s approach
18 to providing welfare-related services for the 3-
19 year period, consistent with this section;

20 “(B) specifies whether the welfare-related
21 services provided under the plan will be pro-
22 vided by the Indian tribe or through agree-
23 ments, contracts, or compacts with intertribal
24 consortia, States, or other entities;

1 “(C) identifies the population and service
2 area or areas to be served by such plan;

3 “(D) provides that a family receiving as-
4 sistance under the plan may not receive dupli-
5 cative assistance from other State or tribal pro-
6 grams funded under this part;

7 “(E) identifies the employment opportuni-
8 ties in or near the service area or areas of the
9 Indian tribe and the manner in which the In-
10 dian tribe will cooperate and participate in en-
11 hancing such opportunities for recipients of as-
12 sistance under the plan consistent with any ap-
13 plicable State standards; and

14 “(F) applies the fiscal accountability provi-
15 sions of section 5(f)(1) of the Indian Self-De-
16 termination and Education Assistance Act (25
17 U.S.C. 450e(f)(1)), relating to the submission
18 of a single-agency audit report required by
19 chapter 75 of title 31, United States Code.

20 “(2) APPROVAL.—The Secretary shall approve
21 each tribal family assistance plan submitted in ac-
22 cordance with paragraph (1).

23 “(3) CONSORTIUM OF TRIBES.—Nothing in this
24 section shall preclude the development and submis-
25 sion of a single tribal family assistance plan by the

1 participating Indian tribes of an intertribal consor-
2 tium.

3 “(c) MINIMUM WORK PARTICIPATION REQUIRE-
4 MENTS AND TIME LIMITS.—The Secretary, with the par-
5 ticipation of Indian tribes, shall establish for each Indian
6 tribe receiving a grant under this section minimum work
7 participation requirements, appropriate time limits for re-
8 ceipt of welfare-related services under the grant, and pen-
9 alties against individuals—

10 “(1) consistent with the purposes of this sec-
11 tion;

12 “(2) consistent with the economic conditions
13 and resources available to each tribe; and

14 “(3) similar to comparable provisions in section
15 407(d).

16 “(d) EMERGENCY ASSISTANCE.—Nothing in this sec-
17 tion shall preclude an Indian tribe from seeking emergency
18 assistance from any Federal loan program or emergency
19 fund.

20 “(e) ACCOUNTABILITY.—Nothing in this section shall
21 be construed to limit the ability of the Secretary to main-
22 tain program funding accountability consistent with—

23 “(1) generally accepted accounting principles;
24 and

1 “(2) the requirements of the Indian Self-Deter-
2 mination and Education Assistance Act (25 U.S.C.
3 450 et seq.).

4 “(f) PENALTIES.—Subsections (a)(4), (b), and (e) of
5 section 409 shall apply to an Indian tribe with an ap-
6 proved tribal assistance plan in the same manner as such
7 subsections apply to a State.

8 “(g) DATA COLLECTION AND REPORTING.—Section
9 411 shall apply to an Indian tribe with an approved tribal
10 family assistance plan.

11 “(h) SPECIAL RULE FOR INDIAN TRIBES IN ALAS-
12 KA.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of this section, and except as provided in
15 paragraph (2), an Indian tribe in the State of Alas-
16 ka that receives a tribal family assistance grant
17 under this section shall use the grant to operate a
18 program in accordance with requirements com-
19 parable to the requirements applicable to the pro-
20 gram of the State of Alaska funded under this part.
21 Comparability of programs shall be established on
22 the basis of program criteria developed by the Sec-
23 retary in consultation with the State of Alaska and
24 such Indian tribes.

1 “(2) WAIVER.—An Indian tribe described in
2 paragraph (1) may apply to the appropriate State
3 authority to receive a waiver of the requirement of
4 paragraph (1).

5 **“SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
6 **IES.**

7 “(a) RESEARCH.—The Secretary shall conduct re-
8 search on the benefits, effects, and costs of operating dif-
9 ferent State programs funded under this part, including
10 time limits relating to eligibility for assistance. The re-
11 search shall include studies on the effects of different pro-
12 grams and the operation of such programs on welfare de-
13 pendency, illegitimacy, teen pregnancy, employment rates,
14 child well-being, and any other area the Secretary deems
15 appropriate. The Secretary shall also conduct research on
16 the costs and benefits of State activities under section
17 409.

18 “(b) DEVELOPMENT AND EVALUATION OF INNOVA-
19 TIVE APPROACHES TO REDUCING WELFARE DEPEND-
20 ENCY AND INCREASING CHILD WELL-BEING.—

21 “(1) IN GENERAL.—The Secretary may assist
22 States in developing, and shall evaluate, innovative
23 approaches for reducing welfare dependency and in-
24 creasing the well-being of minor children living at
25 home with respect to recipients of assistance under

1 programs funded under this part. The Secretary
2 may provide funds for training and technical assist-
3 ance to carry out the approaches developed pursuant
4 to this paragraph.

5 “(2) EVALUATIONS.—In performing the evalua-
6 tions under paragraph (1), the Secretary shall, to
7 the maximum extent feasible, use random assign-
8 ment as an evaluation methodology.

9 “(c) DISSEMINATION OF INFORMATION.—The Sec-
10 retary shall develop innovative methods of disseminating
11 information on any research, evaluations, and studies con-
12 ducted under this section, including the facilitation of the
13 sharing of information and best practices among States
14 and localities through the use of computers and other
15 technologies.

16 “(d) ANNUAL RANKING OF STATES AND REVIEW OF
17 MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

18 “(1) ANNUAL RANKING OF STATES.—The Sec-
19 retary shall rank annually the States to which
20 grants are paid under section 403 in the order of
21 their success in placing recipients of assistance
22 under the State program funded under this part into
23 long-term private sector jobs, reducing the overall
24 welfare caseload, and, when a practicable method for
25 calculating this information becomes available, di-

1 verting individuals from formally applying to the
2 State program and receiving assistance. In ranking
3 States under this subsection, the Secretary shall
4 take into account the average number of minor chil-
5 dren living at home in families in the State that
6 have incomes below the poverty line and the amount
7 of funding provided each State for such families.

8 “(2) ANNUAL REVIEW OF MOST AND LEAST
9 SUCCESSFUL WORK PROGRAMS.—The Secretary shall
10 review the programs of the 3 States most recently
11 ranked highest under paragraph (1) and the 3
12 States most recently ranked lowest under paragraph
13 (1) that provide parents with work experience, as-
14 sistance in finding employment, and other work
15 preparation activities and support services to enable
16 the families of such parents to leave the program
17 and become self-sufficient.

18 “(e) ANNUAL RANKING OF STATES AND REVIEW OF
19 ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

20 “(1) ANNUAL RANKING OF STATES.—

21 “(A) IN GENERAL.—The Secretary shall
22 annually rank States to which grants are made
23 under section 403 based on the following rank-
24 ing factors:

1 “(i) ABSOLUTE OUT-OF-WEDLOCK RA-
2 TIOS.—The ratio represented by—

3 “(I) the total number of out-of-
4 wedlock births in families receiving as-
5 sistance under the State program
6 under this part in the State for the
7 most recent fiscal year for which in-
8 formation is available; over

9 “(II) the total number of births
10 in families receiving assistance under
11 the State program under this part in
12 the State for such year.

13 “(ii) NET CHANGES IN THE OUT-OF-
14 WEDLOCK RATIO.—The difference between
15 the ratio described in subparagraph (A)(i)
16 with respect to a State for the most recent
17 fiscal year for which such information is
18 available and the ratio with respect to the
19 State for the immediately preceding year.

20 “(2) ANNUAL REVIEW.—The Secretary shall re-
21 view the programs of the 5 States most recently
22 ranked highest under paragraph (1) and the 5
23 States most recently ranked the lowest under para-
24 graph (1).

1 “(f) STATE-INITIATED EVALUATIONS.—A State shall
2 be eligible to receive funding to evaluate the State pro-
3 gram funded under this part if—

4 “(1) the State submits a proposal to the Sec-
5 retary for the evaluation;

6 “(2) the Secretary determines that the design
7 and approach of the evaluation is rigorous and is
8 likely to yield information that is credible and will
9 be useful to other States; and

10 “(3) unless otherwise waived by the Secretary,
11 the State contributes to the cost of the evaluation,
12 from non-Federal sources, an amount equal to at
13 least 10 percent of the cost of the evaluation.

14 “(g) FUNDING OF STUDIES AND DEMONSTRA-
15 TIONS.—

16 “(1) IN GENERAL.—Out of any money in the
17 Treasury of the United States not otherwise appro-
18 priated, there are appropriated \$15,000,000 for each
19 fiscal year specified in section 403(a)(1) for the pur-
20 pose of paying—

21 “(A) the cost of conducting the research
22 described in subsection (a);

23 “(B) the cost of developing and evaluating
24 innovative approaches for reducing welfare de-

1 pendency and increasing the well-being of minor
2 children under subsection (b);

3 “(C) the Federal share of any State-initi-
4 ated study approved under subsection (f); and

5 “(D) an amount determined by the Sec-
6 retary to be necessary to operate and evaluate
7 demonstration projects, relating to this part,
8 that are in effect or approved under section
9 1115 as of September 30, 1995, and are contin-
10 ued after such date.

11 “(2) ALLOCATION.—Of the amount appro-
12 priated under paragraph (1) for a fiscal year—

13 “(A) 50 percent shall be allocated for the
14 purposes described in subparagraphs (A) and
15 (B) of paragraph (1), and

16 “(B) 50 percent shall be allocated for the
17 purposes described in subparagraphs (C) and
18 (D) of paragraph (1).

19 **“SEC. 414. STUDY BY THE CENSUS BUREAU.**

20 “(a) IN GENERAL.—The Bureau of the Census shall
21 expand the Survey of Income and Program Participation
22 as necessary to obtain such information as will enable in-
23 terested persons to evaluate the impact of the amendments
24 made by title I of the Bipartisan Welfare Reform Act of
25 1996 on a random national sample of recipients of assist-

1 ance under State programs funded under this part and
2 (as appropriate) other low income families, and in doing
3 so, shall pay particular attention to the issues of out-of-
4 wedlock birth, welfare dependency, the beginning and end
5 of welfare spells, and the causes of repeat welfare spells.

6 “(b) APPROPRIATION.—Out of any money in the
7 Treasury of the United States not otherwise appropriated,
8 there are appropriated \$10,000,000 for each of fiscal
9 years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for
10 payment to the Bureau of the Census to carry out sub-
11 section (a).

12 “SEC. 415. WAIVERS.

13 “(a) CONTINUATION OF WAIVERS.—

14 “(1) WAIVERS IN EFFECT ON DATE OF ENACT-
15 MENT OF WELFARE REFORM.—Except as provided
16 in paragraph (3), if any waiver granted to a State
17 under section 1115 or otherwise which relates to the
18 provision of assistance under a State plan under this
19 part (as in effect on September 30, 1995) is in ef-
20 fect as of the date of the enactment of the Biparti-
21 san Welfare Reform Act of 1996, the amendments
22 made by such Act shall not apply with respect to the
23 State before the expiration (determined without re-
24 gard to any extensions) of the waiver to the extent
25 such amendments are inconsistent with the waiver.

1 “(2) WAIVERS GRANTED SUBSEQUENTLY.—Ex-
2 cept as provided in paragraph (3), if any waiver
3 granted to a State under section 1115 or otherwise
4 which relates to the provision of assistance under a
5 State plan under this part (as in effect on Septem-
6 ber 30, 1995) is submitted to the Secretary before
7 the date of the enactment of the Bipartisan Welfare
8 Reform Act of 1996 and approved by the Secretary
9 before the effective date of this title, and the State
10 demonstrates to the satisfaction of the Secretary
11 that the waiver will not result in Federal expendi-
12 tures under title IV of this Act (as in effect without
13 regard to the amendments made by the Bipartisan
14 Welfare Reform Act of 1996) that are greater than
15 would occur in the absence of the waiver, such
16 amendments shall not apply with respect to the
17 State before the expiration (determined without re-
18 gard to any extensions) of the waiver to the extent
19 such amendments are inconsistent with the waiver.

20 “(3) FINANCING LIMITATION.—Notwithstand-
21 ing any other provision of law, beginning with fiscal
22 year 1996, a State operating under a waiver de-
23 scribed in paragraph (1) shall be entitled to payment
24 under section 403 for the fiscal year, in lieu of any
25 other payment provided for in the waiver.

1 “(b) STATE OPTION TO TERMINATE WAIVER.—

2 “(1) IN GENERAL.—A State may terminate a
3 waiver described in subsection (a) before the expira-
4 tion of the waiver.

5 “(2) REPORT.—A State which terminates a
6 waiver under paragraph (1) shall submit a report to
7 the Secretary summarizing the waiver and any avail-
8 able information concerning the result or effect of
9 the waiver.

10 “(3) HOLD HARMLESS PROVISION.—

11 “(A) IN GENERAL.—Notwithstanding any
12 other provision of law, a State that, not later
13 than the date described in subparagraph (B),
14 submits a written request to terminate a waiver
15 described in subsection (a) shall be held harm-
16 less for accrued cost neutrality liabilities in-
17 curred under the waiver.

18 “(B) DATE DESCRIBED.—The date de-
19 scribed in this subparagraph is the later of—

20 “(i) January 1, 1996; or

21 “(ii) 90 days following the adjourn-
22 ment of the first regular session of the
23 State legislature that begins after the date
24 of the enactment of the Bipartisan Welfare
25 Reform Act of 1996.

1 “(c) SECRETARIAL ENCOURAGEMENT OF CURRENT
2 WAIVERS.—The Secretary shall encourage any State oper-
3 ating a waiver described in subsection (a) to continue the
4 waiver and to evaluate, using random sampling and other
5 characteristics of accepted scientific evaluations, the result
6 or effect of the waiver.

7 “(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A
8 State may elect to continue 1 or more individual waivers
9 described in subsection (a).

10 **“SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

11 “The programs under this part and part D shall be
12 administered by an Assistant Secretary for Family Sup-
13 port within the Department of Health and Human Serv-
14 ices, who shall be appointed by the President, by and with
15 the advice and consent of the Senate, and who shall be
16 in addition to any other Assistant Secretary of Health and
17 Human Services provided for by law.

18 **“SEC. 417. DEFINITIONS.**

19 “As used in this part:

20 “(1) ADULT.—The term ‘adult’ means an indi-
21 vidual who is not a minor child.

22 “(2) MINOR CHILD.—The term ‘minor child’
23 means an individual who—

24 “(A) has not attained 18 years of age; or

1 “(B) has not attained 19 years of age and
2 is a full-time student in a secondary school (or
3 in the equivalent level of vocational or technical
4 training).

5 “(3) FISCAL YEAR.—The term ‘fiscal year’
6 means any 12-month period ending on September 30
7 of a calendar year.

8 “(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGA-
9 NIZATION.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), the terms ‘Indian’, ‘Indian
12 tribe’, and ‘tribal organization’ have the mean-
13 ing given such terms by section 4 of the Indian
14 Self-Determination and Education Assistance
15 Act (25 U.S.C. 450b).

16 “(B) SPECIAL RULE FOR INDIAN TRIBES
17 IN ALASKA.—The term ‘Indian tribe’ means,
18 with respect to the State of Alaska, only the
19 Metlakatla Indian Community of the Annette
20 Islands Reserve and the following Alaska Native
21 regional nonprofit corporations:

22 “(i) Arctic Slope Native Association.

23 “(ii) Kawerak, Inc.

24 “(iii) Maniilaq Association.

1 “(iv) Association of Village Council
2 Presidents.

3 “(v) Tanana Chiefs Conference.

4 “(vi) Cook Inlet Tribal Council.

5 “(vii) Bristol Bay Native Association.

6 “(viii) Aleutian and Pribilof Island
7 Association.

8 “(ix) Chugachmuit.

9 “(x) Tlingit Haida Central Council.

10 “(xi) Kodiak Area Native Association.

11 “(xii) Copper River Native Associa-
12 tion.

13 “(5) STATE.—Except as otherwise specifically
14 provided, the term ‘State’ means the 50 States of
15 the United States, the District of Columbia, the
16 Commonwealth of Puerto Rico, the United States
17 Virgin Islands, Guam, and American Samoa.”.

18 **SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELI-**
19 **GIUS, OR PRIVATE ORGANIZATIONS.**

20 (a) IN GENERAL.—

21 (1) STATE OPTIONS.—A State may—

22 (A) administer and provide services under
23 the programs described in subparagraphs (A)
24 and (B)(i) of paragraph (2) through contracts

1 with charitable, religious, or private organiza-
2 tions; and

3 (B) provide beneficiaries of assistance
4 under the programs described in subparagraphs
5 (A) and (B)(ii) of paragraph (2) with certifi-
6 cates, vouchers, or other forms of disbursement
7 which are redeemable with such organizations.

8 (2) PROGRAMS DESCRIBED.—The programs de-
9 scribed in this paragraph are the following pro-
10 grams:

11 (A) A State program funded under part A
12 of title IV of the Social Security Act (as amend-
13 ed by section 103 of this Act).

14 (B) Any other program established or
15 modified under title I, II, or VI of this Act,
16 that—

17 (i) permits contracts with organiza-
18 tions; or

19 (ii) permits certificates, vouchers, or
20 other forms of disbursement to be provided
21 to beneficiaries, as a means of providing
22 assistance.

23 (b) RELIGIOUS ORGANIZATIONS.—The purpose of
24 this section is to allow States to contract with religious
25 organizations, or to allow religious organizations to accept

1 certificates, vouchers, or other forms of disbursement
2 under any program described in subsection (a)(2), on the
3 same basis as any other nongovernmental provider without
4 impairing the religious character of such organizations,
5 and without diminishing the religious freedom of bene-
6 ficiaries of assistance funded under such program.

7 (c) NONDISCRIMINATION AGAINST RELIGIOUS ORGA-
8 NIZATIONS.—In the event a State exercises its authority
9 under subsection (a), religious organizations are eligible,
10 on the same basis as any other private organization, as
11 contractors to provide assistance, or to accept certificates,
12 vouchers, or other forms of disbursement, under any pro-
13 gram described in subsection (a)(2) so long as the pro-
14 grams are implemented consistent with the Establishment
15 Clause of the United States Constitution. Except as pro-
16 vided in subsection (k), neither the Federal Government
17 nor a State receiving funds under such programs shall dis-
18 criminate against an organization which is or applies to
19 be a contractor to provide assistance, or which accepts cer-
20 tificates, vouchers, or other forms of disbursement, on the
21 basis that the organization has a religious character.

22 (d) RELIGIOUS CHARACTER AND FREEDOM.—

23 (1) RELIGIOUS ORGANIZATIONS.—A religious
24 organization with a contract described in subsection
25 (a)(1)(A), or which accepts certificates, vouchers, or

1 other forms of disbursement under subsection
2 (a)(1)(B), shall retain its independence from Fed-
3 eral, State, and local governments, including such
4 organization's control over the definition, develop-
5 ment, practice, and expression of its religious beliefs.

6 (2) ADDITIONAL SAFEGUARDS.—Neither the
7 Federal Government nor a State shall require a reli-
8 gious organization to—

9 (A) alter its form of internal governance;

10 or

11 (B) remove religious art, icons, scripture,
12 or other symbols;

13 in order to be eligible to contract to provide assist-
14 ance, or to accept certificates, vouchers, or other
15 forms of disbursement, funded under a program de-
16 scribed in subsection (a)(2).

17 (e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

18 (1) IN GENERAL.—If an individual described in
19 paragraph (2) has an objection to the religious char-
20 acter of the organization or institution from which
21 the individual receives, or would receive, assistance
22 funded under any program described in subsection
23 (a)(2), the State in which the individual resides shall
24 provide such individual (if otherwise eligible for such
25 assistance) within a reasonable period of time after

1 the date of such objection with assistance from an
2 alternative provider that is accessible to the individ-
3 ual and the value of which is not less than the value
4 of the assistance which the individual would have re-
5 ceived from such organization.

6 (2) INDIVIDUAL DESCRIBED.—An individual de-
7 scribed in this paragraph is an individual who re-
8 ceives, applies for, or requests to apply for, assist-
9 ance under a program described in subsection (a)(2).

10 (f) EMPLOYMENT PRACTICES.—A religious organiza-
11 tion's exemption provided under section 702 of the Civil
12 Rights Act of 1964 (42 U.S.C. 2000e-1a) regarding em-
13 ployment practices shall not be affected by its participa-
14 tion in, or receipt of funds from, programs described in
15 subsection (a)(2).

16 (g) NONDISCRIMINATION AGAINST BENE-
17 FICIARIES.—Except as otherwise provided in law, a reli-
18 gious organization shall not discriminate against an indi-
19 vidual in regard to rendering assistance funded under any
20 program described in subsection (a)(2) on the basis of reli-
21 gion, a religious belief, or refusal to actively participate
22 in a religious practice.

23 (h) FISCAL ACCOUNTABILITY.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), any religious organization contracting to

1 provide assistance funded under any program de-
2 scribed in subsection (a)(2) shall be subject to the
3 same regulations as other contractors to account in
4 accord with generally accepted auditing principles
5 for the use of such funds provided under such pro-
6 grams.

7 (2) LIMITED AUDIT.—If such organization seg-
8 regates Federal funds provided under such programs
9 into separate accounts, then only the financial as-
10 sistance provided with such funds shall be subject to
11 audit.

12 (i) COMPLIANCE.—Any party which seeks to enforce
13 its rights under this section may assert a civil action for
14 injunctive relief exclusively in an appropriate State court
15 against the entity or agency that allegedly commits such
16 violation.

17 (j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN
18 PURPOSES.—No funds provided directly to institutions or
19 organizations to provide services and administer programs
20 under subsection (a)(1)(A) shall be expended for sectarian
21 worship, instruction, or proselytization.

22 (k) PREEMPTION.—Nothing in this section shall be
23 construed to preempt any provision of a State constitution
24 or State statute that prohibits or restricts the expenditure
25 of State funds in or by religious organizations.

1 **SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY**
2 **CAREGIVERS FOR THEIR GRANDCHILDREN.**

3 (a) **IN GENERAL.**—Not later than 90 days after the
4 date of the enactment of this Act, the Secretary of Com-
5 merce, in carrying out section 141 of title 13, United
6 States Code, shall expand the data collection efforts of the
7 Bureau of the Census (in this section referred to as the
8 “Bureau”) to enable the Bureau to collect statistically sig-
9 nificant data, in connection with its decennial census and
10 its mid-decade census, concerning the growing trend of
11 grandparents who are the primary caregivers for their
12 grandchildren.

13 (b) **EXPANDED CENSUS QUESTION.**—In carrying out
14 subsection (a), the Secretary of Commerce shall expand
15 the Bureau’s census question that details households
16 which include both grandparents and their grandchildren.
17 The expanded question shall be formulated to distinguish
18 between the following households:

19 (1) A household in which a grandparent tempo-
20 rarily provides a home for a grandchild for a period
21 of weeks or months during periods of parental dis-
22 tress.

23 (2) A household in which a grandparent pro-
24 vides a home for a grandchild and serves as the pri-
25 mary caregiver for the grandchild.

1 **SEC. 106. REPORT ON DATA PROCESSING.**

2 (a) **IN GENERAL.**—Within 6 months after the date
3 of the enactment of this Act, the Secretary of Health and
4 Human Services shall prepare and submit to the Congress
5 a report on—

6 (1) the status of the automated data processing
7 systems operated by the States to assist manage-
8 ment in the administration of State programs under
9 part A of title IV of the Social Security Act (wheth-
10 er in effect before or after October 1, 1995); and

11 (2) what would be required to establish a sys-
12 tem capable of—

13 (A) tracking participants in public pro-
14 grams over time; and

15 (B) checking case records of the States to
16 determine whether individuals are participating
17 in public programs of 2 or more States.

18 (b) **PREFERRED CONTENTS.**—The report required by
19 subsection (a) should include—

20 (1) a plan for building on the automated data
21 processing systems of the States to establish a sys-
22 tem with the capabilities described in subsection
23 (a)(2); and

24 (2) an estimate of the amount of time required
25 to establish such a system and of the cost of estab-
26 lishing such a system.

1 **SEC. 107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.**

2 (a) **STUDY.**—The Secretary shall, in cooperation with
3 the States, study and analyze outcomes measures for eval-
4 uating the success of the States in moving individuals out
5 of the welfare system through employment as an alter-
6 native to the minimum participation rates described in
7 section 407 of the Social Security Act. The study shall
8 include a determination as to whether such alternative
9 outcomes measures should be applied on a national or a
10 State-by-State basis and a preliminary assessment of the
11 effects of section 409(a)(5)(C) of such Act.

12 (b) **REPORT.**—Not later than September 30, 1998,
13 the Secretary shall submit to the Committee on Finance
14 of the Senate and the Committee on Ways and Means of
15 the House of Representatives a report containing the find-
16 ings of the study required by subsection (a).

17 **SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SE-**
18 **CURITY ACT.**

19 (a) **AMENDMENTS TO TITLE II.**—

20 (1) Section 205(c)(2)(C)(vi) (42 U.S.C.
21 405(c)(2)(C)(vi)), as so redesignated by section
22 321(a)(9)(B) of the Social Security Independence
23 and Program Improvements Act of 1994, is amend-
24 ed—

1 (A) by inserting “an agency administering
2 a program funded under part A of title IV or”
3 before “an agency operating”; and

4 (B) by striking “A or D of title IV of this
5 Act” and inserting “D of such title”.

6 (2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is
7 amended by inserting “under a State program fund-
8 ed under” before “part A of title IV”.

9 (b) AMENDMENT TO PART B OF TITLE IV.—Section
10 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking
11 “under the State plan approved” and inserting “under the
12 State program funded.”.

13 (c) AMENDMENTS TO PART D OF TITLE IV.—

14 (1) Section 451 (42 U.S.C. 651) is amended by
15 striking “aid” and inserting “assistance under a
16 State program funded”.

17 (2) Section 452(a)(10)(C) (42 U.S.C.
18 652(a)(10)(C)) is amended—

19 (A) by striking “aid to families with de-
20 pendent children” and inserting “assistance
21 under a State program funded under part A”;

22 (B) by striking “such aid” and inserting
23 “such assistance”; and

1 (C) by striking “under section 402(a)(26)
2 or” and inserting “pursuant to section
3 408(a)(4) or under section”.

4 (3) Section 452(a)(10)(F) (42 U.S.C.
5 652(a)(10)(F)) is amended—

6 (A) by striking “aid under a State plan ap-
7 proved” and inserting “assistance under a State
8 program funded”; and

9 (B) by striking “in accordance with the
10 standards referred to in section
11 402(a)(26)(B)(ii)” and inserting “by the
12 State”.

13 (4) Section 452(b) (42 U.S.C. 652(b)) is
14 amended in the first sentence by striking “aid under
15 the State plan approved under part A” and inserting
16 “assistance under the State program funded under
17 part A”.

18 (5) Section 452(d)(3)(B)(i) (42 U.S.C.
19 652(d)(3)(B)(i)) is amended by striking “1115(c)”
20 and inserting “1115(b)”.

21 (6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C.
22 652(g)(2)(A)(ii)(I)) is amended by striking “aid is
23 being paid under the State’s plan approved under
24 part A or E” and inserting “assistance is being pro-

1 vided under the State program funded under part
2 A”.

3 (7) Section 452(g)(2)(A) (42 U.S.C.
4 652(g)(2)(A)) is amended in the matter following
5 clause (iii) by striking “aid was being paid under the
6 State’s plan approved under part A or E” and in-
7 serting “assistance was being provided under the
8 State program funded under part A”.

9 (8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
10 amended in the matter following subparagraph
11 (B)—

12 (A) by striking “who is a dependent child”
13 and inserting “with respect to whom assistance
14 is being provided under the State program
15 funded under part A”;

16 (B) by inserting “by the State agency ad-
17 ministering the State plan approved under this
18 part” after “found”; and

19 (C) by striking “under section 402(a)(26)”
20 and inserting “with the State in establishing
21 paternity”.

22 (9) Section 452(h) (42 U.S.C. 652(h)) is
23 amended by striking “under section 402(a)(26)” and
24 inserting “pursuant to section 408(a)(4)”.

1 (10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is
2 amended by striking “aid under part A of this title”
3 and inserting “assistance under a State program
4 funded under part A”.

5 (11) Section 454(5)(A) (42 U.S.C. 654(5)(A))
6 is amended—

7 (A) by striking “under section 402(a)(26)”
8 and inserting “pursuant to section 408(a)(4)”;
9 and

10 (B) by striking “; except that this para-
11 graph shall not apply to such payments for any
12 month following the first month in which the
13 amount collected is sufficient to make such
14 family ineligible for assistance under the State
15 plan approved under part A;” and inserting a
16 comma.

17 (12) Section 454(6)(D) (42 U.S.C. 654(6)(D))
18 is amended by striking “aid under a State plan ap-
19 proved” and inserting “assistance under a State pro-
20 gram funded”.

21 (13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is
22 amended by striking “under section 402(a)(26)”.

23 (14) Section 466(a)(3)(B) (42 U.S.C.
24 666(a)(3)(B)) is amended by striking “402(a)(26)”
25 and inserting “408(a)(4)”.

1 (15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is
2 amended by striking “aid” and inserting “assistance
3 under a State program funded”.

4 (16) Section 469(a) (42 U.S.C. 669(a)) is
5 amended—

6 (A) by striking “aid under plans approved”
7 and inserting “assistance under State programs
8 funded”; and

9 (B) by striking “such aid” and inserting
10 “such assistance”.

11 (d) AMENDMENTS TO PART E OF TITLE IV.—

12 (1) Section 470 (42 U.S.C. 670) is amended—

13 (A) by striking “would be” and inserting
14 “would have been”; and

15 (B) by inserting “(as such plan was in ef-
16 fect on March 1, 1996)” after “part A”.

17 (2) Section 471(17) (42 U.S.C. 671(17)) is
18 amended by striking “plans approved under parts A
19 and D” and inserting “program funded under part
20 A and plan approved under part D”.

21 (3) Section 472(a) (42 U.S.C. 672(a)) is
22 amended—

23 (A) in the matter preceding paragraph

24 (1)—

1 (i) by striking “would meet” and in-
2 serting “would have met”;

3 (ii) by inserting “(as such sections
4 were in effect on June 1, 1995)” after
5 “407”; and

6 (iii) by inserting “(as so in effect)”
7 after “406(a)”; and

8 (B) in paragraph (4)—

9 (i) in subparagraph (A)—

10 (I) by inserting “would have”
11 after “(A)”; and

12 (II) by inserting “(as in effect on
13 June 1, 1995)” after “section 402”;
14 and

15 (ii) in subparagraph (B)(ii), by insert-
16 ing “(as in effect on June 1, 1995)” after
17 “406(a)”.

18 (4) Section 472(h) (42 U.S.C. 672(h)) is
19 amended to read as follows:

20 “(h)(1) For purposes of title XIX, any child with re-
21 spect to whom foster care maintenance payments are
22 made under this section shall be deemed to be a dependent
23 child as defined in section 406 (as in effect as of June
24 1, 1995) and shall be deemed to be a recipient of aid to
25 families with dependent children under part A of this title

1 (as so in effect). For purposes of title XX, any child with
2 respect to whom foster care maintenance payments are
3 made under this section shall be deemed to be a minor
4 child in a needy family under a State program funded
5 under part A and shall be deemed to be a recipient of
6 assistance under such part.

7 “(2) For purposes of paragraph (1), a child whose
8 costs in a foster family home or child care institution are
9 covered by the foster care maintenance payments being
10 made with respect to the child’s minor parent, as provided
11 in section 475(4)(B), shall be considered a child with re-
12 spect to whom foster care maintenance payments are
13 made under this section.”

14 (5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is
15 amended—

16 (A) in subparagraph (A)(i)—

17 (i) by inserting “(as such sections
18 were in effect on June 1, 1995)” after
19 “407”;

20 (ii) by inserting “(as so in effect)”
21 after “specified in section 406(a)”; and

22 (iii) by inserting “(as such section was
23 in effect on June 1, 1995)” after “403”;

24 (B) in subparagraph (B)(i)—

1 (i) by inserting “would have” after
2 “(B)(i)”; and

3 (ii) by inserting “(as in effect on June
4 1, 1995)” after “section 402”; and

5 (C) in subparagraph (B)(ii)(II), by insert-
6 ing “(as in effect on June 1, 1995)” after
7 “406(a)”.

8 (6) Section 473(b) (42 U.S.C. 673(b)) is
9 amended to read as follows:

10 “(b)(1) For purposes of title XIX, any child who is
11 described in paragraph (3) shall be deemed to be a de-
12 pendent child as defined in section 406 (as in effect as
13 of June 1, 1995) and shall be deemed to be a recipient
14 of aid to families with dependent children under part A
15 of this title (as so in effect) in the State where such child
16 resides.

17 “(2) For purposes of title XX, any child who is de-
18 scribed in paragraph (3) shall be deemed to be a minor
19 child in a needy family under a State program funded
20 under part A and shall be deemed to be a recipient of
21 assistance under such part.

22 “(3) A child described in this paragraph is any
23 child—

24 “(A)(i) who is a child described in subsection
25 (a)(2), and

1 “(ii) with respect to whom an adoption assist-
2 ance agreement is in effect under this section
3 (whether or not adoption assistance payments are
4 provided under the agreement or are being made
5 under this section), including any such child who has
6 been placed for adoption in accordance with applica-
7 ble State and local law (whether or not an interlocu-
8 tory or other judicial decree of adoption has been is-
9 sued), or

10 “(B) with respect to whom foster care mainte-
11 nance payments are being made under section 472.

12 “(4) For purposes of paragraphs (1) and (2), a child
13 whose costs in a foster family home or child-care institu-
14 tion are covered by the foster care maintenance payments
15 being made with respect to the child’s minor parent, as
16 provided in section 475(4)(B), shall be considered a child
17 with respect to whom foster care maintenance payments
18 are being made under section 472.”.

19 (e) REPEAL OF PART F OF TITLE IV.—Part F of
20 title IV (42 U.S.C. 681–687) is repealed.

21 (f) AMENDMENT TO TITLE X.—Section 1002(a)(7)
22 (42 U.S.C. 1202(a)(7)) is amended by striking “aid to
23 families with dependent children under the State plan ap-
24 proved under section 402 of this Act” and inserting “as-

1 sistance under a State program funded under part A of
2 title IV”.

3 (g) AMENDMENTS TO TITLE XI.—

4 (1) Section 1108 (42 U.S.C. 1308) is amend-
5 ed—

6 (A) by redesignating subsection (c) as sub-
7 section (g);

8 (B) by striking all that precedes subsection
9 (c) and inserting the following:

10 **“SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE**
11 **VIRGIN ISLANDS, GUAM, AND AMERICAN**
12 **SAMOA; LIMITATION ON TOTAL PAYMENTS.**

13 “(a) LIMITATION ON TOTAL PAYMENTS TO EACH
14 TERRITORY.—Notwithstanding any other provision of this
15 Act, the total amount certified by the Secretary of Health
16 and Human Services under titles I, X, XIV, and XVI,
17 under parts A and B of title IV, and under subsection
18 (b) of this section, for payment to any territory for a fiscal
19 year shall not exceed the ceiling amount for the territory
20 for the fiscal year.

21 “(b) ENTITLEMENT TO MATCHING GRANT.—

22 “(1) IN GENERAL.—Each territory shall be en-
23 titled to receive from the Secretary for each fiscal
24 year a grant in an amount equal to 75 percent of
25 the amount (if any) by which—

1 “(A) the total expenditures of the territory
2 during the fiscal year under the territory pro-
3 grams funded under parts A and B of title IV;
4 exceeds

5 “(B) the sum of—

6 “(i) the total amount required to be
7 paid to the territory (other than with re-
8 spect to child care) under former section
9 403 (as in effect on September 30, 1995)
10 for fiscal year 1995, which shall be deter-
11 mined by applying subparagraphs (C) and
12 (D) of section 403(a)(1) to the territory;

13 “(ii) the total amount required to be
14 paid to the territory under former section
15 434 (as so in effect) for fiscal year 1995;
16 and

17 “(iii) the total amount expended by
18 the territory during fiscal year 1995 pur-
19 suant to parts A, B, and F of title IV (as
20 so in effect), other than for child care.

21 “(2) USE OF GRANT.—Any territory to which a
22 grant is made under paragraph (1) may expend the
23 amount under any program operated or funded
24 under any provision of law specified in subsection
25 (a).

1 “(c) DEFINITIONS.—As used in this section:

2 “(1) TERRITORY.—The term ‘territory’ means
3 Puerto Rico, the Virgin Islands, Guam, and Amer-
4 ican Samoa.

5 “(2) CEILING AMOUNT.—The term ‘ceiling
6 amount’ means, with respect to a territory and a fis-
7 cal year, the mandatory ceiling amount with respect
8 to the territory plus the discretionary ceiling amount
9 with respect to the territory, reduced for the fiscal
10 year in accordance with subsection (f).

11 “(3) MANDATORY CEILING AMOUNT.—The term
12 ‘mandatory ceiling amount’ means—

13 “(A) \$105,538,000 with respect to Puerto
14 Rico;

15 “(B) \$4,902,000 with respect to Guam;

16 “(C) \$3,742,000 with respect to the Virgin
17 Islands; and

18 “(D) \$1,122,000 with respect to American
19 Samoa.

20 “(4) DISCRETIONARY CEILING AMOUNT.—The
21 term ‘discretionary ceiling amount’ means, with re-
22 spect to a territory and a fiscal year, the total
23 amount appropriated pursuant to subsection (d)(3)
24 for the fiscal year for payment to the territory.

1 “(5) TOTAL AMOUNT EXPENDED BY THE TER-
2 RITORY.—The term ‘total amount expended by the
3 territory’—

4 “(A) does not include expenditures during
5 the fiscal year from amounts made available by
6 the Federal Government; and

7 “(B) when used with respect to fiscal year
8 1995, also does not include—

9 “(i) expenditures during fiscal year
10 1995 under subsection (g) or (i) of section
11 402 (as in effect on September 30, 1995);
12 or

13 “(ii) any expenditures during fiscal
14 year 1995 for which the territory (but for
15 section 1108, as in effect on September 30,
16 1995) would have received reimbursement
17 from the Federal Government.

18 “(d) DISCRETIONARY GRANTS.—

19 “(1) IN GENERAL.—The Secretary shall make a
20 grant to each territory for any fiscal year in the
21 amount appropriated pursuant to paragraph (3) for
22 the fiscal year for payment to the territory.

23 “(2) USE OF GRANT.—Any territory to which a
24 grant is made under paragraph (1) may expend the
25 amount under any program operated or funded

1 under any provision of law specified in subsection
2 (a).

3 “(3) LIMITATION ON AUTHORIZATION OF AP-
4 PROPRIATIONS.—For grants under paragraph (1),
5 there are authorized to be appropriated to the Sec-
6 retary for each fiscal year—

7 “(A) \$7,951,000 for payment to Puerto
8 Rico;

9 “(B) \$345,000 for payment to Guam;

10 “(C) \$275,000 for payment to the Virgin
11 Islands; and

12 “(D) \$190,000 for payment to American
13 Samoa.

14 “(e) AUTHORITY TO TRANSFER FUNDS AMONG PRO-
15 GRAMS.—Notwithstanding any other provision of this Act,
16 any territory to which an amount is paid under any provi-
17 sion of law specified in subsection (a) may use part or
18 all of the amount to carry out any program operated by
19 the territory, or funded, under any other such provision
20 of law.

21 “(f) MAINTENANCE OF EFFORT.—The ceiling
22 amount with respect to a territory shall be reduced for
23 a fiscal year by an amount equal to the amount (if any)
24 by which—

1 “(1) the total amount expended by the territory
2 under all programs of the territory operated pursu-
3 ant to the provisions of law specified in subsection
4 (a) (as such provisions were in effect for fiscal year
5 1995) for fiscal year 1995; exceeds

6 “(2) the total amount expended by the territory
7 under all programs of the territory that are funded
8 under the provisions of law specified in subsection
9 (a) for the fiscal year that immediately precedes the
10 fiscal year referred to in the matter preceding para-
11 graph (1).”; and

12 (C) by striking subsections (d) and (e).

13 (2) Section 1109 (42 U.S.C. 1309) is amended
14 by striking “or part A of title IV,”.

15 (3) Section 1115 (42 U.S.C. 1315) is amend-
16 ed—

17 (A) in subsection (a)(2)—

18 (i) by inserting “(A)” after “(2)”;

19 (ii) by striking “403,”;

20 (iii) by striking the period at the end
21 and inserting “, and”;

22 (iv) by adding at the end the following
23 new subparagraph:

24 “(B) costs of such project which would not oth-
25 erwise be a permissible use of funds under part A

1 of title IV and which are not included as part of the
2 costs of projects under section 1110, shall to the ex-
3 tent and for the period prescribed by the Secretary,
4 be regarded as a permissible use of funds under
5 such part.”; and

6 (B) in subsection (c)(3), by striking
7 “under the program of aid to families with de-
8 pendent children” and inserting “part A of
9 such title”.

10 (4) Section 1116 (42 U.S.C. 1316) is amend-
11 ed—

12 (A) in each of subsections (a)(1), (b), and
13 (d), by striking “or part A of title IV,”; and

14 (B) in subsection (a)(3), by striking
15 “404,”.

16 (5) Section 1118 (42 U.S.C. 1318) is amend-
17 ed—

18 (A) by striking “403(a),”;

19 (B) by striking “and part A of title IV,”;

20 and

21 (C) by striking “, and shall, in the case of
22 American Samoa, mean 75 per centum with re-
23 spect to part A of title IV”.

24 (6) Section 1119 (42 U.S.C. 1319) is amend-
25 ed—

1 (A) by striking “or part A of title IV”; and

2 (B) by striking “403(a),”.

3 (7) Section 1133(a) (42 U.S.C. 1320b–3(a)) is
4 amended by striking “or part A of title IV,”.

5 (8) Section 1136 (42 U.S.C. 1320b–6) is re-
6 pealed.

7 (9) Section 1137 (42 U.S.C. 1320b–7) is
8 amended—

9 (A) in subsection (b), by striking para-
10 graph (1) and inserting the following:

11 “(1) any State program funded under part A of
12 title IV of this Act;” and

13 (B) in subsection (d)(1)(B)—

14 (i) by striking “In this subsection—”
15 and all that follows through “(ii) in” and
16 inserting “In this subsection, in”;

17 (ii) by redesignating subclauses (I),
18 (II), and (III) as clauses (i), (ii), and (iii);
19 and

20 (iii) by moving such redesignated ma-
21 terial 2 ems to the left.

22 (h) AMENDMENT TO TITLE XIV.—Section
23 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking
24 “aid to families with dependent children under the State
25 plan approved under section 402 of this Act” and insert-

1 ing “assistance under a State program funded under part
2 A of title IV”.

3 (i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
4 RESPECT TO THE TERRITORIES.—Section 1602(a)(11),
5 as in effect without regard to the amendment made by
6 section 301 of the Social Security Amendments of 1972
7 (42 U.S.C. 1382 note), is amended by striking “aid under
8 the State plan approved” and inserting “assistance under
9 a State program funded”.

10 (j) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
11 RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42
12 U.S.C. 1382(c)(5)(A)) is amended to read as follows: “(A)
13 a State program funded under part A of title IV,”.

14 (k) AMENDMENT TO TITLE XIX.—Section 1902(j)
15 (42 U.S.C. 1396a(j)) is amended by striking “1108(c)”
16 and inserting “1108(g)”.

17 **SEC. 109. CONFORMING AMENDMENTS TO THE FOOD**
18 **STAMP ACT OF 1977 AND RELATED PROVI-**
19 **SIONS.**

20 (a) Section 5 of the Food Stamp Act of 1977 (7
21 U.S.C. 2014) is amended—

22 (1) in the second sentence of subsection (a), by
23 striking “plan approved” and all that follows
24 through “title IV of the Social Security Act” and in-

1 serting “program funded under part A of title IV of
2 the Social Security Act (42 U.S.C. 601 et seq.)”;

3 (2) in subsection (d)—

4 (A) in paragraph (5), by striking “assist-
5 ance to families with dependent children” and
6 inserting “assistance under a State program
7 funded”; and

8 (B) by striking paragraph (13) and redesi-
9 gnating paragraphs (14), (15), and (16) as
10 paragraphs (13), (14), and (15), respectively;

11 (3) in subsection (j), by striking “plan approved
12 under part A of title IV of such Act (42 U.S.C. 601
13 et seq.)” and inserting “program funded under part
14 A of title IV of the Act (42 U.S.C. 601 et seq.)”;
15 and

16 (4) by striking subsection (m).

17 (b) Section 6 of such Act (7 U.S.C. 2015) is amend-
18 ed—

19 (1) in subsection (c)(5), by striking “the State
20 plan approved” and inserting “the State program
21 funded”; and

22 (2) in subsection (e)(6), by striking “aid to
23 families with dependent children” and inserting
24 “benefits under a State program funded”.

1 (c) Section 16(g)(4) of such Act (7 U.S.C.
2 2025(g)(4)) is amended by striking “State plans under the
3 Aid to Families with Dependent Children Program under”
4 and inserting “State programs funded under part A of”.

5 (d) Section 17 of such Act (7 U.S.C. 2026) is amend-
6 ed—

7 (1) in the first sentence of subsection (b)(1)(A),
8 by striking “to aid to families with dependent chil-
9 dren under part A of title IV of the Social Security
10 Act” and inserting “or are receiving assistance
11 under a State program funded under part A of title
12 IV of the Social Security Act (42 U.S.C. 601 et
13 seq.)”; and

14 (2) in subsection (b)(3), by adding at the end
15 the following new subparagraph:

16 “(I) The Secretary may not grant a waiver
17 under this paragraph on or after October 1, 1995.
18 Any reference in this paragraph to a provision of
19 title IV of the Social Security Act shall be deemed
20 to be a reference to such provision as in effect on
21 September 30, 1995.”;

22 (e) Section 20 of such Act (7 U.S.C. 2029) is amend-
23 ed—

- 1 (1) in subsection (a)(2)(B) by striking “operat-
2 ing—” and all that follows through “(ii) any other”
3 and inserting “operating any”; and
- 4 (2) in subsection (b)—
- 5 (A) in paragraph (1)—
- 6 (i) by striking “(b)(1) A household”
7 and inserting “(b) A household”; and
- 8 (ii) in subparagraph (B), by striking
9 “training program” and inserting “activ-
10 ity”;
- 11 (B) by striking paragraph (2); and
- 12 (C) by redesignating subparagraphs (A)
13 through (F) as paragraphs (1) through (6), re-
14 spectively.
- 15 (f) Section 5(h)(1) of the Agriculture and Consumer
16 Protection Act of 1973 (Public Law 93–186; 7 U.S.C.
17 612c note) is amended by striking “the program for aid
18 to families with dependent children” and inserting “the
19 State program funded”.
- 20 (g) Section 9 of the National School Lunch Act (42
21 U.S.C. 1758) is amended—
- 22 (1) in subsection (b)—
- 23 (A) in paragraph (2)(C)(ii)(II)—

1 (i) by striking “program for aid to
2 families with dependent children” and in-
3 sserting “State program funded”; and

4 (ii) by inserting before the period at
5 the end the following: “that the Secretary
6 determines complies with standards estab-
7 lished by the Secretary that ensure that
8 the standards under the State program are
9 comparable to or more restrictive than
10 those in effect on March 1, 1996”; and

11 (B) in paragraph (6)—

12 (i) in subparagraph (A)(ii)—

13 (I) by striking “an AFDC assist-
14 ance unit (under the aid to families
15 with dependent children program au-
16 thorized” and inserting “a family
17 (under the State program funded”;
18 and

19 (II) by striking “, in a State”
20 and all that follows through
21 “9902(2)))” and inserting “that the
22 Secretary determines complies with
23 standards established by the Secretary
24 that ensure that the standards under
25 the State program are comparable to

1 or more restrictive than those in effect
2 on March 1, 1996”; and

3 (ii) in subparagraph (B), by striking
4 “aid to families with dependent children”
5 and inserting “assistance under the State
6 program funded under part A of title IV of
7 the Social Security Act (42 U.S.C. 601 et
8 seq.) that the Secretary determines com-
9 plies with standards established by the
10 Secretary that ensure that the standards
11 under the State program are comparable
12 to or more restrictive than those in effect
13 on March 1, 1996”; and

14 (2) in subsection (d)(2)(C)—

15 (A) by striking “program for aid to fami-
16 lies with dependent children” and inserting
17 “State program funded”; and

18 (B) by inserting before the period at the
19 end the following: “that the Secretary deter-
20 mines complies with standards established by
21 the Secretary that ensure that the standards
22 under the State program are comparable to or
23 more restrictive than those in effect on June 1,
24 1995”.

1 (h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition
2 Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amend-
3 ed—

4 (1) by striking “program for aid to families
5 with dependent children established” and inserting
6 “State program funded”; and

7 (2) by inserting before the semicolon the follow-
8 ing: “that the Secretary determines complies with
9 standards established by the Secretary that ensure
10 that the standards under the State program are
11 comparable to or more restrictive than those in ef-
12 fect on June 1, 1995”.

13 **SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.**

14 (a) Subsection (b) of section 508 of the Unemploy-
15 ment Compensation Amendments of 1976 (42 U.S.C.
16 603a; Public Law 94-566; 90 Stat. 2689) is amended to
17 read as follows:

18 “(b) **PROVISION FOR REIMBURSEMENT OF EX-**
19 **PENSES.**—For purposes of section 455 of the Social Secu-
20 rity Act, expenses incurred to reimburse State employment
21 offices for furnishing information requested of such of-
22 fices—

23 “(1) pursuant to the third sentence of section
24 3(a) of the Act entitled ‘An Act to provide for the
25 establishment of a national employment system and

1 for cooperation with the States in the promotion of
2 such system, and for other purposes', approved June
3 6, 1933 (29 U.S.C. 49b(a)), or

4 “(2) by a State or local agency charged with
5 the duty of carrying a State plan for child support
6 approved under part D of title IV of the Social Se-
7 curity Act,

8 shall be considered to constitute expenses incurred in the
9 administration of such State plan.”.

10 (b) Section 9121 of the Omnibus Budget Reconcili-
11 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

12 (c) Section 9122 of the Omnibus Budget Reconcili-
13 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

14 (d) Section 221 of the Housing and Urban-Rural Re-
15 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-
16 ment under AFDC of certain rental payments for federally
17 assisted housing, is repealed.

18 (e) Section 159 of the Tax Equity and Fiscal Respon-
19 sibility Act of 1982 (42 U.S.C. 602 note) is repealed.

20 (f) Section 202(d) of the Social Security Amendments
21 of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

22 (g) Section 903 of the Stewart B. McKinney Home-
23 less Assistance Amendments Act of 1988 (42 U.S.C.
24 11381 note), relating to demonstration projects to reduce
25 number of AFDC families in welfare hotels, is amended—

1 (1) in subsection (a), by striking “aid to fami-
2 lies with dependent children under a State plan ap-
3 proved” and inserting “assistance under a State pro-
4 gram funded”; and

5 (2) in subsection (c), by striking “aid to fami-
6 lies with dependent children in the State under a
7 State plan approved” and inserting “assistance in
8 the State under a State program funded”.

9 (h) The Higher Education Act of 1965 (20 U.S.C.
10 1001 et seq.) is amended—

11 (1) in section 404C(c)(3) (20 U.S.C. 1070a-
12 23(c)(3)), by striking “(Aid to Families with De-
13 pendent Children)”; and

14 (2) in section 480(b)(2) (20 U.S.C.
15 1087vv(b)(2)), by striking “aid to families with de-
16 pendent children under a State plan approved” and
17 inserting “assistance under a State program fund-
18 ed”.

19 (i) The Carl D. Perkins Vocational and Applied Tech-
20 nology Education Act (20 U.S.C. 2301 et seq.) is amend-
21 ed—

22 (1) in section 231(d)(3)(A)(ii) (20 U.S.C.
23 2341(d)(3)(A)(ii)), by striking “the program for aid
24 to dependent children” and inserting “the State pro-
25 gram funded”;

1 (2) in section 232(b)(2)(B) (20 U.S.C.
2 2341a(b)(2)(B)), by striking “the program for aid to
3 families with dependent children” and inserting “the
4 State program funded”; and

5 (3) in section 521(14)(B)(iii) (20 U.S.C.
6 2471(14)(B)(iii)), by striking “the program for aid
7 to families with dependent children” and inserting
8 “the State program funded”.

9 (j) The Elementary and Secondary Education Act of
10 1965 (20 U.S.C. 2701 et seq.) is amended—

11 (1) in section 1113(a)(5) (20 U.S.C.
12 6313(a)(5)), by striking “Aid to Families with De-
13 pendent Children Program” and inserting “State
14 program funded under part A of title IV of the So-
15 cial Security Act”;

16 (2) in section 1124(c)(5) (20 U.S.C.
17 6333(c)(5)), by striking “the program of aid to fam-
18 ilies with dependent children under a State plan ap-
19 proved under” and inserting “a State program fund-
20 ed under part A of”; and

21 (3) in section 5203(b)(2) (20 U.S.C.
22 7233(b)(2))—

23 (A) in subparagraph (A)(xi), by striking
24 “Aid to Families with Dependent Children ben-
25 efits” and inserting “assistance under a State

1 program funded under part A of title IV of the
2 Social Security Act”; and

3 (B) in subparagraph (B)(viii), by striking
4 “Aid to Families with Dependent Children” and
5 inserting “assistance under the State program
6 funded under part A of title IV of the Social
7 Security Act”.

8 (k) Chapter VII of title I of Public Law 99–88 (25
9 U.S.C. 13d–1) is amended to read as follows: “*Provided*
10 *further*, That general assistance payments made by the
11 Bureau of Indian Affairs shall be made—

12 “(1) after April 29, 1985, and before October
13 1, 1995, on the basis of Aid to Families with De-
14 pendent Children (AFDC) standards of need; and

15 “(2) on and after October 1, 1995, on the basis
16 of standards of need established under the State
17 program funded under part A of title IV of the So-
18 cial Security Act,

19 except that where a State ratably reduces its AFDC or
20 State program payments, the Bureau shall reduce general
21 assistance payments in such State by the same percentage
22 as the State has reduced the AFDC or State program pay-
23 ment.”.

24 (l) The Internal Revenue Code of 1986 (26 U.S.C.
25 1 et seq.) is amended—

1 (1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by
2 striking all that follows “agency as” and inserting
3 “being eligible for financial assistance under part A
4 of title IV of the Social Security Act and as having
5 continually received such financial assistance during
6 the 90-day period which immediately precedes the
7 date on which such individual is hired by the em-
8 ployer.”;

9 (2) in section 3304(a)(16) (26 U.S.C.
10 3304(a)(16)), by striking “eligibility for aid or serv-
11 ices,” and all that follows through “children ap-
12 proved” and inserting “eligibility for assistance, or
13 the amount of such assistance, under a State pro-
14 gram funded”;

15 (3) in section 6103(l)(7)(D)(i) (26 U.S.C.
16 6103(l)(7)(D)(i)), by striking “aid to families with
17 dependent children provided under a State plan ap-
18 proved” and inserting “a State program funded”;

19 (4) in section 6103(l)(10) (26 U.S.C.
20 6103(l)(10))—

21 (A) by striking “(c) or (d)” each place it
22 appears and inserting “(c), (d), or (e)”;

23 (B) by adding at the end of subparagraph
24 (B) the following new sentence: “Any return in-
25 formation disclosed with respect to section

1 6402(e) shall only be disclosed to officers and
2 employees of the State agency requesting such
3 information.”;

4 (5) in section 6103(p)(4) (26 U.S.C.
5 6103(p)(4)), in the matter preceding subparagraph
6 (A)—

7 (A) by striking “(5), (10)” and inserting
8 “(5)”; and

9 (B) by striking “(9), or (12)” and insert-
10 ing “(9), (10), or (12)”;

11 (6) in section 6334(a)(11)(A) (26 U.S.C.
12 6334(a)(11)(A)), by striking “(relating to aid to
13 families with dependent children)”;

14 (7) in section 6402 (26 U.S.C. 6402)—

15 (A) in subsection (a), by striking “(c) and
16 (d)” and inserting “(c), (d), and (e)”;

17 (B) by redesignating subsections (e)
18 through (i) as subsections (f) through (j), re-
19 spectively; and

20 (C) by inserting after subsection (d) the
21 following:

22 “(e) COLLECTION OF OVERPAYMENTS UNDER TITLE
23 IV—A OF THE SOCIAL SECURITY ACT.—The amount of
24 any overpayment to be refunded to the person making the
25 overpayment shall be reduced (after reductions pursuant

1 to subsections (c) and (d), but before a credit against fu-
2 ture liability for an internal revenue tax) in accordance
3 with section 405(e) of the Social Security Act (concerning
4 recovery of overpayments to individuals under State plans
5 approved under part A of title IV of such Act).”; and

6 (8) in section 7523(b)(3)(C) (26 U.S.C.
7 7523(b)(3)(C)), by striking “aid to families with de-
8 pendent children” and inserting “assistance under a
9 State program funded under part A of title IV of the
10 Social Security Act”.

11 (m) Section 3(b) of the Wagner-Peyser Act (29
12 U.S.C. 49b(b)) is amended by striking “State plan ap-
13 proved under part A of title IV” and inserting “State pro-
14 gram funded under part A of title IV”.

15 (n) The Job Training Partnership Act (29 U.S.C.
16 1501 et seq.) is amended—

17 (1) in section 4(29)(A)(i) (29 U.S.C.
18 1503(29)(A)(i)), by striking “(42 U.S.C. 601 et
19 seq.)”;

20 (2) in section 106(b)(6)(C) (29 U.S.C.
21 1516(b)(6)(C)), by striking “State aid to families
22 with dependent children records,” and inserting
23 “records collected under the State program funded
24 under part A of title IV of the Social Security Act,”;

1 (3) in section 121(b)(2) (29 U.S.C.
2 1531(b)(2))—

3 (A) by striking “the JOBS program” and
4 inserting “the work activities required under
5 title IV of the Social Security Act”; and

6 (B) by striking the second sentence;

7 (4) in section 123(c) (29 U.S.C. 1533(c))—

8 (A) in paragraph (1)(E), by repealing
9 clause (vi); and

10 (B) in paragraph (2)(D), by repealing
11 clause (v);

12 (5) in section 203(b)(3) (29 U.S.C.
13 1603(b)(3)), by striking “, including recipients
14 under the JOBS program”;

15 (6) in subparagraphs (A) and (B) of section
16 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by
17 striking “(such as the JOBS program)” each place
18 it appears;

19 (7) in section 205(a) (29 U.S.C. 1605(a)), by
20 striking paragraph (4) and inserting the following:

21 “(4) the portions of title IV of the Social Secu-
22 rity Act relating to work activities;”;

23 (8) in section 253 (29 U.S.C. 1632)—

24 (A) in subsection (b)(2), by repealing sub-
25 paragraph (C); and

1 (B) in paragraphs (1)(B) and (2)(B) of
2 subsection (c), by striking “the JOBS program
3 or” each place it appears;

4 (9) in section 264 (29 U.S.C. 1644)—

5 (A) in subparagraphs (A) and (B) of sub-
6 section (b)(1), by striking “(such as the JOBS
7 program)” each place it appears; and

8 (B) in subparagraphs (A) and (B) of sub-
9 section (d)(3), by striking “and the JOBS pro-
10 gram” each place it appears;

11 (10) in section 265(b) (29 U.S.C. 1645(b)), by
12 striking paragraph (6) and inserting the following:

13 “(6) the portion of title IV of the Social Secu-
14 rity Act relating to work activities;”;

15 (11) in the second sentence of section 429(e)
16 (29 U.S.C. 1699(e)), by striking “and shall be in an
17 amount that does not exceed the maximum amount
18 that may be provided by the State pursuant to sec-
19 tion 402(g)(1)(C) of the Social Security Act (42
20 U.S.C. 602(g)(1)(C))”;

21 (12) in section 454(c) (29 U.S.C. 1734(c)), by
22 striking “JOBS and”;

23 (13) in section 455(b) (29 U.S.C. 1735(b)), by
24 striking “the JOBS program,”;

1 (14) in section 501(1) (29 U.S.C. 1791(1)), by
2 striking “aid to families with dependent children
3 under part A of title IV of the Social Security Act
4 (42 U.S.C. 601 et seq.)” and inserting “assistance
5 under the State program funded under part A of
6 title IV of the Social Security Act”;

7 (15) in section 506(1)(A) (29 U.S.C.
8 1791e(1)(A)), by striking “aid to families with de-
9 pendent children” and inserting “assistance under
10 the State program funded”;

11 (16) in section 508(a)(2)(A) (29 U.S.C.
12 1791g(a)(2)(A)), by striking “aid to families with
13 dependent children” and inserting “assistance under
14 the State program funded”; and

15 (17) in section 701(b)(2)(A) (29 U.S.C.
16 1792(b)(2)(A))—

17 (A) in clause (v), by striking the semicolon
18 and inserting “; and”; and

19 (B) by striking clause (vi).

20 (o) Section 3803(c)(2)(C)(iv) of title 31, United
21 States Code, is amended to read as follows:

22 “(iv) assistance under a State pro-
23 gram funded under part A of title IV of
24 the Social Security Act”.

1 (p) Section 2605(b)(2)(A)(i) of the Low-Income
2 Home Energy Assistance Act of 1981 (42 U.S.C.
3 8624(b)(2)(A)(i)) is amended to read as follows:

4 “(i) assistance under the State pro-
5 gram funded under part A of title IV of
6 the Social Security Act;”.

7 (q) Section 303(f)(2) of the Family Support Act of
8 1988 (42 U.S.C. 602 note) is amended—

9 (1) by striking “(A)”; and

10 (2) by striking subparagraphs (B) and (C).

11 (r) The Balanced Budget and Emergency Deficit
12 Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

13 (1) in the first section 255(h) (2 U.S.C.
14 905(h)), by striking “Aid to families with dependent
15 children (75–0412–0–1–609);” and inserting “Block
16 grants to States for temporary assistance for needy
17 families;”; and

18 (2) in section 256 (2 U.S.C. 906)—

19 (A) by striking subsection (k); and

20 (B) by redesignating subsection (l) as sub-
21 section (k).

22 (s) The Immigration and Nationality Act (8 U.S.C.
23 1101 et seq.) is amended—

24 (1) in section 210(f) (8 U.S.C. 1160(f)), by
25 striking “aid under a State plan approved under”

1 each place it appears and inserting “assistance
2 under a State program funded under”;

3 (2) in section 245A(h) (8 U.S.C. 1255a(h))—

4 (A) in paragraph (1)(A)(i), by striking
5 “program of aid to families with dependent chil-
6 dren” and inserting “State program of assist-
7 ance”; and

8 (B) in paragraph (2)(B), by striking “aid
9 to families with dependent children” and insert-
10 ing “assistance under a State program funded
11 under part A of title IV of the Social Security
12 Act”; and

13 (3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)),
14 by striking “State plan approved” and inserting
15 “State program funded”.

16 (t) Section 640(a)(4)(B)(i) of the Head Start Act (42
17 U.S.C. 9835(a)(4)(B)(i)) is amended by striking “pro-
18 gram of aid to families with dependent children under a
19 State plan approved” and inserting “State program of as-
20 sistance funded”.

21 (u) Section 9 of the Act of April 19, 1950 (64 Stat.
22 47, chapter 92; 25 U.S.C. 639) is repealed.

23 (v) Subparagraph (E) of section 213(d)(6) of the
24 School-To-Work Opportunities Act of 1994 (20 U.S.C.
25 6143(d)(6)) is amended to read as follows:

1 “(E) part A of title IV of the Social Secu-
2 rity Act (42 U.S.C. 601 et seq.) relating to
3 work activities;”.

4 (w) Section 552a(a)(8)(B)(iv)(III) of title 5, United
5 States Code, is amended by striking “section 464 or 1137
6 of the Social Security Act” and inserting “section 404(e),
7 464, or 1137 of the Social Security Act.”.

8 **SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTER-**
9 **FEIT-RESISTANT SOCIAL SECURITY CARD RE-**
10 **QUIRED.**

11 (a) DEVELOPMENT.—

12 (1) IN GENERAL.—The Commissioner of Social
13 Security (in this section referred to as the “Commis-
14 sioner”) shall, in accordance with this section, de-
15 velop a prototype of a counterfeit-resistant social se-
16 curity card. Such prototype card shall—

17 (A) be made of a durable, tamper-resistant
18 material such as plastic or polyester,

19 (B) employ technologies that provide secu-
20 rity features, such as magnetic stripes,
21 holograms, and integrated circuits, and

22 (C) be developed so as to provide individ-
23 uals with reliable proof of citizenship or legal
24 resident alien status.

1 (2) ASSISTANCE BY ATTORNEY GENERAL.—The
2 Attorney General of the United States shall provide
3 such information and assistance as the Commis-
4 sioner deems necessary to enable the Commissioner
5 to comply with this section.

6 (b) STUDY AND REPORT.—

7 (1) IN GENERAL.—The Commissioner shall con-
8 duct a study and issue a report to Congress which
9 examines different methods of improving the social
10 security card application process.

11 (2) ELEMENTS OF STUDY.—The study shall in-
12 clude an evaluation of the cost and work load impli-
13 cations of issuing a counterfeit-resistant social secu-
14 rity card for all individuals over a 3-, 5-, and 10-
15 year period. The study shall also evaluate the fea-
16 sibility and cost implications of imposing a user fee
17 for replacement cards and cards issued to individ-
18 uals who apply for such a card prior to the sched-
19 uled 3-, 5-, and 10-year phase-in options.

20 (3) DISTRIBUTION OF REPORT.—The Commis-
21 sioner shall submit copies of the report described in
22 this subsection along with a facsimile of the proto-
23 type card as described in subsection (a) to the Com-
24 mittees on Ways and Means and Judiciary of the
25 House of Representatives and the Committees on Fi-

1 nance and Judiciary of the Senate within 1 year
2 after the date of the enactment of this Act.

3 **SEC. 112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

4 (a) **IN GENERAL.**—Whenever an organization that
5 accepts Federal funds under this Act or the amendments
6 made by this Act makes any communication that in any
7 way intends to promote public support or opposition to
8 any policy of a Federal, State, or local government
9 through any broadcasting station, newspaper, magazine,
10 outdoor advertising facility, direct mailing, or any other
11 type of general public advertising, such communication
12 shall state the following: “This was prepared and paid for
13 by an organization that accepts taxpayer dollars.”

14 (b) **FAILURE TO COMPLY.**—If an organization makes
15 any communication described in subsection (a) and fails
16 to provide the statement required by that subsection, such
17 organization shall be ineligible to receive Federal funds
18 under this Act or the amendments made by this Act.

19 (c) **DEFINITION.**—For purposes of this section, the
20 term “organization” means an organization described in
21 section 501(c) of the Internal Revenue Code of 1986.

22 (d) **EFFECTIVE DATES.**—This section shall take ef-
23 fect—

24 (1) with respect to printed communications 1
25 year after the date of enactment of this Act; and

1 (2) with respect to any other communication on
2 the date of enactment of this Act.

3 **SEC. 113. MODIFICATIONS TO THE JOB OPPORTUNITIES**
4 **FOR CERTAIN LOW-INCOME INDIVIDUALS**
5 **PROGRAM.**

6 Section 505 of the Family Support Act of 1988 (42
7 U.S.C. 1315 note) is amended—

8 (1) in the heading, by striking “**DEM-**
9 **ONSTRATION**”;

10 (2) by striking “demonstration” each place such
11 term appears;

12 (3) in subsection (a), by striking “in each of
13 fiscal years” and all that follows through “10” and
14 inserting “shall enter into agreements with”;

15 (4) in subsection (b)(3), by striking “aid to
16 families with dependent children under part A of
17 title IV of the Social Security Act” and inserting
18 “assistance under the program funded part A of title
19 IV of the Social Security Act of the State in which
20 the individual resides”;

21 (5) in subsection (c)—

22 (A) in paragraph (1)(C), by striking “aid
23 to families with dependent children under part
24 A of title IV of the Social Security Act” and in-
25 serting “assistance under a State program

1 funded part A of title IV of the Social Security
2 Act”;

3 (B) in paragraph (2), by striking “aid to
4 families with dependent children under title IV
5 of such Act” and inserting “assistance under a
6 State program funded part A of title IV of the
7 Social Security Act”;

8 (6) in subsection (d), by striking “job opportu-
9 nities and basic skills training program (as provided
10 for under title IV of the Social Security Act)” and
11 inserting “the State program funded under part A
12 of title IV of the Social Security Act”; and

13 (7) by striking subsections (e) through (g) and
14 inserting the following:

15 “(e) AUTHORIZATION OF APPROPRIATIONS.—For the
16 purpose of conducting projects under this section, there
17 is authorized to be appropriated an amount not to exceed
18 \$25,000,000 for any fiscal year.”.

19 **SEC. 114. SECRETARIAL SUBMISSION OF LEGISLATIVE**
20 **PROPOSAL FOR TECHNICAL AND CONFORM-**
21 **ING AMENDMENTS.**

22 Not later than 90 days after the date of the enact-
23 ment of this Act, the Secretary of Health and Human
24 Services and the Commissioner of Social Security, in con-
25 sultation, as appropriate, with the heads of other Federal

1 agencies, shall submit to the appropriate committees of
2 Congress a legislative proposal proposing such technical
3 and conforming amendments as are necessary to bring the
4 law into conformity with the policy embodied in this title.

5 **SEC. 115. EFFECTIVE DATE; TRANSITION RULE.**

6 (a) **IN GENERAL.**—Except as otherwise provided in
7 this title, this title and the amendments made by this title
8 shall take effect on October 1, 1996.

9 (b) **TRANSITION RULES.**—

10 (1) **STATE OPTION TO ACCELERATE EFFECTIVE**
11 **DATE.**—

12 (A) **IN GENERAL.**—If, within 3 months
13 after the date of the enactment of this Act, the
14 Secretary of Health and Human Services re-
15 ceives from a State, a plan described in section
16 402(a) of the Social Security Act (as added by
17 the amendment made by section 103 of this
18 Act), this title and the amendments made by
19 this title (except section 409(a)(5) of the Social
20 Security Act, as added by the amendment made
21 by such section 103) shall also apply with re-
22 spect to the State during the period that begins
23 on the date the Secretary approves the plan and
24 ends on September 30, 1996, except that the
25 State shall be considered an eligible State for

1 fiscal year 1996 for purposes of part A of title
2 IV of the Social Security Act (as in effect pur-
3 suant to the amendment made by such section
4 103).

5 (B) LIMITATIONS ON FEDERAL OBLIGA-
6 TIONS.—

7 (i) UNDER AFDC PROGRAM.—If the
8 Secretary receives from a State the plan
9 referred to in subparagraph (A), the total
10 obligations of the Federal Government to
11 the State under part A of title IV of the
12 Social Security Act (as in effect on Sep-
13 tember 30, 1995) with respect to expendi-
14 tures by the State after the date of the en-
15 actment of this Act shall not exceed an
16 amount equal to—

17 (I) the State family assistance
18 grant (as defined in section
19 403(a)(1)(B) of the Social Security
20 Act (as in effect pursuant to the
21 amendment made by section 103 of
22 this Act)); minus

23 (II) any obligations of the Fed-
24 eral Government to the State under
25 part A of title IV of the Social Secu-

1 rity Act (as in effect on September
2 30, 1995) with respect to expendi-
3 tures by the State during the period
4 that begins on October 1, 1995, and
5 ends on the day before the date of the
6 enactment of this Act.

7 (ii) UNDER TEMPORARY FAMILY AS-
8 SISTANCE PROGRAM.—Notwithstanding
9 section 403(a)(1) of the Social Security
10 Act (as in effect pursuant to the amend-
11 ment made by section 103 of this Act), the
12 total obligations of the Federal Govern-
13 ment to a State under such section
14 403(a)(1) for fiscal year 1996 after the
15 termination of the State AFDC program
16 shall not exceed an amount equal to—

17 (I) the amount described in
18 clause (i)(I) of this subparagraph;
19 minus

20 (II) any obligations of the Fed-
21 eral Government to the State under
22 part A of title IV of the Social Secu-
23 rity Act (as in effect on September
24 30, 1995) with respect to expendi-

1 tures by the State on or after October
2 1, 1995.

3 (iii) CHILD CARE OBLIGATIONS EX-
4 CLUDED IN DETERMINING FEDERAL AFDC
5 OBLIGATIONS.—As used in this subpara-
6 graph, the term “obligations of the Federal
7 Government to the State under part A of
8 title IV of the Social Security Act” does
9 not include any obligation of the Federal
10 Government with respect to child care ex-
11 penditures by the State.

12 (C) SUBMISSION OF STATE PLAN FOR FIS-
13 CAL YEAR 1996 DEEMED ACCEPTANCE OF
14 GRANT LIMITATIONS AND FORMULA.—The sub-
15 mission of a plan by a State pursuant to sub-
16 paragraph (A) is deemed to constitute the
17 State’s acceptance of the grant reductions
18 under subparagraph (B)(ii) (including the for-
19 mula for computing the amount of the reduc-
20 tion).

21 (D) DEFINITIONS.—As used in this para-
22 graph:

23 (i) STATE AFDC PROGRAM.—The term
24 “State AFDC program” means the State
25 program under parts A and F of title IV

1 of the Social Security Act (as in effect on
2 September 30, 1995).

3 (ii) STATE.—The term “State” means
4 the 50 States and the District of Colum-
5 bia.

6 (2) CLAIMS, ACTIONS, AND PROCEEDINGS.—
7 The amendments made by this title shall not apply
8 with respect to—

9 (A) powers, duties, functions, rights,
10 claims, penalties, or obligations applicable to
11 aid, assistance, or services provided before the
12 effective date of this title under the provisions
13 amended; and

14 (B) administrative actions and proceedings
15 commenced before such date, or authorized be-
16 fore such date to be commenced, under such
17 provisions.

18 (3) CLOSING OUT ACCOUNT FOR THOSE PRO-
19 GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED
20 BY THIS TITLE.—In closing out accounts, Federal
21 and State officials may use scientifically acceptable
22 statistical sampling techniques. Claims made with
23 respect to State expenditures under a State plan ap-
24 proved under part A of title IV of the Social Secu-
25 rity Act (as in effect before the effective date of this

1 Act) with respect to assistance or services provided
2 on or before September 30, 1995, shall be treated as
3 claims with respect to expenditures during fiscal
4 year 1995 for purposes of reimbursement even if
5 payment was made by a State on or after October
6 1, 1995. Each State shall complete the filing of all
7 claims under the State plan (as so in effect) no later
8 than September 30, 1997. The head of each Federal
9 department shall—

10 (A) use the single audit procedure to re-
11 view and resolve any claims in connection with
12 the close out of programs under such State
13 plans; and

14 (B) reimburse States for any payments
15 made for assistance or services provided during
16 a prior fiscal year from funds for fiscal year
17 1995, rather than from funds authorized by
18 this title.

19 (4) CONTINUANCE IN OFFICE OF ASSISTANT
20 SECRETARY FOR FAMILY SUPPORT.—The individual
21 who, on the day before the effective date of this title,
22 is serving as Assistant Secretary for Family Support
23 within the Department of Health and Human Serv-
24 ices shall, until a successor is appointed to such po-
25 sition—

1 (A) continue to serve in such position; and

2 (B) except as otherwise provided by law—

3 (i) continue to perform the functions

4 of the Assistant Secretary for Family Sup-

5 port under section 417 of the Social Secu-

6 rity Act (as in effect before such effective

7 date); and

8 (ii) have the powers and duties of the

9 Assistant Secretary for Family Support

10 under section 416 of the Social Security

11 Act (as in effect pursuant to the amend-

12 ment made by section 103 of this Act).

13 **TITLE II—SUPPLEMENTAL**
14 **SECURITY INCOME**

15 **SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.**

16 Except as otherwise specifically provided, wherever in

17 this title an amendment is expressed in terms of an

18 amendment to or repeal of a section or other provision,

19 the reference shall be considered to be made to that sec-

20 tion or other provision of the Social Security Act.

1 **Subtitle A—Eligibility Restrictions**

2 **SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-**
3 **VIDUALS FOUND TO HAVE FRAUDULENTLY**
4 **MISREPRESENTED RESIDENCE IN ORDER TO**
5 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
6 **MORE STATES.**

7 (a) **IN GENERAL.**—Section 1614(a) (42 U.S.C.
8 1382c(a)) is amended by adding at the end the following
9 new paragraph:

10 “(5) An individual shall not be considered an eligible
11 individual for the purposes of this title during the 10-year
12 period that begins on the date the individual is convicted
13 in Federal or State court of having made a fraudulent
14 statement or representation with respect to the place of
15 residence of the individual in order to receive assistance
16 simultaneously from 2 or more States under programs
17 that are funded under title IV, title XIX, or the Food
18 Stamp Act of 1977, or benefits in 2 or more States under
19 the supplemental security income program under this
20 title.”.

21 (b) **EFFECTIVE DATE.**—The amendment made by
22 this section shall take effect on the date of the enactment
23 of this Act.

1 **SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
2 **AND PROBATION AND PAROLE VIOLATORS.**

3 (a) **IN GENERAL.**—Section 1611(e) (42 U.S.C.
4 1382(e)) is amended by inserting after paragraph (3) the
5 following new paragraph:

6 “(4) A person shall not be considered an eligible indi-
7 vidual or eligible spouse for purposes of this title with re-
8 spect to any month if during such month the person is—

9 “(A) fleeing to avoid prosecution, or custody or
10 confinement after conviction, under the laws of the
11 place from which the person flees, for a crime, or an
12 attempt to commit a crime, which is a felony under
13 the laws of the place from which the person flees, or
14 which, in the case of the State of New Jersey, is a
15 high misdemeanor under the laws of such State; or

16 “(B) violating a condition of probation or pa-
17 role imposed under Federal or State law.”.

18 (b) **EXCHANGE OF INFORMATION WITH LAW EN-**
19 **FORCEMENT AGENCIES.**—Section 1611(e) (42 U.S.C.
20 1382(e)), as amended by subsection (a), is amended by
21 inserting after paragraph (4) the following new paragraph:

22 “(5) Notwithstanding any other provision of law, the
23 Commissioner shall furnish any Federal, State, or local
24 law enforcement officer, upon the request of the officer,
25 with the current address, Social Security number, and
26 photograph (if applicable) of any recipient of benefits

1 under this title, if the officer furnishes the Commissioner
2 with the name of the recipient and notifies the Commis-
3 sioner that—

4 “(A) the recipient—

5 “(i) is described in subparagraph (A) or
6 (B) of paragraph (4); or

7 “(ii) has information that is necessary for
8 the officer to conduct the officer’s official du-
9 ties; and

10 “(B) the location or apprehension of the recipi-
11 ent is within the officer’s official duties.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this Act.

15 **SEC. 203. VERIFICATION OF ELIGIBILITY FOR CERTAIN SSI**
16 **DISABILITY BENEFITS.**

17 Section 1631 (42 U.S.C. 1383) is amended by adding
18 at the end the following new subsection:

19 “(o)(1) Notwithstanding any other provision of law,
20 if the Commissioner of Social Security determines that an
21 individual, who is 18 years of age or older, is eligible to
22 receive benefits pursuant to section 1614(a)(3), the Com-
23 missioner shall, at the time of the determination, either
24 exempt the individual from an eligibility review or estab-

1 lish a schedule for reviewing the individual's continuing
2 eligibility in accordance with paragraph (2).

3 “(2)(A) The Commissioner shall establish a periodic
4 review with respect to the continuing eligibility of an indi-
5 vidual to receive benefits, unless the individual is exempt
6 from review under subparagraph (C) or is subject to a
7 scheduled review under subparagraph (B). A periodic re-
8 view under this subparagraph shall be initiated by the
9 Commissioner not later than 30 months after the date a
10 determination is made that the individual is eligible for
11 benefits and every 30 months thereafter, unless a waiver
12 is granted under section 221(i)(2). However, the Commis-
13 sioner shall not postpone the initiation of a periodic review
14 for more than 12 months in any case in which such waiver
15 has been granted unless exigent circumstances require
16 such postponement.

17 “(B)(i) In the case of an individual, other than an
18 individual who is exempt from review under subparagraph
19 (C) or with respect to whom subparagraph (A) applies,
20 the Commissioner shall schedule a review regarding the
21 individual's continuing eligibility to receive benefits at any
22 time the Commissioner determines, based on the evidence
23 available, that there is a significant possibility that the
24 individual may cease to be entitled to such benefits.

1 “(ii) The Commissioner may establish classifications
2 of individuals for whom a review of continuing eligibility
3 is scheduled based on the impairments that are the basis
4 for such individuals’ eligibility for benefits. A review of
5 an individual covered by a classification shall be scheduled
6 in accordance with the applicable classification, unless the
7 Commissioner determines that applying such schedule is
8 inconsistent with the purpose of this Act or the integrity
9 of the supplemental security income program.

10 “(C)(i) The Commissioner may exempt an individual
11 from review under this subsection, if the individual’s eligi-
12 bility for benefits is based on a condition that, as a prac-
13 tical matter, has no substantial likelihood of improving to
14 a point where the individual will be able to perform sub-
15 stantial gainful activity.

16 “(ii) The Commissioner may establish classifications
17 of individuals who are exempt from review under this sub-
18 section based on the impairments that are the basis for
19 such individuals’ eligibility for benefits. Notwithstanding
20 any such classification, the Commissioner may, at the time
21 of determining an individual’s eligibility, schedule a review
22 of such individual’s continuing eligibility if the Commis-
23 sioner determines that a review is necessary to preserve
24 the integrity of the supplemental security income program.

1 “(3) The Commissioner may revise a determination
2 made under paragraph (1) and schedule a review under
3 paragraph (2)(B), if the Commissioner obtains credible
4 evidence that an individual may no longer be eligible for
5 benefits or the Commissioner determines that a review is
6 necessary to maintain the integrity of the supplemental
7 security income program. Information obtained under sec-
8 tion 1137 may be used as the basis to schedule a review.

9 “(4)(A) The requirements of sections 1614(a)(4) and
10 1633 shall apply to reviews conducted under this sub-
11 section.

12 “(B) Such reviews may be conducted by the applica-
13 ble State agency or the Commissioner, whichever is appro-
14 priate.

15 “(5) Not later than 3 months after the date of the
16 enactment of this subsection, the Commissioner shall es-
17 tablish a schedule for reviewing the continuing eligibility
18 of each individual who is receiving benefits pursuant to
19 section 1614(a)(3) on such date of enactment and who
20 has attained 18 years of age, unless such individual is ex-
21 empt under paragraph (2)(C). Such review shall be sched-
22 uled under the procedures prescribed by or under para-
23 graph (2), except that the reviews shall be scheduled so
24 that the eligibility of $\frac{1}{3}$ of all such nonexempt individuals
25 is reviewed within 1 year after such date of enactment,

1 the eligibility of $\frac{1}{3}$ of such nonexempt individuals is re-
2 viewed within 1 year after such date of enactment, and
3 all remaining nonexempt individuals who continue receiv-
4 ing benefits shall have their eligibility reviewed within 3
5 years after such date of enactment. Each individual deter-
6 mined eligible to continue receiving benefits in a review
7 scheduled under this paragraph shall, at the time of the
8 determination, be subject to paragraph (2).”.

9 **SEC. 204. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
10 **BENEFITS BY REASON OF DISABILITY TO**
11 **DRUG ADDICTS AND ALCOHOLICS.**

12 (a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C.
13 1382c(a)(3)) is amended by adding at the end the follow-
14 ing:

15 “(I) Notwithstanding subparagraph (A), an individ-
16 ual shall not be considered to be disabled for purposes of
17 this title if alcoholism or drug addiction would (but for
18 this subparagraph) be a contributing factor material to
19 the Commissioner’s determination that the individual is
20 disabled.”.

21 (b) REPRESENTATIVE PAYEE REQUIREMENTS.—

22 (1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C.
23 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

24 “(II) In the case of an individual eligible for benefits
25 under this title by reason of disability, the payment of

1 such benefits shall be made to a representative payee if
2 the Commissioner of Social Security determines that such
3 payment would serve the interest of the individual because
4 the individual also has an alcoholism or drug addiction
5 condition that prevents the individual from managing such
6 benefits.”.

7 (2) Section 1631(a)(2)(B)(vii) (42 U.S.C.
8 1383(a)(2)(B)(vii)) is amended by striking “eligible
9 for benefits” and all that follows through “is dis-
10 abled” and inserting “described in subparagraph
11 (A)(ii)(II)”.

12 (3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C.
13 1383(a)(2)(B)(ix)(II)) is amended by striking all
14 that follows “15 years, or” and inserting “described
15 in subparagraph (A)(ii)(II)”.

16 (4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C.
17 1383(a)(2)(D)(i)(II)) is amended by striking “eligi-
18 ble for benefits” and all that follows through “is dis-
19 abled” and inserting “described in subparagraph
20 (A)(ii)(II)”.

21 (c) TREATMENT REFERRALS FOR INDIVIDUALS
22 WITH AN ALCOHOLISM OR DRUG ADDICTION CONDI-
23 TION.—Title XVI (42 U.S.C. 1381 et seq.) is amended
24 by adding at the end the following new section:

1 “TREATMENT REFERRALS FOR INDIVIDUALS WITH AN
2 ALCOHOLISM OR DRUG ADDICTION CONDITION

3 “SEC. 1636. In the case of any eligible individual
4 whose benefits under this title by reason of disability are
5 paid to a representative payee pursuant to section
6 1631(a)(2)(A)(ii)(II), the Commissioner of Social Security
7 shall refer such individual to the appropriate State agency
8 administering the State plan for substance abuse treat-
9 ment services approved under subpart II of part B of title
10 XIX of the Public Health Service Act (42 U.S.C. 300x-
11 21 et seq.).”.

12 (d) CONFORMING AMENDMENTS.—

13 (1) Section 1611(e) (42 U.S.C. 1382(e)) is
14 amended by striking paragraph (3).

15 (2) Section 1634 (42 U.S.C. 1383e) is amended
16 by striking subsection (e).

17 (3) Section 201(c)(1) of the Social Security
18 Independence and Program Improvements Act of
19 1994 (42 U.S.C. 425 note) is amended—

20 (A) by striking “to—” and all that follows
21 through “in cases in which” and inserting “to
22 individuals who are entitled to disability insur-
23 ance benefits or child’s, widow’s, or widower’s
24 insurance benefits based on disability under

1 title II of the Social Security Act, in cases in
2 which”;

3 (B) by striking “either subparagraph (A)
4 or subparagraph (B)” and inserting “the pre-
5 ceding sentence”; and

6 (C) by striking “subparagraph (A) or (B)”
7 and inserting “the preceding sentence”.

8 (e) SUPPLEMENTAL FUNDING FOR ALCOHOL AND
9 SUBSTANCE ABUSE TREATMENT PROGRAMS.—

10 (1) IN GENERAL.—Out of any money in the
11 Treasury not otherwise appropriated, there are here-
12 by appropriated to supplement State and Tribal pro-
13 grams funded under section 1933 of the Public
14 Health Service Act (42 U.S.C. 300x-33),
15 \$50,000,000 for each of the fiscal years 1997 and
16 1998.

17 (2) ADDITIONAL FUNDS.—Amounts appro-
18 priated under paragraph (1) shall be in addition to
19 any funds otherwise appropriated for allotments
20 under section 1933 of the Public Health Service Act
21 (42 U.S.C. 300x-33) and shall be allocated pursuant
22 to such section 1933.

23 (3) USE OF FUNDS.—A State or tribal govern-
24 ment receiving an allotment under this subsection
25 shall consider as priorities, for purposes of expend-

1 ing funds allotted under this subsection, activities
2 relating to the treatment of the abuse of alcohol and
3 other drugs.

4 (f) EFFECTIVE DATES.—

5 (1) IN GENERAL.—Except as provided in para-
6 graphs (2) and (3), the amendments made by this
7 section shall apply to applicants for benefits for
8 months beginning on or after the date of the enact-
9 ment of this Act, without regard to whether regula-
10 tions have been issued to implement such amend-
11 ments.

12 (2) APPLICATION TO CURRENT RECIPIENTS.—

13 (A) APPLICATION AND NOTICE.—Notwith-
14 standing any other provision of law, in the case
15 of an individual who is receiving supplemental
16 security income benefits under title XVI of the
17 Social Security Act as of the date of the enact-
18 ment of this Act and whose eligibility for such
19 benefits would terminate by reason of the
20 amendments made by this section, such amend-
21 ments shall apply with respect to the benefits of
22 such individual, including such individual's
23 treatment (if any) provided pursuant to such
24 title as in effect on the day before the date of
25 such enactment, for months beginning on or

1 after January 1, 1997, and the Commissioner
2 of Social Security shall so notify the individual
3 not later than 90 days after the date of the en-
4 actment of this Act.

5 (B) REAPPLICATION.—

6 (i) IN GENERAL.—Not later than 120
7 days after the date of the enactment of
8 this Act, each individual notified pursuant
9 to subparagraph (A) who desires to re-
10 apply for benefits under title XVI of the
11 Social Security Act, as amended by this
12 title, may reapply to the Commissioner of
13 Social Security.

14 (ii) DETERMINATION OF ELIGI-
15 BILITY.—Not later than January 1, 1997,
16 the Commissioner of Social Security shall
17 complete the eligibility redetermination of
18 each individual who reapplies for benefits
19 under clause (i) pursuant to the proce-
20 dures of title XVI of such Act.

21 (3) ADDITIONAL APPLICATION OF PAYEE REP-
22 RESENTATIVE AND TREATMENT REFERRAL RE-
23 QUIREMENTS.—The amendments made by sub-
24 sections (b) and (c) shall also apply—

1 (A) in the case of any individual who is re-
2 ceiving supplemental security income benefits
3 under title XVI of the Social Security Act as of
4 the date of the enactment of this Act, on and
5 after the date of such individual's first continu-
6 ing disability review occurring after such date
7 of enactment, and

8 (B) in the case of any individual who re-
9 ceives supplemental security income benefits
10 under title XVI of the Social Security Act and
11 has attained age 65, in such manner as deter-
12 mined appropriate by the Commissioner of So-
13 cial Security.

14 **Subtitle B—Benefits for Disabled** 15 **Children**

16 **SEC. 211. DEFINITION AND ELIGIBILITY RULES.**

17 (a) **DEFINITION OF CHILDHOOD DISABILITY.**—Sec-
18 tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

19 (1) in subparagraph (A), by striking “An indi-
20 vidual” and inserting “Except as provided in sub-
21 paragraph (C), an individual”;

22 (2) in subparagraph (A), by striking “(or, in
23 the case of an individual under the age of 18, if he
24 suffers from any medically determinable physical or
25 mental impairment of comparable severity)”;

1 (3) by redesignating subparagraphs (C) through
2 (H) as subparagraphs (D) through (I), respectively;

3 (4) by inserting after subparagraph (B) the fol-
4 lowing new subparagraph:

5 “(C) An individual under the age of 18 shall be con-
6 sidered disabled for the purposes of this title if that indi-
7 vidual has a medically determinable physical or mental im-
8 pairment, which results in marked and severe functional
9 limitations, and which can be expected to result in death
10 or which has lasted or can be expected to last for a contin-
11 uous period of not less than 12 months.”; and

12 (5) in subparagraph (F), as so redesignated by
13 paragraph (3) of this subsection, by striking “(D)”
14 and inserting “(E)”.

15 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

16 (1) MODIFICATION TO MEDICAL CRITERIA FOR
17 EVALUATION OF MENTAL AND EMOTIONAL DIS-
18 ORDERS.—The Commissioner of Social Security
19 shall modify sections 112.00C.2. and
20 112.02B.2.c.(2) of appendix 1 to subpart P of part
21 404 of title 20, Code of Federal Regulations, to
22 eliminate references to maladaptive behavior in the
23 domain of personal/behaviorial function.

24 (2) DISCONTINUANCE OF INDIVIDUALIZED
25 FUNCTIONAL ASSESSMENT.—The Commissioner of

1 Social Security shall discontinue the individualized
2 functional assessment for children set forth in sec-
3 tions 416.924d and 416.924e of title 20, Code of
4 Federal Regulations.

5 (c) EFFECTIVE DATE; REGULATIONS; APPLICATION
6 TO CURRENT RECIPIENTS.—

7 (1) IN GENERAL.—The amendments made by
8 subsections (a) and (b) shall apply to applicants for
9 benefits for months beginning on or after the date
10 of the enactment of this Act, without regard to
11 whether regulations have been issued to implement
12 such amendments.

13 (2) REGULATIONS.—The Commissioner of So-
14 cial Security shall issue such regulations as the
15 Commissioner determines to be necessary to imple-
16 ment the amendments made by subsections (a) and
17 (b) not later than 60 days after the date of the en-
18 actment of this Act.

19 (3) APPLICATION TO CURRENT RECIPIENTS.—

20 (A) ELIGIBILITY DETERMINATIONS.—Not
21 later than 1 year after the date of the enact-
22 ment of this Act, the Commissioner of Social
23 Security shall redetermine the eligibility of any
24 individual under age 18 who is receiving supple-
25 mental security income benefits based on a dis-

1 ability under title XVI of the Social Security
2 Act as of the date of the enactment of this Act
3 and whose eligibility for such benefits may ter-
4minate by reason of the amendments made by
5 subsection (a) or (b). With respect to any rede-
6termination under this subparagraph—

7 (i) section 1614(a)(4) of the Social
8 Security Act (42 U.S.C. 1382c(a)(4)) shall
9 not apply;

10 (ii) the Commissioner of Social Secu-
11rity shall apply the eligibility criteria for
12 new applicants for benefits under title XVI
13 of such Act;

14 (iii) the Commissioner shall give such
15 redetermination priority over all continuing
16 eligibility reviews and other reviews under
17 such title; and

18 (iv) such redetermination shall be
19 counted as a review or redetermination
20 otherwise required to be made under sec-
21tion 208 of the Social Security Independ-
22ence and Program Improvements Act of
23 1994 or any other provision of title XVI of
24 the Social Security Act.

1 (B) GRANDFATHER PROVISION.—The
2 amendments made by subsections (a) and (b),
3 and the redetermination under subparagraph
4 (A), shall only apply with respect to the benefits
5 of an individual described in subparagraph (A)
6 for months beginning on or after January 1,
7 1997.

8 (C) NOTICE.—Not later than 90 days after
9 the date of the enactment of this Act, the Com-
10 missioner of Social Security shall notify an indi-
11 vidual described in subparagraph (A) of the
12 provisions of this paragraph.

13 **SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINU-**
14 **ING DISABILITY REVIEWS.**

15 (a) CONTINUING DISABILITY REVIEWS RELATING TO
16 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.
17 1382c(a)(3)(H)), as so redesignated by section 211(a)(3)
18 of this Act, is amended—

19 (1) by inserting “(i)” after “(H)”; and

20 (2) by adding at the end the following new
21 clause:

22 “(ii)(I) Not less frequently than once every 3 years,
23 the Commissioner shall review in accordance with para-
24 graph (4) the continued eligibility for benefits under this
25 title of each individual who has not attained 18 years of

1 age and is eligible for such benefits by reason of an im-
2 pairment (or combination of impairments) which may im-
3 prove (or, which is unlikely to improve, at the option of
4 the Commissioner).

5 “(II) A parent or guardian of a recipient whose case
6 is reviewed under this clause shall present, at the time
7 of review, evidence demonstrating that the recipient is,
8 and has been, receiving treatment, to the extent consid-
9 ered medically necessary and available, of the condition
10 which was the basis for providing benefits under this
11 title.”

12 (b) DISABILITY ELIGIBILITY REDETERMINATIONS
13 REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS
14 OF AGE.—

15 (1) IN GENERAL.—Section 1614(a)(3)(H) (42
16 U.S.C. 1382c(a)(3)(H)), as so redesignated by sec-
17 tion 211(a)(3) of this Act and as amended by sub-
18 section (a) of this section, is amended by adding at
19 the end the following new clause:

20 “(iii) If an individual is eligible for benefits under this
21 title by reason of disability for the month preceding the
22 month in which the individual attains the age of 18 years,
23 the Commissioner shall redetermine such eligibility—

24 “(I) during the 1-year period beginning on the
25 individual’s 18th birthday; and

1 “(II) by applying the criteria used in determin-
2 ing the initial eligibility for applicants who have at-
3 tained the age of 18 years.

4 With respect to a redetermination under this clause, para-
5 graph (4) shall not apply and such redetermination shall
6 be considered a substitute for a review or redetermination
7 otherwise required under any other provision of this sub-
8 paragraph during that 1-year period.”.

9 (2) CONFORMING REPEAL.—Section 207 of the
10 Social Security Independence and Program Improve-
11 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.
12 1516) is hereby repealed.

13 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR
14 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)
15 (42 U.S.C. 1382e(a)(3)(H)), as so redesignated by section
16 211(a)(3) of this Act and as amended by subsections (a)
17 and (b) of this section, is amended by adding at the end
18 the following new clause:

19 “(iv)(I) Not later than 12 months after the birth of
20 an individual, the Commissioner shall review in accordance
21 with paragraph (4) the continuing eligibility for benefits
22 under this title by reason of disability of such individual
23 whose low birth weight is a contributing factor material
24 to the Commissioner’s determination that the individual
25 is disabled.

1 “(II) A review under subclause (I) shall be considered
2 a substitute for a review otherwise required under any
3 other provision of this subparagraph during that 12-
4 month period.

5 “(III) A parent or guardian of a recipient whose case
6 is reviewed under this clause shall present, at the time
7 of review, evidence demonstrating that the recipient is,
8 and has been, receiving treatment, to the extent consid-
9 ered medically necessary and available, of the condition
10 which was the basis for providing benefits under this
11 title.”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to benefits for months beginning
14 on or after the date of the enactment of this Act, without
15 regard to whether regulations have been issued to imple-
16 ment such amendments.

17 **SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

18 (a) TIGHTENING OF REPRESENTATIVE PAYEE RE-
19 QUIREMENTS.—

20 (1) CLARIFICATION OF ROLE.—Section
21 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is
22 amended by striking “and” at the end of subclause
23 (II), by striking the period at the end of subclause
24 (IV) and inserting “; and”, and by adding after sub-
25 clause (IV) the following new subclause:

1 “(V) advise such person through the notice of
2 award of benefits, and at such other times as the
3 Commissioner of Social Security deems appropriate,
4 of specific examples of appropriate expenditures of
5 benefits under this title and the proper role of a rep-
6 resentative payee.”.

7 (2) DOCUMENTATION OF EXPENDITURES RE-
8 QUIRED.—

9 (A) IN GENERAL.—Subparagraph (C)(i) of
10 section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is
11 amended to read as follows:

12 “(C)(i) In any case where payment is made to a rep-
13 resentative payee of an individual or spouse, the Commis-
14 sioner of Social Security shall—

15 “(I) require such representative payee to docu-
16 ment expenditures and keep contemporaneous
17 records of transactions made using such payment;
18 and

19 “(II) implement statistically valid procedures
20 for reviewing a sample of such contemporaneous
21 records in order to identify instances in which such
22 representative payee is not properly using such pay-
23 ment.”.

24 (B) CONFORMING AMENDMENT WITH RE-
25 SPECT TO PARENT PAYEES.—Clause (ii) of sec-

1 tion 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C))
2 is amended by striking “Clause (i)” and insert-
3 ing “Subclauses (II) and (III) of clause (i)”.

4 (3) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply to benefits paid after
6 the date of the enactment of this Act.

7 (b) DEDICATED SAVINGS ACCOUNTS.—

8 (1) IN GENERAL.—Section 1631(a)(2)(B) (42
9 U.S.C. 1383(a)(2)(B)) is amended by adding at the
10 end the following:

11 “(xiv) Notwithstanding clause (x), the Commissioner
12 of Social Security may, at the request of the representative
13 payee, pay any lump sum payment for the benefit of a
14 child into a dedicated savings account that could only be
15 used to purchase for such child—

16 “(I) education and job skills training;

17 “(II) special equipment or housing modifica-
18 tions or both specifically related to, and required by
19 the nature of, the child’s disability; and

20 “(III) appropriate therapy and rehabilitation.”.

21 (2) DISREGARD OF TRUST FUNDS.—Section
22 1613(a) (42 U.S.C. 1382b(a)) is amended—

23 (A) by striking “and” at the end of para-
24 graph (10),

1 (B) by striking the period at the end of
2 paragraph (11) and inserting “; and”, and

3 (C) by inserting after paragraph (11) the
4 following:

5 “(12) all amounts deposited in, or interest cred-
6 ited to, a dedicated savings account described in sec-
7 tion 1631(a)(2)(B)(xiv).”.

8 (3) EFFECTIVE DATE.—The amendments made
9 by this subsection shall apply to payments made
10 after the date of the enactment of this Act.

11 **SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO IN-**
12 **STITUTIONALIZED INDIVIDUALS WHOSE MED-**
13 **ICAL COSTS ARE COVERED BY PRIVATE IN-**
14 **SURANCE.**

15 (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.
16 1382(e)(1)(B)) is amended—

17 (1) by striking “title XIX, or” and inserting
18 “title XIX,”; and

19 (2) by inserting “or, in the case of an eligible
20 individual under the age of 18 receiving payments
21 (with respect to such individual) under any health
22 insurance policy issued by a private provider of such
23 insurance” after “section 1614(f)(2)(B),”.

24 (b) EFFECTIVE DATE.—The amendment made by
25 this section shall apply to benefits for months beginning

1 90 or more days after the date of the enactment of this
2 Act, without regard to whether regulations have been is-
3 sued to implement such amendments.

4 **SEC. 215. MODIFICATION RESPECTING PARENTAL INCOME**
5 **DEEMED TO DISABLED CHILDREN.**

6 (a) IN GENERAL.—Section 1614(f)(2) (42 U.S.C.
7 1382c(f)(2)) is amended—

8 (1) by adding at the end of subparagraph (A)
9 the following: “For purposes of the preceding sen-
10 tence, the income of such parent or spouse of such
11 parent shall be reduced by—

12 “(A) the allocation for basic needs described in
13 subparagraph (C)(i); and

14 “(B) the earned income disregard described in
15 subparagraph (C)(ii).”; and

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

17 “(C)(i) The allocation for basic needs described by
18 this clause is—

19 “(I) in the case of an eligible individual who
20 does not have an eligible spouse, an amount equal to
21 50 percent of the maximum monthly benefit payable
22 under this title to an eligible individual who does not
23 have an eligible spouse; or

24 “(II) in the case of an eligible individual who
25 has an eligible spouse, an amount equal to 50 per-

1 cent of the maximum monthly benefit payable under
2 this title to an eligible individual who has an eligible
3 spouse.

4 “(ii) The earned income disregard described by this
5 clause is an amount determined by deducting the first
6 \$780 per year (or proportionally smaller amounts for
7 shorter periods) plus 64 percent of the remainder from
8 the earned income (determined in accordance with section
9 1612(a)(1)) of the parent (and spouse, if any).”.

10 (b) PRESERVATION OF MEDICAID ELIGIBILITY.—
11 Section 1634 (42 U.S.C. 1383c) is amended by adding
12 at the end the following:

13 “(f) Any child who has not attained 18 years of age
14 and who would be eligible for a payment under this title
15 but for the amendment made by section 215(a) of the
16 Personal Responsibility and Work Opportunity Act of
17 1996 shall be deemed to be receiving such payment for
18 purposes of eligibility of the child for medical assistance
19 under a State plan approved under title XIX of this Act.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to months after 1996.

1 **Subtitle C—State Supplementation**
2 **Programs**

3 **SEC. 221. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**
4 **MENTS APPLICABLE TO OPTIONAL STATE**
5 **PROGRAMS FOR SUPPLEMENTATION OF SSI**
6 **BENEFITS.**

7 Section 1618 (42 U.S.C. 1382g) is hereby repealed.

8 **Subtitle D—Studies Regarding**
9 **Supplemental Security Income**
10 **Program**

11 **SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SECU-**
12 **RITY INCOME PROGRAM.**

13 Title XVI (42 U.S.C. 1381 et seq.), as amended by
14 section 201(c) of this Act, is amended by adding at the
15 end the following new section:

16 “ANNUAL REPORT ON PROGRAM

17 “SEC. 1637. (a) Not later than May 30 of each year,
18 the Commissioner of Social Security shall prepare and de-
19 liver a report annually to the President and the Congress
20 regarding the program under this title, including—

21 “(1) a comprehensive description of the pro-
22 gram;

23 “(2) historical and current data on allowances
24 and denials, including number of applications and
25 allowance rates at initial determinations, reconsider-

1 ations, administrative law judge hearings, council of
2 appeals hearings, and Federal court appeal hearings;

3 “(3) historical and current data on characteris-
4 tics of recipients and program costs, by recipient
5 group (aged, blind, work disabled adults, and chil-
6 dren);

7 “(4) projections of future number of recipients
8 and program costs, through at least 25 years;

9 “(5) number of redeterminations and continu-
10 ing disability reviews, and the outcomes of such re-
11 determinations and reviews;

12 “(6) data on the utilization of work incentives;

13 “(7) detailed information on administrative and
14 other program operation costs;

15 “(8) summaries of relevant research undertaken
16 by the Social Security Administration, or by other
17 researchers;

18 “(9) State supplementation program operations;

19 “(10) a historical summary of statutory
20 changes to this title; and

21 “(11) such other information as the Commis-
22 sioner deems useful.

23 “(b) Each member of the Social Security Advisory
24 Board shall be permitted to provide an individual report,
25 or a joint report if agreed, of views of the program under

1 this title, to be included in the annual report under this
2 section.”.

3 **SEC. 232. STUDY OF DISABILITY DETERMINATION PROC-**
4 **ESS.**

5 (a) IN GENERAL.—Not later than 90 days after the
6 date of the enactment of this Act, and from funds other-
7 wise appropriated, the Commissioner of Social Security
8 shall make arrangements with the National Academy of
9 Sciences, or other independent entity, to conduct a study
10 of the disability determination process under titles II and
11 XVI of the Social Security Act. This study shall be under-
12 taken in consultation with professionals representing ap-
13 propriate disciplines.

14 (b) STUDY COMPONENTS.—The study described in
15 subsection (a) shall include—

16 (1) an initial phase examining the appropriate-
17 ness of, and making recommendations regarding—

18 (A) the definitions of disability in effect on
19 the date of the enactment of this Act and the
20 advantages and disadvantages of alternative
21 definitions; and

22 (B) the operation of the disability deter-
23 mination process, including the appropriate
24 method of performing comprehensive assess-

1 ments of individuals under age 18 with physical
2 and mental impairments;

3 (2) a second phase, which may be concurrent
4 with the initial phase, examining the validity, reli-
5 ability, and consistency with current scientific knowl-
6 edge of the standards and individual listings in the
7 Listing of Impairments set forth in appendix 1 of
8 subpart P of part 404 of title 20, Code of Federal
9 Regulations, and of related evaluation procedures as
10 promulgated by the Commissioner of Social Security;
11 and

12 (3) such other issues as the applicable entity
13 considers appropriate.

14 (c) REPORTS AND REGULATIONS.—

15 (1) REPORTS.—The Commissioner of Social Se-
16 curity shall request the applicable entity, to submit
17 an interim report and a final report of the findings
18 and recommendations resulting from the study de-
19 scribed in this section to the President and the Con-
20 gress not later than 18 months and 24 months, re-
21 spectively, from the date of the contract for such
22 study, and such additional reports as the Commis-
23 sioner deems appropriate after consultation with the
24 applicable entity.

1 (2) REGULATIONS.—The Commissioner of So-
2 cial Security shall review both the interim and final
3 reports, and shall issue regulations implementing
4 any necessary changes following each report.

5 **SEC. 233. STUDY BY GENERAL ACCOUNTING OFFICE.**

6 Not later than January 1, 1998, the Comptroller
7 General of the United States shall study and report on—

8 (1) the impact of the amendments made by,
9 and the provisions of, this title on the supplemental
10 security income program under title XVI of the So-
11 cial Security Act; and

12 (2) extra expenses incurred by families of chil-
13 dren receiving benefits under such title that are not
14 covered by other Federal, State, or local programs.

15 **Subtitle E—National Commission**
16 **on the Future of Disability**

17 **SEC. 241. ESTABLISHMENT.**

18 There is established a commission to be known as the
19 National Commission on the Future of Disability (referred
20 to in this subtitle as the “Commission”).

21 **SEC. 242. DUTIES OF THE COMMISSION.**

22 (a) IN GENERAL.—The Commission shall develop
23 and carry out a comprehensive study of all matters related
24 to the nature, purpose, and adequacy of all Federal pro-
25 grams serving individuals with disabilities. In particular,

1 the Commission shall study the disability insurance pro-
2 gram under title II of the Social Security Act and the sup-
3 plemental security income program under title XVI of
4 such Act.

5 (b) MATTERS STUDIED.—The Commission shall pre-
6 pare an inventory of Federal programs serving individuals
7 with disabilities, and shall examine—

8 (1) trends and projections regarding the size
9 and characteristics of the population of individuals
10 with disabilities, and the implications of such analy-
11 ses for program planning;

12 (2) the feasibility and design of performance
13 standards for the Nation's disability programs;

14 (3) the adequacy of Federal efforts in rehabili-
15 tation research and training, and opportunities to
16 improve the lives of individuals with disabilities
17 through all manners of scientific and engineering re-
18 search; and

19 (4) the adequacy of policy research available to
20 the Federal Government, and what actions might be
21 undertaken to improve the quality and scope of such
22 research.

23 (c) RECOMMENDATIONS.—The Commission shall
24 submit to the appropriate committees of the Congress and

1 to the President recommendations and, as appropriate,
2 proposals for legislation, regarding—

3 (1) which (if any) Federal disability programs
4 should be eliminated or augmented;

5 (2) what new Federal disability programs (if
6 any) should be established;

7 (3) the suitability of the organization and loca-
8 tion of disability programs within the Federal Gov-
9 ernment;

10 (4) other actions the Federal Government
11 should take to prevent disabilities and disadvantages
12 associated with disabilities; and

13 (5) such other matters as the Commission con-
14 siders appropriate.

15 **SEC. 243. MEMBERSHIP.**

16 (a) **NUMBER AND APPOINTMENT.—**

17 (1) **IN GENERAL.—**The Commission shall be
18 composed of 15 members, of whom—

19 (A) five shall be appointed by the Presi-
20 dent, of whom not more than 3 shall be of the
21 same major political party;

22 (B) three shall be appointed by the Major-
23 ity Leader of the Senate;

24 (C) two shall be appointed by the Minority
25 Leader of the Senate;

1 (D) three shall be appointed by the Speak-
2 er of the House of Representatives; and

3 (E) two shall be appointed by the Minority
4 Leader of the House of Representatives.

5 (2) REPRESENTATION.—The Commission mem-
6 bers shall be chosen based on their education, train-
7 ing, or experience. In appointing individuals as
8 members of the Commission, the President and the
9 Majority and Minority Leaders of the Senate and
10 the Speaker and Minority Leader of the House of
11 Representatives shall seek to ensure that the mem-
12 bership of the Commission reflects the general inter-
13 ests of the business and taxpaying community and
14 the diversity of individuals with disabilities in the
15 United States.

16 (b) COMPTROLLER GENERAL.—The Comptroller
17 General of the United States shall advise the Commission
18 on the methodology and approach of the study of the Com-
19 mission.

20 (c) TERM OF APPOINTMENT.—The members shall
21 serve on the Commission for the life of the Commission.

22 (d) MEETINGS.—The Commission shall locate its
23 headquarters in the District of Columbia, and shall meet
24 at the call of the Chairperson, but not less than 4 times
25 each year during the life of the Commission.

1 (e) QUORUM.—Ten members of the Commission shall
2 constitute a quorum, but a lesser number may hold hear-
3 ings.

4 (f) CHAIRPERSON AND VICE CHAIRPERSON.—Not
5 later than 15 days after the members of the Commission
6 are appointed, such members shall designate a Chair-
7 person and Vice Chairperson from among the members of
8 the Commission.

9 (g) CONTINUATION OF MEMBERSHIP.—If a member
10 of the Commission becomes an officer or employee of any
11 government after appointment to the Commission, the in-
12 dividual may continue as a member until a successor mem-
13 ber is appointed.

14 (h) VACANCIES.—A vacancy on the Commission shall
15 be filled in the manner in which the original appointment
16 was made not later than 30 days after the Commission
17 is given notice of the vacancy.

18 (i) COMPENSATION.—Members of the Commission
19 shall receive no additional pay, allowances, or benefits by
20 reason of their service on the Commission.

21 (j) TRAVEL EXPENSES.—Each member of the Com-
22 mission shall receive travel expenses, including per diem
23 in lieu of subsistence, in accordance with sections 5702
24 and 5703 of title 5, United States Code.

1 **SEC. 244. STAFF AND SUPPORT SERVICES.**

2 (a) **DIRECTOR.**—

3 (1) **APPOINTMENT.**—Upon consultation with
4 the members of the Commission, the Chairperson
5 shall appoint a Director of the Commission.

6 (2) **COMPENSATION.**—The Director shall be
7 paid the rate of basic pay for level V of the Execu-
8 tive Schedule.

9 (b) **STAFF.**—With the approval of the Commission,
10 the Director may appoint such personnel as the Director
11 considers appropriate.

12 (c) **APPLICABILITY OF CIVIL SERVICE LAWS.**—The
13 staff of the Commission shall be appointed without regard
14 to the provisions of title 5, United States Code, governing
15 appointments in the competitive service, and shall be paid
16 without regard to the provisions of chapter 51 and sub-
17 chapter III of chapter 53 of such title relating to classi-
18 fication and General Schedule pay rates.

19 (d) **EXPERTS AND CONSULTANTS.**—With the ap-
20 proval of the Commission, the Director may procure tem-
21 porary and intermittent services under section 3109(b) of
22 title 5, United States Code.

23 (e) **STAFF OF FEDERAL AGENCIES.**—Upon the re-
24 quest of the Commission, the head of any Federal agency
25 may detail, on a reimbursable basis, any of the personnel

1 of such agency to the Commission to assist in carrying
2 out the duties of the Commission under this subtitle.

3 (f) OTHER RESOURCES.—The Commission shall have
4 reasonable access to materials, resources, statistical data,
5 and other information from the Library of Congress and
6 agencies and elected representatives of the executive and
7 legislative branches of the Federal Government. The
8 Chairperson of the Commission shall make requests for
9 such access in writing when necessary.

10 (g) PHYSICAL FACILITIES.—The Administrator of
11 the General Services Administration shall locate suitable
12 office space for the operation of the Commission. The fa-
13 cilities shall serve as the headquarters of the Commission
14 and shall include all necessary equipment and incidentals
15 required for proper functioning of the Commission.

16 **SEC. 245. POWERS OF COMMISSION.**

17 (a) HEARINGS.—The Commission may conduct pub-
18 lic hearings or forums at the discretion of the Commission,
19 at any time and place the Commission is able to secure
20 facilities and witnesses, for the purpose of carrying out
21 the duties of the Commission under this subtitle.

22 (b) DELEGATION OF AUTHORITY.—Any member or
23 agent of the Commission may, if authorized by the Com-
24 mission, take any action the Commission is authorized to
25 take by this section.

1 (c) INFORMATION.—The Commission may secure di-
2 rectly from any Federal agency information necessary to
3 enable the Commission to carry out its duties under this
4 subtitle. Upon request of the Chairperson or Vice Chair-
5 person of the Commission, the head of a Federal agency
6 shall furnish the information to the Commission to the ex-
7 tent permitted by law.

8 (d) GIFTS, BEQUESTS, AND DEVICES.—The Commis-
9 sion may accept, use, and dispose of gifts, bequests, or
10 devises of services or property, both real and personal, for
11 the purpose of aiding or facilitating the work of the Com-
12 mission. Gifts, bequests, or devises of money and proceeds
13 from sales of other property received as gifts, bequests,
14 or devises shall be deposited in the Treasury and shall be
15 available for disbursement upon order of the Commission.

16 (e) MAILS.—The Commission may use the United
17 States mails in the same manner and under the same con-
18 ditions as other Federal agencies.

19 **SEC. 246. REPORTS.**

20 (a) INTERIM REPORT.—Not later than 1 year prior
21 to the date on which the Commission terminates pursuant
22 to section 247, the Commission shall submit an interim
23 report to the President and to the Congress. The interim
24 report shall contain a detailed statement of the findings
25 and conclusions of the Commission, together with the

1 Commission's recommendations for legislative and admin-
2 istrative action, based on the activities of the Commission.

3 (b) FINAL REPORT.—Not later than the date on
4 which the Commission terminates, the Commission shall
5 submit to the Congress and to the President a final report
6 containing—

7 (1) a detailed statement of final findings, con-
8 clusions, and recommendations; and

9 (2) an assessment of the extent to which rec-
10 ommendations of the Commission included in the in-
11 terim report under subsection (a) have been imple-
12 mented.

13 (c) PRINTING AND PUBLIC DISTRIBUTION.—Upon
14 receipt of each report of the Commission under this sec-
15 tion, the President shall—

16 (1) order the report to be printed; and

17 (2) make the report available to the public upon
18 request.

19 **SEC. 247. TERMINATION.**

20 The Commission shall terminate on the date that is
21 2 years after the date on which the members of the Com-
22 mission have met and designated a Chairperson and Vice
23 Chairperson.

1 **SEC. 248. AUTHORIZATION OF APPROPRIATIONS.**

2 There are authorized to be appropriated such sums
3 as are necessary to carry out the purposes of the Commis-
4 sion.

5 **TITLE III—CHILD SUPPORT**

6 **SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.**

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

12 **Subtitle A—Eligibility for Services;**
13 **Distribution of Payments**

14 **SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUP-**
15 **PORT ENFORCEMENT SERVICES.**

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

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

20 “(4) provide that the State will—

21 “(A) provide services relating to the estab-
22 lishment of paternity or the establishment,
23 modification, or enforcement of child support
24 obligations, as appropriate, under the plan with
25 respect to—

1 “(i) each child for whom (I) assist-
2 ance is provided under the State program
3 funded under part A of this title, (II) ben-
4 efits or services for foster care mainte-
5 nance and adoption assistance are provided
6 under the State program funded under
7 part B of this title, or (III) medical assist-
8 ance is provided under the State plan ap-
9 proved under title XIX, unless the State
10 agency administering the plan determines
11 (in accordance with paragraph (29)) that
12 it is against the best interests of the child
13 to do so; and

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

17 “(B) enforce any support obligation estab-
18 lished with respect to—

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

21 “(ii) the custodial parent of such a
22 child.”; and

23 (2) in paragraph (6)—

24 (A) by striking “provide that” and insert-
25 ing “provide that—”;

1 (B) by striking subparagraph (A) and in-
2 serting the following new subparagraph:

3 “(A) services under the plan shall be made
4 available to residents of other States on the
5 same terms as to residents of the State submit-
6 ting the plan;”;

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

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

13 (i) by indenting the subparagraph in
14 the same manner as, and aligning the left
15 margin of the subparagraph with the left
16 margin of, the matter inserted by subpara-
17 graph (B) of this paragraph; and

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

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

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

1 (1) by striking “and” at the end of paragraph
2 (23);

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

5 (3) by adding after paragraph (24) the follow-
6 ing new paragraph:

7 “(25) provide that if a family with respect to
8 which services are provided under the plan ceases to
9 receive assistance under the State program funded
10 under part A, the State shall provide appropriate no-
11 tice to the family and continue to provide such serv-
12 ices, subject to the same conditions and on the same
13 basis as in the case of other individuals to whom
14 services are furnished under the plan, except that an
15 application or other request to continue services
16 shall not be required of such a family and paragraph
17 (6)(B) shall not apply to the family.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Section 452(b) (42 U.S.C. 652(b)) is
20 amended by striking “454(6)” and inserting
21 “454(4)”.

22 (2) Section 452(g)(2)(A) (42 U.S.C.
23 652(g)(2)(A)) is amended by striking “454(6)” each
24 place it appears and inserting “454(4)(A)(ii)”.

1 (3) Section 466(a)(3)(B) (42 U.S.C.
2 666(a)(3)(B)) is amended by striking “in the case of
3 overdue support which a State has agreed to collect
4 under section 454(6)” and inserting “in any other
5 case”.

6 (4) Section 466(e) (42 U.S.C. 666(e)) is
7 amended by striking “paragraph (4) or (6) of sec-
8 tion 454” and inserting “section 454(4)”.

9 **SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
10 **TIONS.**

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

13 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

14 “(a) **IN GENERAL.**—An amount collected on behalf
15 of a family as support by a State pursuant to a plan ap-
16 proved under this part shall be distributed as follows:

17 “(1) **FAMILIES RECEIVING ASSISTANCE.**—In the
18 case of a family receiving assistance from the State,
19 the State shall—

20 “(A) pay to the Federal Government the
21 Federal share of the amount so collected; and

22 “(B) retain, or distribute to the family, the
23 State share of the amount so collected.

1 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
2 SISTANCE.—In the case of a family that formerly re-
3 ceived assistance from the State:

4 “(A) CURRENT SUPPORT PAYMENTS.—To
5 the extent that the amount so collected does not
6 exceed the amount required to be paid to the
7 family for the month in which collected, the
8 State shall distribute the amount so collected to
9 the family.

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

15 “(i) DISTRIBUTION OF ARREARAGES
16 THAT ACCRUED AFTER THE FAMILY
17 CEASED TO RECEIVE ASSISTANCE.—

18 “(I) PRE-OCTOBER 1997.—The
19 provisions of this section (other than
20 subsection (b)(1)) as in effect and ap-
21 plied on the day before the date of the
22 enactment of section 302 of the Bi-
23 partisan Welfare Reform Act of 1996
24 shall apply with respect to the dis-
25 tribution of support arrearages that—

1 “(aa) accrued after the fam-
2 ily ceased to receive assistance,
3 and

4 “(bb) are collected before
5 October 1, 1997.

6 “(II) POST-SEPTEMBER 1997.—
7 With respect the amount so collected
8 on or after October 1, 1997, or before
9 such date, at the option of the
10 State—

11 “(aa) IN GENERAL.—The
12 State shall first distribute the
13 amount so collected (other than
14 any amount described in clause
15 (iv)) to the family to the extent
16 necessary to satisfy any support
17 arrearages with respect to the
18 family that accrued after the
19 family ceased to receive assist-
20 ance from the State.

21 “(bb) REIMBURSEMENT OF
22 GOVERNMENTS FOR ASSISTANCE
23 PROVIDED TO THE FAMILY.—
24 After the application of division
25 (aa) and clause (ii)(II)(aa) with

1 respect to the amount so col-
2 lected, the State shall retain the
3 State share of the amount so col-
4 lected, and pay to the Federal
5 Government the Federal share
6 (as defined in subsection
7 (c)(2)(A)) of the amount so col-
8 lected, but only to the extent nec-
9 essary to reimburse amounts paid
10 to the family as assistance by the
11 State.

12 “(cc) DISTRIBUTION OF THE
13 REMAINDER TO THE FAMILY.—
14 To the extent that neither divi-
15 sion (aa) nor division (bb) applies
16 to the amount so collected, the
17 State shall distribute the amount
18 to the family.

19 “(ii) DISTRIBUTION OF ARREARAGES
20 THAT ACCRUED BEFORE THE FAMILY RE-
21 CEIVED ASSISTANCE.—

22 “(I) PRE-OCTOBER 2000.—The
23 provisions of this section (other than
24 subsection (b)(1)) as in effect and ap-
25 plied on the day before the date of the

1 enactment of section 302 of the Bi-
2 partisan Welfare Reform Act of 1996
3 shall apply with respect to the dis-
4 tribution of support arrearages that—

5 “(aa) accrued before the
6 family received assistance, and

7 “(bb) are collected before
8 October 1, 2000.

9 “(II) POST-SEPTEMBER 2000.—
10 Unless, based on the report required
11 by paragraph (4), the Congress deter-
12 mines otherwise, with respect to the
13 amount so collected on or after Octo-
14 ber 1, 2000, or before such date, at
15 the option of the State—

16 “(aa) IN GENERAL.—The
17 State shall first distribute the
18 amount so collected (other than
19 any amount described in clause
20 (iv)) to the family to the extent
21 necessary to satisfy any support
22 arrearages with respect to the
23 family that accrued before the
24 family received assistance from
25 the State.

1 “(bb) REIMBURSEMENT OF
2 GOVERNMENTS FOR ASSISTANCE
3 PROVIDED TO THE FAMILY.—
4 After the application of clause
5 (i)(II)(aa) and division (aa) with
6 respect to the amount so col-
7 lected, the State shall retain the
8 State share of the amount so col-
9 lected, and pay to the Federal
10 Government the Federal share
11 (as defined in subsection (c)(2))
12 of the amount so collected, but
13 only to the extent necessary to
14 reimburse of the amounts paid to
15 the family as assistance by the
16 State.

17 “(cc) DISTRIBUTION OF THE
18 REMAINDER TO THE FAMILY.—
19 To the extent that neither divi-
20 sion (aa) nor division (bb) applies
21 to the amount so collected, the
22 State shall distribute the amount
23 to the family.

24 “(iii) DISTRIBUTION OF ARREARAGES
25 THAT ACCRUED WHILE THE FAMILY RE-

1 CEIVED ASSISTANCE.—In the case of a
2 family described in this subparagraph, the
3 provisions of paragraph (1) shall apply
4 with respect to the distribution of support
5 arrearages that accrued while the family
6 received assistance.

7 “(iv) AMOUNTS COLLECTED PURSU-
8 ANT TO SECTION 464.—Notwithstanding
9 any other provision of this section, any
10 amount of support collected pursuant to
11 section 464 shall be retained by the State
12 to the extent necessary to reimburse
13 amounts paid to the family as assistance
14 by the State. The State shall pay to the
15 Federal Government the Federal share of
16 the amounts so retained. To the extent the
17 amount collected pursuant to section 464
18 exceeds the amount so retained, the State
19 shall distribute the excess to the family.

20 “(v) ORDERING RULES FOR DISTRIBU-
21 TIONS.—For purposes of this subpara-
22 graph, the State shall treat any support
23 arrearages collected as accruing in the fol-
24 lowing order:

1 “(I) to the period after the fam-
2 ily ceased to receive assistance;

3 “(II) to the period before the
4 family received assistance; and

5 “(III) to the period while the
6 family was receiving assistance.

7 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-
8 ANCE.—In the case of any other family, the State
9 shall distribute the amount so collected to the fam-
10 ily.

11 “(4) STUDY AND REPORT.—Not later than Oc-
12 tober 1, 1998, the Secretary shall report to the Con-
13 gress the Secretary’s findings with respect to—

14 “(A) whether the distribution of post-as-
15 sistance arrearages to families has been effec-
16 tive in moving people off of welfare and keeping
17 them off of welfare;

18 “(B) whether early implementation of a
19 pre-assistance arrearage program by some
20 States has been effective in moving people off
21 of welfare and keeping them off of welfare;

22 “(C) what the overall impact has been of
23 the amendments made by the Bipartisan Wel-
24 fare Reform Act of 1996 with respect to child

1 support enforcement in moving people off of
2 welfare and keeping them off of welfare; and

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

7 “(b) CONTINUATION OF ASSIGNMENTS.—Any rights
8 to support obligations, which were assigned to a State as
9 a condition of receiving assistance from the State under
10 part A and which were in effect on the day before the
11 date of the enactment of the Bipartisan Welfare Reform
12 Act of 1996, shall remain assigned after such date.

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

14 “(1) ASSISTANCE.—The term ‘assistance from
15 the State’ means—

16 “(A) assistance under the State program
17 funded under part A or under the State plan
18 approved under part A of this title (as in effect
19 on the day before the date of the enactment of
20 the Bipartisan Welfare Reform Act of 1996); or

21 “(B) benefits under the State plan ap-
22 proved under part E of this title (as in effect
23 on the day before the date of the enactment of
24 the Bipartisan Welfare Reform Act of 1996).

1 “(2) FEDERAL SHARE.—The term ‘Federal
2 share’ means that portion of the amount collected
3 resulting from the application of the Federal medical
4 percentage in effect for the fiscal year in which the
5 amount is collected.

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

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

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

16 “(4) STATE SHARE.—The term ‘State share’
17 means 100 percent minus the Federal share.

18 “(d) HOLD HARMLESS PROVISION.—If the amounts
19 collected which could be retained by the State in the fiscal
20 year (to the extent necessary to reimburse the State for
21 amounts paid to families as assistance by the State) are
22 less than the State share of the amounts collected in fiscal
23 year 1995 (determined in accordance with section 457 as
24 in effect on the day before the date of the enactment of
25 the Bipartisan Welfare Reform Act of 1996), the State

1 share for the fiscal year shall be an amount equal to the
2 State share in fiscal year 1995.”.

3 (b) CONFORMING AMENDMENTS.—

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

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

8 (A) in paragraph (11)—

9 (i) by striking “(11)” and inserting
10 “(11)(A)”; and

11 (ii) by inserting after the semicolon
12 “and”; and

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

15 (c) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this section
18 shall be effective on October 1, 1996, or earlier at
19 the State’s option.

20 (2) CONFORMING AMENDMENTS.—The amend-
21 ments made by subsection (b)(2) shall become effec-
22 tive on the date of the enactment of this Act.

1 **SEC. 303. PRIVACY SAFEGUARDS.**

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

5 (1) by striking “and” at the end of paragraph
6 (24);

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

9 (3) by adding after paragraph (25) the follow-
10 ing new paragraph:

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

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

19 “(B) prohibitions against the release of in-
20 formation on the whereabouts of 1 party to an-
21 other party against whom a protective order
22 with respect to the former party has been en-
23 tered; and

24 “(C) prohibitions against the release of in-
25 formation on the whereabouts of 1 party to an-
26 other party if the State has reason to believe

1 that the release of the information may result
2 in physical or emotional harm to the former
3 party.”.

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

6 **SEC. 304. RIGHTS TO NOTIFICATION AND HEARINGS.**

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

11 “(12) provide for the establishment of proce-
12 dures to require the State to provide individuals who
13 are applying for or receiving services under the State
14 plan, or who are parties to cases in which services
15 are being provided under the State plan—

16 “(A) with notice of all proceedings in
17 which support obligations might be established
18 or modified; and

19 “(B) with a copy of any order establishing
20 or modifying a child support obligation, or (in
21 the case of a petition for modification) a notice
22 of determination that there should be no change
23 in the amount of the child support award, with-
24 in 14 days after issuance of such order or de-
25 termination;”.

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

3 **Subtitle B—Locate and Case**
4 **Tracking**

5 **SEC. 311. STATE CASE REGISTRY.**

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

9 “(e) STATE CASE REGISTRY.—

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

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

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

20 “(2) LINKING OF LOCAL REGISTRIES.—The
21 State case registry may be established by linking
22 local case registries of support orders through an
23 automated information network, subject to this sec-
24 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 arrearages, 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) INTRASTATE AND INTERSTATE INFORMA-
5 TION COMPARISONS.—Exchanging information with
6 other agencies of the State, agencies of other States,
7 and interstate information networks, as necessary
8 and appropriate to carry out (or assist other States
9 to carry out) the purposes of this part.”.

10 **SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT**
11 **PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
13 U.S.C. 654), as amended by sections 301(b) and 303(a)
14 of this Act, 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, 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 “(B) have sufficient State staff (consisting
2 of State employees) and (at State option) con-
3 tractors reporting directly to the State agency
4 to—

5 “(i) monitor and enforce support col-
6 lections through the unit in cases being en-
7 forced by the State pursuant to section
8 454(4) (including carrying out the auto-
9 mated data processing responsibilities de-
10 scribed in section 454A(g)); and

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

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

17 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
18 **PORT PAYMENTS.**

19 “(a) STATE DISBURSEMENT UNIT.—

20 “(1) IN GENERAL.—In order for a State to
21 meet the requirements of this section, the State
22 agency must establish and operate a unit (which
23 shall be known as the ‘State disbursement unit’) for
24 the collection and disbursement of payments under
25 support orders—

1 “(A) in all cases being enforced by the
2 State pursuant to section 454(4); and

3 “(B) in all cases not being enforced by the
4 State under this part in which the support
5 order is initially issued in the State on or after
6 January 1, 1994, and in which the wages of the
7 absent parent are subject to withholding pursu-
8 ant to section 466(a)(8)(B).

9 “(2) OPERATION.—The State disbursement
10 unit shall be operated—

11 “(A) directly by the State agency (or 2 or
12 more State agencies under a regional coopera-
13 tive agreement), or (to the extent appropriate)
14 by a contractor responsible directly to the State
15 agency; and

16 “(B) except in cases described in para-
17 graph (1)(B), in coordination with the auto-
18 mated system established by the State pursuant
19 to section 454A.

20 “(3) LINKING OF LOCAL DISBURSEMENT
21 UNITS.—The State disbursement unit may be estab-
22 lished by linking local disbursement units through
23 an automated information network, subject to this
24 section, if the Secretary agrees that the system will
25 not cost more nor take more time to establish or op-

1 erate than a centralized system. In addition, employ-
2 ers shall be given 1 location to which income with-
3 holding is sent.

4 “(b) REQUIRED PROCEDURES.—The State disburse-
5 ment unit shall use automated procedures, electronic proc-
6 esses, and computer-driven technology to the maximum
7 extent feasible, efficient, and economical, for the collection
8 and disbursement of support payments, including proce-
9 dures—

10 “(1) for receipt of payments from parents, em-
11 ployers, and other States, and for disbursements to
12 custodial parents and other obligees, the State agen-
13 cy, and the agencies of other States;

14 “(2) for accurate identification of payments;

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

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

21 “(c) TIMING OF DISBURSEMENTS.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (2), the State disbursement unit shall distrib-
24 ute all amounts payable under section 457(a) within
25 2 business days after receipt from the employer or

1 other source of periodic income, if sufficient infor-
2 mation identifying the payee is provided.

3 “(2) PERMISSIVE RETENTION OF ARREAR-
4 AGES.—The State disbursement unit may delay the
5 distribution of collections toward arrearages until
6 the resolution of any timely appeal with respect to
7 such arrearages.

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

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

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

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

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

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

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

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

15 “(C) automatic use of enforcement proce-
16 dures (including procedures authorized pursu-
17 ant to section 466(c)) if payments are not time-
18 ly made.

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

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

1 **SEC. 313. STATE DIRECTORY OF NEW HIRES.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654), as amended by sections 301(b), 303(a) and
4 312(a) of this Act, is amended—

5 (1) by striking “and” at the end of paragraph
6 (26);

7 (2) by striking the period at the end of para-
8 graph (27) and inserting “; and”; and

9 (3) by adding after paragraph (27) the follow-
10 ing new paragraph:

11 “(28) provide that, on and after October 1,
12 1997, the State will operate a State Directory of
13 New Hires in accordance with section 453A.”.

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

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

18 **“(a) ESTABLISHMENT.—**

19 **“(1) IN GENERAL.—**

20 **“(A) REQUIREMENT FOR STATES THAT**
21 **HAVE NO DIRECTORY.—**Except as provided in
22 subparagraph (B), not later than October 1,
23 1997, each State shall establish an automated
24 directory (to be known as the ‘State Directory
25 of New Hires’) which shall contain information

1 supplied in accordance with subsection (b) by
2 employers on each newly hired employee.

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

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

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

12 “(i) means an individual who is an
13 employee within the meaning of chapter 24
14 of the Internal Revenue Code of 1986; and

15 “(ii) does not include an employee of
16 a Federal or State agency performing in-
17 telligence or counterintelligence functions,
18 if the head of such agency has determined
19 that reporting pursuant to paragraph (1)
20 with respect to the employee could endan-
21 ger the safety of the employee or com-
22 promise an ongoing investigation or intel-
23 ligence mission.

24 “(B) EMPLOYER.—

1 “(i) IN GENERAL.—The term ‘em-
2 ployer’ has the meaning given such term in
3 section 3401(d) of the Internal Revenue
4 Code of 1996 and includes any govern-
5 mental entity and any labor organization.

6 “(ii) LABOR ORGANIZATION.—The
7 term ‘labor organization’ shall have the
8 meaning given such term in section 2(5) of
9 the National Labor Relations Act, and in-
10 cludes any entity (also known as a ‘hiring
11 hall’) which is used by the organization
12 and an employer to carry out requirements
13 described in section 8(f)(3) of such Act of
14 an agreement between the organization
15 and the employer.

16 “(b) EMPLOYER INFORMATION.—

17 “(1) REPORTING REQUIREMENT.—

18 “(A) IN GENERAL.—Except as provided in
19 subparagraphs (B) and (C), each employer shall
20 furnish to the Directory of New Hires of the
21 State in which a newly hired employee works, a
22 report that contains the name, address, and so-
23 cial security number of the employee, and the
24 name and address of, and identifying number

1 assigned under section 6109 of the Internal
2 Revenue Code of 1986 to, the employer.

3 “(B) MULTISTATE EMPLOYERS.—An em-
4 ployer that has employees who are employed in
5 2 or more States and that transmits reports
6 magnetically or electronically may comply with
7 subparagraph (A) by designating 1 State in
8 which such employer has employees to which
9 the employer will transmit the report described
10 in subparagraph (A), and transmitting such re-
11 port to such State. Any employer that transmits
12 reports pursuant to this subparagraph shall no-
13 tify the Secretary in writing as to which State
14 such employer designates for the purpose of
15 sending reports.

16 “(C) FEDERAL GOVERNMENT EMPLOY-
17 ERS.—Any department, agency, or instrumen-
18 tality of the United States shall comply with
19 subparagraph (A) by transmitting the report
20 described in subparagraph (A) to the National
21 Directory of New Hires established pursuant to
22 section 453.

23 “(2) TIMING OF REPORT.—Each State may
24 provide the time within which the report required by

1 paragraph (1) shall be made with respect to an em-
2 ployee, but such report shall be made—

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

5 “(B) in the case of an employer transmit-
6 ting reports magnetically or electronically, by 2
7 monthly transmissions (if necessary) not less
8 than 12 days nor more than 16 days apart.

9 “(c) REPORTING FORMAT AND METHOD.—Each re-
10 port required by subsection (b) shall be made on a W-
11 4 form or, at the option of the employer, an equivalent
12 form, and may be transmitted by 1st class mail, magneti-
13 cally, or electronically.

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

17 “(1) \$25; or

18 “(2) \$500 if, under State law, the failure is the
19 result of a conspiracy between the employer and the
20 employee to not supply the required report or to
21 supply a false or incomplete report.

22 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-
23 mation shall be entered into the data base maintained by
24 the State Directory of New Hires within 5 business days
25 of receipt from an employer pursuant to subsection (b).

1 “(f) INFORMATION COMPARISONS.—

2 “(1) IN GENERAL.—Not later than May 1,
3 1998, an agency designated by the State shall, di-
4 rectly or by contract, conduct automated compari-
5 sons of the social security numbers reported by em-
6 ployers pursuant to subsection (b) and the social se-
7 curity numbers appearing in the records of the State
8 case registry for cases being enforced under the
9 State plan.

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

22 “(g) TRANSMISSION OF INFORMATION.—

23 “(1) TRANSMISSION OF WAGE WITHHOLDING
24 NOTICES TO EMPLOYERS.—Within 2 business days
25 after the date information regarding a newly hired

1 employee is entered into the State Directory of New
2 Hires, the State agency enforcing the employee's
3 child support obligation shall transmit a notice to
4 the employer of the employee directing the employer
5 to withhold from the wages of the employee an
6 amount equal to the monthly (or other periodic)
7 child support obligation (including any past due sup-
8 port obligation) of the employee, unless the employ-
9 ee's wages are not subject to withholding pursuant
10 to section 466(b)(3).

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

13 “(A) NEW HIRE INFORMATION.—Within 3
14 business days after the date information re-
15 garding a newly hired employee is entered into
16 the State Directory of New Hires, the State Di-
17 rectory of New Hires shall furnish the informa-
18 tion to the National Directory of New Hires.

19 “(B) WAGE AND UNEMPLOYMENT COM-
20 PENSATION INFORMATION.—The State Direc-
21 tory of New Hires shall, on a quarterly basis,
22 furnish to the National Directory of New Hires
23 extracts of the reports required under section
24 303(a)(6) to be made to the Secretary of Labor
25 concerning the wages and unemployment com-

1 pensation paid to individuals, by such dates, in
2 such format, and containing such information
3 as the Secretary of Health and Human Services
4 shall specify in regulations.

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

8 “(h) OTHER USES OF NEW HIRE INFORMATION.—

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

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

22 “(3) ADMINISTRATION OF EMPLOYMENT SECU-
23 RITY AND WORKERS’ COMPENSATION.—State agen-
24 cies operating employment security and workers’
25 compensation programs shall have access to informa-

1 tion reported by employers pursuant to subsection
2 (b) for the purposes of administering such pro-
3 grams.”.

4 (c) QUARTERLY WAGE REPORTING.—Section
5 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

6 (1) by inserting “(including State and local gov-
7 ernmental entities and labor organizations (as de-
8 fined in section 453A(a)(2)(B)(iii))” after “employ-
9 ers”; and

10 (2) by inserting “, and except that no report
11 shall be filed with respect to an employee of a State
12 or local agency performing intelligence or counter-
13 intelligence functions, if the head of such agency has
14 determined that filing such a report could endanger
15 the safety of the employee or compromise an ongoing
16 investigation or intelligence mission” after
17 “paragraph (2)”.

18 **SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLD-**
19 **ING.**

20 (a) MANDATORY INCOME WITHHOLDING.—

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

23 “(1)(A) Procedures described in subsection (b)
24 for the withholding from income of amounts payable

1 as support in cases subject to enforcement under the
2 State plan.

3 “(B) Procedures under which the wages of a
4 person with a support obligation imposed by a sup-
5 port order issued (or modified) in the State before
6 October 1, 1996, if not otherwise subject to with-
7 holding under subsection (b), shall become subject to
8 withholding as provided in subsection (b) if arrear-
9 ages occur, without the need for a judicial or admin-
10 istrative hearing.”.

11 (2) CONFORMING AMENDMENTS.—

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

16 (B) Section 466(b)(4) (42 U.S.C.
17 666(b)(4)) is amended to read as follows:

18 “(4)(A) Such withholding must be carried out
19 in full compliance with all procedural due process re-
20 quirements of the State, and the State must send
21 notice to each noncustodial parent to whom para-
22 graph (1) applies—

23 “(i) that the withholding has commenced;
24 and

1 “(ii) of the procedures to follow if the non-
2 custodial parent desires to contest such with-
3 holding on the grounds that the withholding or
4 the amount withheld is improper due to a mis-
5 take of fact.

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

9 (C) Section 466(b)(5) (42 U.S.C.
10 666(b)(5)) is amended by striking all that fol-
11 lows “administered by” and inserting “the
12 State through the State disbursement unit es-
13 tablished pursuant to section 454B, in accord-
14 ance with the requirements of section 454B.”.

15 (D) Section 466(b)(6)(A) (42 U.S.C.
16 666(b)(6)(A)) is amended—

17 (i) in clause (i), by striking “to the
18 appropriate agency” and all that follows
19 and inserting “to the State disbursement
20 unit within 2 business days after the date
21 the amount would (but for this subsection)
22 have been paid or credited to the employee,
23 for distribution in accordance with this
24 part. The employer shall comply with the
25 procedural rules relating to income with-

1 holding of the State in which the employee
2 works, regardless of the State where the
3 notice originates.”.

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

7 (iii) by adding at the end the follow-
8 ing new clause:

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

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

16 “(i) discharges from employment, refuses
17 to employ, or takes disciplinary action against
18 any noncustodial parent subject to wage with-
19 holding required by this subsection because of
20 the existence of such withholding and the obli-
21 gations or additional obligations which it im-
22 poses upon the employer; or

23 “(ii) fails to withhold support from wages,
24 or to pay such amounts to the State disburse-
25 ment unit in accordance with this subsection.”.

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

4 “(11) Procedures under which the agency ad-
5 ministering the State plan approved under this part
6 may execute a withholding order without advance
7 notice to the obligor, including issuing the withhold-
8 ing order through electronic means.”.

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

11 **SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NET-**
12 **WORKS.**

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

15 “(12) LOCATOR INFORMATION FROM INTER-
16 STATE NETWORKS.—Procedures to ensure that all
17 Federal and State agencies conducting activities
18 under this part have access to any system used by
19 the State to locate an individual for purposes relat-
20 ing to motor vehicles or law enforcement.”.

21 **SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR**
22 **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 all that follows
2 “subsection (c))” and inserting “, for the purpose of
3 establishing parentage, establishing, setting the
4 amount of, modifying, or enforcing child support ob-
5 ligations, or enforcing child custody or visitation or-
6 ders—

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 or provide child custody or visita-
11 tion rights;

12 “(B) against whom such an obligation is
13 sought;

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

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

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

1 (2) in subsection (b)—

2 (A) in the matter preceding paragraph (1),
3 by striking “social security” and all that follows
4 through “absent parent” and inserting “infor-
5 mation described in subsection (a)”;

6 (B) in the flush paragraph at the end, by
7 adding the following: “No information shall be
8 disclosed to any person if the State has notified
9 the Secretary that the State has reasonable evi-
10 dence of domestic violence or child abuse and
11 the disclosure of such information could be
12 harmful to the custodial parent or the child of
13 such parent. Information received or transmit-
14 ted pursuant to this section shall be subject to
15 the safeguard provisions contained in section
16 454(26).”.

17 (b) AUTHORIZED PERSON FOR INFORMATION RE-
18 GARDING VISITATION RIGHTS.—Section 453(c) (42
19 U.S.C. 653(c)) is amended—

20 (1) in paragraph (1), by striking “support” and
21 inserting “support or to seek to enforce orders pro-
22 viding child custody or visitation rights”; and

23 (2) in paragraph (2), by striking “, or any
24 agent of such court; and” and inserting “or to issue

1 an order against a resident parent for child custody
2 or visitation rights, or any agent of such court;”.

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

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

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

22 (e) CONFORMING AMENDMENTS.—

23 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
24 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
25 653(b), 663(a), 663(e), and 663(f)) are each amend-

1 ed by inserting “Federal” before “Parent” each
2 place such term appears.

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

6 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
7 653), as amended by subsection (d) of this section, is
8 amended by adding at the end the following new sub-
9 sections:

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(g)(2).

24 “(2) ENTRY OF DATA.—Information shall be
25 entered into the data base maintained by the Na-

1 tional Directory of New Hires within 2 business
2 days of receipt pursuant to section 453A(g)(2).

3 “(3) ADMINISTRATION OF FEDERAL TAX
4 LAWS.—The Secretary of the Treasury shall have
5 access to the information in the National Directory
6 of New Hires for purposes of administering section
7 32 of the Internal Revenue Code of 1986, or the ad-
8 vance payment of the earned income tax credit
9 under section 3507 of such Code, and verifying a
10 claim with respect to employment in a tax return.

11 “(4) LIST OF MULTISTATE EMPLOYERS.—The
12 Secretary shall maintain within the National Direc-
13 tory of New Hires a list of multistate employers that
14 report information regarding newly hired employees
15 pursuant to section 453A(b)(1)(B), and the State
16 which each such employer has designated to receive
17 such information.

18 “(j) INFORMATION COMPARISONS AND OTHER DIS-
19 CLOSURES.—

20 “(1) VERIFICATION BY SOCIAL SECURITY AD-
21 MINISTRATION.—

22 “(A) IN GENERAL.—The Secretary shall
23 transmit information on individuals and em-
24 ployers maintained under this section to the So-
25 cial Security Administration to the extent nec-

1 necessary for verification in accordance with sub-
2 paragraph (B).

3 “(B) VERIFICATION BY SSA.—The Social
4 Security Administration shall verify the accu-
5 racy of, correct, or supply to the extent pos-
6 sible, and report to the Secretary, the following
7 information supplied by the Secretary pursuant
8 to subparagraph (A):

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

11 “(ii) The employer identification num-
12 ber of each such employer.

13 “(2) INFORMATION COMPARISONS.—For the
14 purpose of locating individuals in a paternity estab-
15 lishment case or a case involving the establishment,
16 modification, or enforcement of a support order, the
17 Secretary shall—

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

23 “(B) within 2 such days after such a com-
24 parison reveals a match with respect to an indi-

1 vidual, report the information to the State
2 agency responsible for the case.

3 “(3) INFORMATION COMPARISONS AND DISCLO-
4 SURES OF INFORMATION IN ALL REGISTRIES FOR
5 TITLE IV PROGRAM PURPOSES.—To the extent and
6 with the frequency that the Secretary determines to
7 be effective in assisting States to carry out their re-
8 sponsibilities under programs operated under this
9 part and programs funded under part A, the Sec-
10 retary shall—

11 “(A) compare the information in each com-
12 ponent of the Federal Parent Locator Service
13 maintained under this section against the infor-
14 mation in each other such component (other
15 than the comparison required by paragraph
16 (2)), and report instances in which such a com-
17 parison reveals a match with respect to an indi-
18 vidual to State agencies operating such pro-
19 grams; and

20 “(B) disclose information in such registries
21 to such State agencies.

22 “(4) PROVISION OF NEW HIRE INFORMATION
23 TO THE SOCIAL SECURITY ADMINISTRATION.—The
24 National Directory of New Hires shall provide the
25 Commissioner of Social Security with all information

1 in the National Directory, which shall be used to de-
2 termine the accuracy of payments under the supple-
3 mental security income program under title XVI and
4 in connection with benefits under title II.

5 “(5) RESEARCH.—The Secretary may provide
6 access to information reported by employers pursu-
7 ant to section 453A(b) for research purposes found
8 by the Secretary to be likely to contribute to achiev-
9 ing the purposes of part A or this part, but without
10 personal identifiers.

11 “(k) FEES.—

12 “(1) FOR SSA VERIFICATION.—The Secretary
13 shall reimburse the Commissioner of Social Security,
14 at a rate negotiated between the Secretary and the
15 Commissioner, for the costs incurred by the Com-
16 missioner in performing the verification services de-
17 scribed in subsection (j).

18 “(2) FOR INFORMATION FROM STATE DIREC-
19 TORIES OF NEW HIRES.—The Secretary shall reim-
20 burse costs incurred by State directories of new
21 hires in furnishing information as required by sub-
22 section (j)(3), at rates which the Secretary deter-
23 mines to be reasonable (which rates shall not include
24 payment for the costs of obtaining, compiling, or
25 maintaining such information).

1 “(3) FOR INFORMATION FURNISHED TO STATE
2 AND FEDERAL AGENCIES.—A State or Federal agen-
3 cy that receives information from the Secretary pur-
4 suant to this section shall reimburse the Secretary
5 for costs incurred by the Secretary in furnishing the
6 information, at rates which the Secretary determines
7 to be reasonable (which rates shall include payment
8 for the costs of obtaining, verifying, maintaining,
9 and comparing the information).

10 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
11 formation in the Federal Parent Locator Service, and in-
12 formation resulting from comparisons using such informa-
13 tion, shall not be used or disclosed except as expressly pro-
14 vided in this section, subject to section 6103 of the Inter-
15 nal Revenue Code of 1986.

16 “(m) INFORMATION INTEGRITY AND SECURITY.—
17 The Secretary shall establish and implement safeguards
18 with respect to the entities established under this section
19 designed 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 “(n) FEDERAL GOVERNMENT REPORTING.—Each
4 department, agency, and instrumentality of the United
5 States shall on a quarterly basis report to the Federal
6 Parent Locator Service the name and social security num-
7 ber of each employee and the wages paid to the employee
8 during the previous quarter, except that such a report
9 shall not be filed with respect to an employee of a depart-
10 ment, agency, or instrumentality performing intelligence
11 or counterintelligence functions, if the head of such de-
12 partment, agency, or instrumentality has determined that
13 filing such a report could endanger the safety of the em-
14 ployee or compromise an ongoing investigation or intel-
15 ligence mission.”.

16 (g) CONFORMING AMENDMENTS.—

17 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
18 CURITY ACT.—

19 (A) Section 454(8)(B) (42 U.S.C.
20 654(8)(B)) is amended to read as follows:

21 “(B) the Federal Parent Locator Service
22 established under section 453;”.

23 (B) Section 454(13) (42 U.S.C.654(13)) is
24 amended by inserting “and provide that infor-
25 mation requests by parents who are residents of

1 other States be treated with the same priority
2 as requests by parents who are residents of the
3 State submitting the plan” before the semi-
4 colon.

5 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
6 Section 3304(a)(16) of the Internal Revenue Code of
7 1986 is amended—

8 (A) by striking “Secretary of Health, Edu-
9 cation, and Welfare” each place such term ap-
10 pears and inserting “Secretary of Health and
11 Human Services”;

12 (B) in subparagraph (B), by striking
13 “such information” and all that follows and in-
14 serting “information furnished under subpara-
15 graph (A) or (B) is used only for the purposes
16 authorized under such subparagraph;”;

17 (C) by striking “and” at the end of sub-
18 paragraph (A);

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

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

23 “(B) wage and unemployment compensa-
24 tion information contained in the records of
25 such agency shall be furnished to the Secretary

1 of Health and Human Services (in accordance
2 with regulations promulgated by such Sec-
3 retary) as necessary for the purposes of the Na-
4 tional Directory of New Hires established under
5 section 453(i) of the Social Security Act, and”.

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

10 “(h)(1) The State agency charged with the adminis-
11 tration of the State law shall, on a reimbursable basis—

12 “(A) disclose quarterly, to the Secretary of
13 Health and Human Services, wage and claim infor-
14 mation, as required pursuant to section 453(i)(1),
15 contained in the records of such agency;

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

21 “(C) establish such safeguards as the Secretary
22 of Labor determines are necessary to insure that in-
23 formation disclosed under subparagraph (A) is used
24 only for purposes of section 453(i)(1) in carrying out

1 the child support enforcement program under title
2 IV.

3 “(2) Whenever the Secretary of Labor, after reason-
4 able notice and opportunity for hearing to the State agen-
5 cy charged with the administration of the State law, finds
6 that there is a failure to comply substantially with the re-
7 quirements of paragraph (1), the Secretary of Labor shall
8 notify such State agency that further payments will not
9 be made to the State until the Secretary of Labor is satis-
10 fied that there is no longer any such failure. Until the
11 Secretary of Labor is so satisfied, the Secretary shall
12 make no future certification to the Secretary of the Treas-
13 ury with respect to the State.

14 “(3) For purposes of this subsection—

15 “(A) the term ‘wage information’ means infor-
16 mation regarding wages paid to an individual, the
17 social security account number of such individual,
18 and the name, address, State, and the Federal em-
19 ployer identification number of the employer paying
20 such wages to such individual; and

21 “(B) the term ‘claim information’ means infor-
22 mation regarding whether an individual is receiving,
23 has received, or has made application for, unemploy-
24 ment compensation, the amount of any such com-
25 pensation being received (or to be received by such

1 individual), and the individual's current (or most re-
2 cent) home address.”.

3 (4) DISCLOSURE OF CERTAIN INFORMATION TO
4 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-
5 CIES.—

6 (A) IN GENERAL.—Paragraph (6) of sec-
7 tion 6103(l) of the Internal Revenue Code of
8 1986 (relating to disclosure of return informa-
9 tion to Federal, State, and local child support
10 enforcement agencies) is amended by redesign-
11 ating subparagraph (B) as subparagraph (C)
12 and by inserting after subparagraph (A) the fol-
13 lowing new subparagraph:

14 “(B) DISCLOSURE TO CERTAIN AGENTS.—
15 The following information disclosed to any child
16 support enforcement agency under subpara-
17 graph (A) with respect to any individual with
18 respect to whom child support obligations are
19 sought to be established or enforced may be dis-
20 closed by such agency to any agent of such
21 agency which is under contract with such agen-
22 cy to carry out the purposes described in sub-
23 paragraph (C):

1 “(i) The address and social security
2 account number (or numbers) of such indi-
3 vidual.

4 “(ii) The amount of any reduction
5 under section 6402(c) (relating to offset of
6 past-due support against overpayments) in
7 any overpayment otherwise payable to such
8 individual.”

9 (B) CONFORMING AMENDMENTS.—

10 (i) Paragraph (3) of section 6103(a)
11 of such Code is amended by striking
12 “(l)(12)” and inserting “paragraph (6) or
13 (12) of subsection (l)”.

14 (ii) Subparagraph (C) of section
15 6103(l)(6) of such Code, as redesignated
16 by subsection (a), is amended to read as
17 follows:

18 “(C) RESTRICTION ON DISCLOSURE.—In-
19 formation may be disclosed under this para-
20 graph only for purposes of, and to the extent
21 necessary in, establishing and collecting child
22 support obligations from, and locating, individ-
23 uals owing such obligations.”

24 (iii) The material following subpara-
25 graph (F) of section 6103(p)(4) of such

1 Code is amended by striking “subsection
2 (l)(12)(B)” and inserting “paragraph
3 (6)(A) or (12)(B) of subsection (l)”.

4 **SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY**
5 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
6 **FORCEMENT.**

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

11 “(13) RECORDING OF SOCIAL SECURITY NUM-
12 BERS IN CERTAIN FAMILY MATTERS.—Procedures
13 requiring that the social security number of—

14 “(A) any applicant for a professional li-
15 cense, commercial driver’s license, occupational
16 license, or marriage license be recorded on the
17 application;

18 “(B) any individual who is subject to a di-
19 vorce decree, support order, or paternity deter-
20 mination or acknowledgment be placed in the
21 records relating to the matter; and

22 “(C) any individual who has died be placed
23 in the records relating to the death and be re-
24 corded on the death certificate.

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

4 (b) CONFORMING AMENDMENTS.—Section
5 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
6 section 321(a)(9) of the Social Security Independence and
7 Program Improvements Act of 1994, is amended—

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

10 (2) in clause (ii), by inserting after the 1st sen-
11 tence the following: “In the administration of any
12 law involving the issuance of a marriage certificate
13 or license, each State shall require each party named
14 in the certificate or license to furnish to the State
15 (or political subdivision thereof), or any State agen-
16 cy having administrative responsibility for the law
17 involved, the social security number of the party.”;

18 (3) in clause (ii), by inserting “or marriage cer-
19 tificate” after “Such numbers shall not be recorded
20 on the birth certificate”.

21 (4) in clause (vi), by striking “may” and insert-
22 ing “shall”; and

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

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

16 “(xi) All divorce decrees, support or-
17 ders, and paternity determinations issued,
18 and all paternity acknowledgments made,
19 in each State shall include the social secu-
20 rity number of each party to the decree,
21 order, determination, or acknowledgment
22 in the records relating to the matter, for
23 the purpose of responding to requests for
24 information from an agency operating pur-
25 suant to part D of title IV.”.

1 **SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCE-**
2 **DURES.**

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

6 (1) in subsection (a)(2), by striking the first
7 sentence and inserting the following: “Expedited ad-
8 ministrative and judicial procedures (including the
9 procedures specified in subsection (c)) for establish-
10 ing paternity and for establishing, modifying, and
11 enforcing support obligations.”; and

12 (2) by inserting after subsection (b) the follow-
13 ing new subsection:

14 “(c) **EXPEDITED PROCEDURES.**—The procedures
15 specified in this subsection are the following:

16 “(1) **ADMINISTRATIVE ACTION BY STATE AGEN-**
17 **CY.**—Procedures which give the State agency the au-
18 thority to take the following actions relating to es-
19 tablishment or enforcement of support orders, with-
20 out the necessity of obtaining an order from any
21 other judicial or administrative tribunal, and to rec-
22 ognize and enforce the authority of State agencies of
23 other States) to take the following actions:

24 “(A) **GENETIC TESTING.**—To order genetic
25 testing for the purpose of paternity establish-
26 ment as provided in section 466(a)(5).

1 “(B) FINANCIAL OR OTHER INFORMA-
2 TION.—To subpoena any financial or other in-
3 formation needed to establish, modify, or en-
4 force a support order, and to impose penalties
5 for failure to respond to such a subpoena.

6 “(C) RESPONSE TO STATE AGENCY RE-
7 QUEST.—To require all entities in the State (in-
8 cluding for-profit, nonprofit, and governmental
9 employers) to provide promptly, in response to
10 a request by the State agency of that or any
11 other State administering a program under this
12 part, information on the employment, com-
13 pensation, and benefits of any individual em-
14 ployed by such entity as an employee or con-
15 tractor, and to sanction failure to respond to
16 any such request.

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

23 “(i) Records of other State and local
24 government agencies, including—

1 “(I) vital statistics (including
2 records of marriage, birth, and di-
3 vorce);

4 “(II) State and local tax and rev-
5 enue records (including information
6 on residence address, employer, in-
7 come and assets);

8 “(III) records concerning real
9 and titled personal property;

10 “(IV) records of occupational and
11 professional licenses, and records con-
12 cerning the ownership and control of
13 corporations, partnerships, and other
14 business entities;

15 “(V) employment security
16 records;

17 “(VI) records of agencies admin-
18 istering public assistance programs;

19 “(VII) records of the motor vehi-
20 cle department; and

21 “(VIII) corrections records.

22 “(ii) Certain records held by private
23 entities, including—

1 “(I) customer records of public
2 utilities and cable television compa-
3 nies; and

4 “(II) information (including in-
5 formation on assets and liabilities) on
6 individuals who owe or are owed sup-
7 port (or against or with respect to
8 whom a support obligation is sought)
9 held by financial institutions (subject
10 to limitations on liability of such enti-
11 ties arising from affording such ac-
12 cess), as provided pursuant to agree-
13 ments described in subsection (a)(18).

14 “(E) CHANGE IN PAYEE.—In cases in
15 which support is subject to an assignment in
16 order to comply with a requirement imposed
17 pursuant to part A or section 1912, or to a re-
18 quirement to pay through the State disburse-
19 ment unit established pursuant to section
20 454B, upon providing notice to obligor and obli-
21 gee, to direct the obligor or other payor to
22 change the payee to the appropriate government
23 entity.

1 “(F) INCOME WITHHOLDING.—To order
2 income withholding in accordance with sub-
3 sections (a)(1) and (b) of section 466.

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

7 “(i) intercepting or seizing periodic or
8 lump-sum payments from—

9 “(I) a State or local agency, in-
10 cluding unemployment compensation,
11 workers’ compensation, and other ben-
12 efits; and

13 “(II) judgments, settlements, and
14 lotteries;

15 “(ii) attaching and seizing assets of
16 the obligor held in financial institutions;

17 “(iii) attaching public and private re-
18 tirement funds; and

19 “(iv) imposing liens in accordance
20 with subsection (a)(4) and, in appropriate
21 cases, to force sale of property and dis-
22 tribution of proceeds.

23 “(H) INCREASE MONTHLY PAYMENTS.—
24 For the purpose of securing overdue support, to
25 increase the amount of monthly support pay-

1 ments to include amounts for arrearages, sub-
2 ject to such conditions or limitations as the
3 State may provide.

4 Such procedures shall be subject to due process safe-
5 guards, including (as appropriate) requirements for
6 notice, opportunity to contest the action, and oppor-
7 tunity for an appeal on the record to an independent
8 administrative or judicial tribunal.

9 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
10 The expedited procedures required under subsection
11 (a)(2) shall include the following rules and author-
12 ity, applicable with respect to all proceedings to es-
13 tablish paternity or to establish, modify, or enforce
14 support orders:

15 “(A) LOCATOR INFORMATION; PRESUMP-
16 TIONS CONCERNING NOTICE.—Procedures
17 under which—

18 “(i) each party to any paternity or
19 child support proceeding is required (sub-
20 ject to privacy safeguards) to file with the
21 tribunal and the State case registry upon
22 entry of an order, and to update as appro-
23 priate, information on location and identity
24 of the party, including social security num-
25 ber, residential and mailing addresses, tele-

1 phone number, driver's license number,
2 and name, address, and name and tele-
3 phone number of employer; and

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

15 “(B) STATEWIDE JURISDICTION.—Proce-
16 dures under which—

17 “(i) the State agency and any admin-
18 istrative or judicial tribunal with authority
19 to hear child support and paternity cases
20 exerts statewide jurisdiction over the par-
21 ties; and

22 “(ii) in a State in which orders are is-
23 sued by courts or administrative tribunals,
24 a case may be transferred between local ju-
25 risdictions in the State without need for

1 for any additional filing by the petitioner,
2 or service of process upon the respondent,
3 to retain jurisdiction over the parties.

4 “(3) COORDINATION WITH ERISA.—Notwith-
5 standing subsection (d) of section 514 of the Em-
6 ployee Retirement Income Security Act of 1974 (re-
7 lating to effect on other laws), nothing in this sub-
8 section shall be construed to alter, amend, modify,
9 invalidate, impair, or supersede subsections (a), (b),
10 and (c) of such section 514 as it applies with respect
11 to any procedure referred to in paragraph (1) and
12 any expedited procedure referred to in paragraph
13 (2), except to the extent that such procedure would
14 be consistent with the requirements of section
15 206(d)(3) of such Act (relating to qualified domestic
16 relations orders) or the requirements of section
17 609(a) of such Act (relating to qualified medical
18 child support orders) if the reference in such section
19 206(d)(3) to a domestic relations order and the ref-
20 erence in such section 609(a) to a medical child sup-
21 port order were a reference to a support order re-
22 ferred to in paragraphs (1) and (2) relating to the
23 same matters, respectively.”

24 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—
25 Section 454A, as added by section 344(a)(2) and as

1 amended by sections 311 and 312(c) of this Act, is amend-
2 ed by adding at the end the following new subsection:

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. 331. 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 “(ii) OTHER REQUIREMENTS.—Proce-
2 dures which require the State agency, in
3 any case in which the agency orders ge-
4 netic testing—

5 “(I) to pay costs of such tests,
6 subject to recoupment (if the State so
7 elects) from the alleged father if pa-
8 ternity is established; and

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

13 “(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—
14 EDGMENT.—

15 “(i) SIMPLE CIVIL PROCESS.—Proce-
16 dures for a simple civil process for volun-
17 tarily acknowledging paternity under which
18 the State must provide that, before a
19 mother and a putative father can sign an
20 acknowledgment of paternity, the mother
21 and the putative father must be given no-
22 tice, orally and in writing, of the alter-
23 natives to, the legal consequences of, and
24 the rights (including, if 1 parent is a
25 minor, any rights afforded due to minority

1 status) and responsibilities that arise from,
2 signing the acknowledgment.

3 “(ii) HOSPITAL-BASED PROGRAM.—

4 Such procedures must include a hospital-
5 based program for the voluntary acknowl-
6 edgment of paternity focusing on the pe-
7 riod immediately before or after the birth
8 of a child, subject to such good cause ex-
9 ceptions, taking into account the best in-
10 terests of the child, as the State may es-
11 tablish.

12 “(iii) PATERNITY ESTABLISHMENT
13 SERVICES.—

14 “(I) STATE-OFFERED SERV-
15 ICES.—Such procedures must require
16 the State agency responsible for main-
17 taining birth records to offer vol-
18 untary paternity establishment serv-
19 ices.

20 “(II) REGULATIONS.—

21 “(aa) SERVICES OFFERED
22 BY HOSPITALS AND BIRTH
23 RECORD AGENCIES.—The Sec-
24 retary shall prescribe regulations
25 governing voluntary paternity es-

1 establishment services offered by
2 hospitals and birth record agen-
3 cies.

4 “(bb) SERVICES OFFERED
5 BY OTHER ENTITIES.—The Sec-
6 retary shall prescribe regulations
7 specifying the types of other enti-
8 ties that may offer voluntary pa-
9 ternity establishment services,
10 and governing the provision of
11 such services, which shall include
12 a requirement that such an entity
13 must use the same notice provi-
14 sions used by, use the same ma-
15 terials used by, provide the per-
16 sonnel providing such services
17 with the same training provided
18 by, and evaluate the provision of
19 such services in the same manner
20 as the provision of such services
21 is evaluated by, voluntary pater-
22 nity establishment programs of
23 hospitals and birth record agen-
24 cies.

1 “(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures
2 must require the State to develop and use
3 an affidavit for the voluntary acknowledgment of paternity which includes the mini-
4 mum requirements of the affidavit developed by the Secretary under section
5 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith
6 and credit to such an affidavit signed in
7 any other State according to its procedures.
8
9
10 “(D) STATUS OF SIGNED PATERNITY AC-
11 KNOWLEDGMENT.—
12
13 “(i) INCLUSION IN BIRTH RECORDS.—
14 Procedures under which the name of the
15 father shall be included on the record of
16 birth of the child of unmarried parents
17 only if—
18
19 “(I) the father and mother have
20 signed a voluntary acknowledgment of
21 paternity; or
22
23 “(II) a court or an administrative
24 agency of competent jurisdiction has
25 issued an adjudication of paternity.

1 Nothing in this clause shall preclude a
2 State agency from obtaining an admission
3 of paternity from the father for submission
4 in a judicial or administrative proceeding,
5 or prohibit the issuance of an order in a
6 judicial or administrative proceeding which
7 bases a legal finding of paternity on an ad-
8 mission of paternity by the father and any
9 other additional showing required by State
10 law.

11 “(ii) LEGAL FINDING OF PATER-
12 NITY.—Procedures under which a signed
13 voluntary acknowledgment of paternity is
14 considered a legal finding of paternity,
15 subject to the right of any signatory to re-
16 scind the acknowledgment within the ear-
17 lier of—

18 “(I) 60 days; or

19 “(II) the date of an administra-
20 tive or judicial proceeding relating to
21 the child (including a proceeding to
22 establish a support order) in which
23 the signatory is a party.

24 “(iii) CONTEST.—Procedures under
25 which, after the 60-day period referred to

1 in clause (ii), a signed voluntary acknowl-
2 edgment of paternity may be challenged in
3 court only on the basis of fraud, duress,
4 or material mistake of fact, with the bur-
5 den of proof upon the challenger, and
6 under which the legal responsibilities (in-
7 cluding child support obligations) of any
8 signatory arising from the acknowledgment
9 may not be suspended during the chal-
10 lenge, except for good cause shown.

11 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
12 CATION PROCEEDINGS.—Procedures under
13 which judicial or administrative proceedings are
14 not required or permitted to ratify an unchal-
15 lenged acknowledgment of paternity.

16 “(F) ADMISSIBILITY OF GENETIC TESTING
17 RESULTS.—Procedures—

18 “(i) requiring the admission into evi-
19 dence, for purposes of establishing pater-
20 nity, of the results of any genetic test that
21 is—

22 “(I) of a type generally acknowl-
23 edged as reliable by accreditation bod-
24 ies designated by the Secretary; and

1 “(II) performed by a laboratory
2 approved by such an accreditation
3 body;

4 “(ii) requiring an objection to genetic
5 testing results to be made in writing not
6 later than a specified number of days be-
7 fore any hearing at which the results may
8 be introduced into evidence (or, at State
9 option, not later than a specified number
10 of days after receipt of the results); and

11 “(iii) making the test results admissi-
12 ble as evidence of paternity without the
13 need for foundation testimony or other
14 proof of authenticity or accuracy, unless
15 objection is made.

16 “(G) PRESUMPTION OF PATERNITY IN
17 CERTAIN CASES.—Procedures which create a re-
18 buttable or, at the option of the State, conclu-
19 sive presumption of paternity upon genetic test-
20 ing results indicating a threshold probability
21 that the alleged father is the father of the child.

22 “(H) DEFAULT ORDERS.—Procedures re-
23 quiring a default order to be entered in a pater-
24 nity case upon a showing of service of process

1 on the defendant and any additional showing
2 required by State law.

3 “(I) NO RIGHT TO JURY TRIAL.—Proce-
4 dures providing that the parties to an action to
5 establish paternity are not entitled to a trial by
6 jury.

7 “(J) TEMPORARY SUPPORT ORDER BASED
8 ON PROBABLE PATERNITY IN CONTESTED
9 CASES.—Procedures which require that a tem-
10 porary order be issued, upon motion by a party,
11 requiring the provision of child support pending
12 an administrative or judicial determination of
13 parentage, if there is clear and convincing evi-
14 dence of paternity (on the basis of genetic tests
15 or other evidence).

16 “(K) PROOF OF CERTAIN SUPPORT AND
17 PATERNITY ESTABLISHMENT COSTS.—Proce-
18 dures under which bills for pregnancy, child-
19 birth, and genetic testing are admissible as evi-
20 dence without requiring third-party foundation
21 testimony, and shall constitute prima facie evi-
22 dence of amounts incurred for such services or
23 for testing on behalf of the child.

24 “(L) STANDING OF PUTATIVE FATHERS.—
25 Procedures ensuring that the putative father

1 has a reasonable opportunity to initiate a pater-
2 nity action.

3 “(M) FILING OF ACKNOWLEDGMENTS AND
4 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
5 RECORDS.—Procedures under which voluntary
6 acknowledgments and adjudications of paternity
7 by judicial or administrative processes are filed
8 with the State registry of birth records for com-
9 parison with information in the State case reg-
10 istry.”.

11 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
12 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
13 amended by inserting “, and develop an affidavit to be
14 used for the voluntary acknowledgment of paternity which
15 shall include the social security number of each parent
16 and, after consultation with the States, other common ele-
17 ments as determined by such designee” before the semi-
18 colon.

19 (c) CONFORMING AMENDMENT.—Section 468 (42
20 U.S.C. 668) is amended by striking “a simple civil process
21 for voluntarily acknowledging paternity and”.

22 **SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
23 **LISHMENT.**

24 Section 454(23) (42 U.S.C. 654(23)) is amended by
25 inserting “and will publicize the availability and encourage

1 the use of procedures for voluntary establishment of pater-
2 nity and child support by means the State deems appro-
3 priate” before the semicolon.

4 **SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPI-**
5 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

6 Section 454 (42 U.S.C. 654), as amended by sections
7 301(b), 303(a), 312(a), and 313(a) of this Act, is amend-
8 ed—

9 (1) by striking “and” at the end of paragraph
10 (27);

11 (2) by striking the period at the end of para-
12 graph (28) and inserting “; and”; and

13 (3) by inserting after paragraph (28) the fol-
14 lowing new paragraph:

15 “(29) provide that the State agency responsible
16 for administering the State plan—

17 “(A) shall make the determination (and re-
18 determination at appropriate intervals) as to
19 whether an individual who has applied for or is
20 receiving assistance under the State program
21 funded under part A or the State program
22 under title XIX is cooperating in good faith
23 with the State in establishing the paternity of,
24 or in establishing, modifying, or enforcing a
25 support order for, any child of the individual by

1 providing the State agency with the name of,
2 and such other information as the State agency
3 may require with respect to, the noncustodial
4 parent of the child, subject to such good cause
5 exceptions, taking into account the best inter-
6 ests of the child, as the State may establish
7 through the State agency, or at the option of
8 the State, through the State agencies admin-
9 istering the State programs funded under part
10 A and title XIX;

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

14 “(C) shall require the individual and the
15 child to submit to genetic tests pursuant to ju-
16 dicial or administrative order;

17 “(D) may request that the individual sign
18 a voluntary acknowledgment of paternity, after
19 notice of the rights and consequences of such
20 an acknowledgment, but may not require the in-
21 dividual to sign an acknowledgment or other-
22 wise relinquish the right to genetic tests as a
23 condition of cooperation and eligibility for as-
24 sistance under the State program funded under

1 part A or the State program under title XIX;
2 and

3 “(E) shall promptly notify the individual
4 and the State agency administering the State
5 program funded under part A and the State
6 agency administering the State program under
7 title XIX of each such determination, and if
8 noncooperation is determined, the basis there-
9 fore.”.

10 **Subtitle E—Program** 11 **Administration and Funding**

12 **SEC. 341. PERFORMANCE-BASED INCENTIVES AND PEN-** 13 **ALTIES.**

14 (a) DEVELOPMENT OF NEW SYSTEM.—The Sec-
15 retary of Health and Human Services, in consultation with
16 State directors of programs under part D of title IV of
17 the Social Security Act, shall develop a new incentive sys-
18 tem to replace, in a revenue neutral manner, the system
19 under section 458 of such Act. The new system shall pro-
20 vide additional payments to any State based on such
21 State’s performance under such a program. Not later than
22 June 1, 1996, the Secretary shall report on the new sys-
23 tem to the Committee on Ways and Means of the House
24 of Representatives and the Committee on Finance of the
25 Senate.

1 “(30) provide that the State shall use the defi-
2 nitions established under section 452(a)(5) in col-
3 lecting and reporting information as required under
4 this part.”.

5 **SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.**

6 (a) **REVISED REQUIREMENTS.**—

7 (1) **IN GENERAL.**—Section 454(16) (42 U.S.C.
8 654(16)) is amended—

9 (A) by striking “, at the option of the
10 State,”;

11 (B) by inserting “and operation by the
12 State agency” after “for the establishment”;

13 (C) by inserting “meeting the requirements
14 of section 454A” after “information retrieval
15 system”;

16 (D) by striking “in the State and localities
17 thereof, so as (A)” and inserting “so as”;

18 (E) by striking “(i)”; and

19 (F) by striking “(including” and all that
20 follows and inserting a semicolon.

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

1 "SEC. 454A. AUTOMATED DATA PROCESSING.

2 "(a) IN GENERAL.—In order for a State to meet the
3 requirements of this section, the State agency administer-
4 ing the State program under this part shall have in oper-
5 ation a single statewide automated data processing and
6 information retrieval system which has the capability to
7 perform the tasks specified in this section with the fre-
8 quency and in the manner required by or under this part.

9 "(b) PROGRAM MANAGEMENT.—The automated sys-
10 tem required by this section shall perform such functions
11 as the Secretary may specify relating to management of
12 the State program under this part, including—

13 "(1) controlling and accounting for use of Fed-
14 eral, State, and local funds in carrying out the pro-
15 gram; and

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

19 "(c) CALCULATION OF PERFORMANCE INDICA-
20 TORS.—In order to enable the Secretary to determine the
21 incentive payments and penalty adjustments required by
22 sections 452(g) and 458, the State agency shall—

23 "(1) use the automated system—

24 "(A) to maintain the requisite data on
25 State performance with respect to paternity es-

1 tablishment and child support enforcement in
2 the State; and

3 “(B) to calculate the IV–D paternity es-
4 tablishment percentage for the State for each
5 fiscal year; and

6 “(2) have in place systems controls to ensure
7 the completeness and reliability of, and ready access
8 to, the data described in paragraph (1)(A), and the
9 accuracy of the calculations described in paragraph
10 (1)(B).

11 “(d) INFORMATION INTEGRITY AND SECURITY.—The
12 State agency shall have in effect safeguards on the integ-
13 rity, accuracy, and completeness of, access to, and use of
14 data in the automated system required by this section,
15 which shall include the following (in addition to such other
16 safeguards as the Secretary may specify in regulations):

17 “(1) POLICIES RESTRICTING ACCESS.—Written
18 policies concerning access to data by State agency
19 personnel, and sharing of data with other persons,
20 which—

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

1 “(B) specify the data which may be used
2 for particular program purposes, and the per-
3 sonnel permitted access to such data.

4 “(2) SYSTEMS CONTROLS.—Systems controls
5 (such as passwords or blocking of fields) to ensure
6 strict adherence to the policies described in para-
7 graph (1).

8 “(3) MONITORING OF ACCESS.—Routine mon-
9 itoring of access to and use of the automated sys-
10 tem, through methods such as audit trails and feed-
11 back mechanisms, to guard against and promptly
12 identify unauthorized access or use.

13 “(4) TRAINING AND INFORMATION.—Proce-
14 dures to ensure that all personnel (including State
15 and local agency staff and contractors) who may
16 have access to or be required to use confidential pro-
17 gram data are informed of applicable requirements
18 and penalties (including those in section 6103 of the
19 Internal Revenue Code of 1986), and are adequately
20 trained in security procedures.

21 “(5) PENALTIES.—Administrative penalties (up
22 to and including dismissal from employment) for un-
23 authorized access to, or disclosure or use of, con-
24 fidential data.”.

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

6 (4) IMPLEMENTATION TIMETABLE.—Section
7 454(24) (42 U.S.C. 654(24)), as amended by section
8 303(a)(1) of this Act, is amended to read as follows:

9 “(24) provide that the State will have in effect
10 an automated data processing and information re-
11 trieval system—

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

16 “(B) by October 1, 1999, which meets all
17 requirements of this part enacted on or before
18 the date of the enactment of the Bipartisan
19 Welfare Reform Act of 1996, except that such
20 deadline shall be extended by 1 day for each
21 day (if any) by which the Secretary fails to
22 meet the deadline imposed by section 344(a)(3)
23 of the Bipartisan Welfare Reform Act of
24 1996;”.

1 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
2 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

3 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
4 655(a)) is amended—

5 (A) in paragraph (1)(B)—

6 (i) by striking “90 percent” and in-
7 serting “the percent specified in paragraph
8 (3)”;

9 (ii) by striking “so much of”; and

10 (iii) by striking “which the Secretary”
11 and all that follows and inserting “, and”;
12 and

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

15 “(3)(A) The Secretary shall pay to each State, for
16 each quarter in fiscal years 1996 and 1997, 90 percent
17 of so much of the State expenditures described in para-
18 graph (1)(B) as the Secretary finds are for a system meet-
19 ing the requirements specified in section 454(16) (as in
20 effect on September 30, 1995) but limited to the amount
21 approved for States in the advance planning documents
22 of such States submitted on or before May 1, 1995.

23 “(B)(i) The Secretary shall pay to each State, for
24 each quarter in fiscal years 1996 through 2001, the per-
25 centage specified in clause (ii) of so much of the State

1 expenditures described in paragraph (1)(B) as the Sec-
2 retary finds are for a system meeting the requirements
3 of sections 454(16) and 454A.

4 “(ii) The percentage specified in this clause is 80 per-
5 cent.”.

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

8 (A) IN GENERAL.—The Secretary of
9 Health and Human Services may not pay more
10 than \$400,000,000 in the aggregate under sec-
11 tion 455(a)(3)(B) of the Social Security Act for
12 fiscal years 1996 through 2001.

13 (B) ALLOCATION OF LIMITATION AMONG
14 STATES.—The total amount payable to a State
15 under section 455(a)(3)(B) of such Act for fis-
16 cal years 1996 through 2001 shall not exceed
17 the limitation determined for the State by the
18 Secretary of Health and Human Services in
19 regulations.

20 (C) ALLOCATION FORMULA.—The regula-
21 tions referred to in subparagraph (B) shall pre-
22 scribe a formula for allocating the amount spec-
23 ified in subparagraph (A) among States with
24 plans approved under part D of title IV of the

1 Social Security Act, which shall take into ac-
2 count—

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

5 (ii) the level of automation needed to
6 meet the automated data processing re-
7 quirements of such part.

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

11 **SEC. 345. TECHNICAL ASSISTANCE.**

12 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
13 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
14 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
15 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
16 ing at the end the following new subsection:

17 “(j) Out of any money in the Treasury of the United
18 States not otherwise appropriated, there is hereby appro-
19 priated to the Secretary for each fiscal year an amount
20 equal to 1 percent of the total amount paid to the Federal
21 Government pursuant to section 457(a) during the imme-
22 diately preceding fiscal year (as determined on the basis
23 of the most recent reliable data available to the Secretary
24 as of the end of the 3rd calendar quarter following the

1 end of such preceding fiscal year), to cover costs incurred
2 by the Secretary for—

3 “(1) information dissemination and technical
4 assistance to States, training of State and Federal
5 staff, staffing studies, and related activities needed
6 to improve programs under this part (including tech-
7 nical assistance concerning State automated systems
8 required by this part); and

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

12 The amount appropriated under this subsection shall re-
13 main available until expended.”.

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

18 “(o) RECOVERY OF COSTS.—Out of any money in the
19 Treasury of the United States not otherwise appropriated,
20 there is hereby appropriated to the Secretary for each fis-
21 cal year an amount equal to 2 percent of the total amount
22 paid to the Federal Government pursuant to section
23 457(a) during the immediately preceding fiscal year (as
24 determined on the basis of the most recent reliable data
25 available to the Secretary as of the end of the 3rd calendar

1 quarter following the end of such preceding fiscal year),
2 to cover costs incurred by the Secretary for operation of
3 the Federal Parent Locator Service under this section, to
4 the extent such costs are not recovered through user
5 fees.”.

6 **SEC. 346. REPORTS AND DATA COLLECTION BY THE SEC-**
7 **RETARY.**

8 (a) ANNUAL REPORT TO CONGRESS.—

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

11 (A) by striking “this part;” and inserting
12 “this part, including—”; and

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

15 “(i) the total amount of child support
16 payments collected as a result of services
17 furnished during the fiscal year to individ-
18 uals receiving services under this part;

19 “(ii) the cost to the States and to the
20 Federal Government of so furnishing the
21 services; and

22 “(iii) the number of cases involving
23 families—

24 “(I) who became ineligible for as-
25 sistance under State programs funded

1 under part A during a month in the
2 fiscal year; and

3 “(II) with respect to whom a
4 child support payment was received in
5 the month;”.

6 (2) Section 452(a)(10)(C) (42 U.S.C.
7 652(a)(10)(C)) is amended—

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

9 (i) by striking “with the data required
10 under each clause being separately stated
11 for cases” and inserting “separately stated
12 for (1) case”;

13 (ii) by striking “cases where the child
14 was formerly receiving” and inserting “or
15 formerly received”;

16 (iii) by inserting “or 1912” after
17 “471(a)(17)”; and

18 (iv) by inserting “(2)” before “all
19 other”;

20 (B) in each of clauses (i) and (ii), by strik-
21 ing “, and the total amount of such obliga-
22 tions”;

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

1 (D) by striking clause (iv); and

2 (E) by redesignating clause (v) as clause
3 (vii), and inserting after clause (iii) the follow-
4 ing new clauses:

5 “(iv) the total amount of support col-
6 lected during such fiscal year and distrib-
7 uted as current support;

8 “(v) the total amount of support col-
9 lected during such fiscal year and distrib-
10 uted as arrearages;

11 “(vi) the total amount of support due
12 and unpaid for all fiscal years; and”.

13 (3) Section 452(a)(10)(G) (42 U.S.C.
14 652(a)(10)(G)) is amended by striking “on the use
15 of Federal courts and”.

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

18 (A) in subparagraph (H), by striking
19 “and”;

20 (B) in subparagraph (I), by striking the
21 period and inserting “; and”; and

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

1 “(J) compliance, by State, with the stand-
2 ards established pursuant to subsections (h)
3 and (i).”.

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

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall be effective with respect to fiscal year
9 1996 and succeeding fiscal years.

10 **Subtitle F—Establishment and** 11 **Modification of Support Orders**

12 **SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-** 13 **MENT OF CHILD SUPPORT ORDERS.**

14 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
15 ed to read as follows:

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

22 “(A) IN GENERAL.—

23 “(i) 3-YEAR CYCLE.—Except as pro-
24 vided in subparagraphs (B) and (C), the
25 State shall review and, as appropriate, ad-

1 just the support order every 3 years, tak-
2 ing into account the best interests of the
3 child involved.

4 “(ii) METHODS OF ADJUSTMENT.—
5 The State may elect to review and, if ap-
6 propriate, adjust an order pursuant to
7 clause (i) by—

8 “(I) reviewing and, if appro-
9 priate, adjusting the order in accord-
10 ance with the guidelines established
11 pursuant to section 467(a) if the
12 amount of the child support award
13 under the order differs from the
14 amount that would be awarded in ac-
15 cordance with the guidelines; or

16 “(II) applying a cost-of-living ad-
17 justment to the order in accordance
18 with a formula developed by the State
19 and permit either party to contest the
20 adjustment, within 30 days after the
21 date of the notice of the adjustment,
22 by making a request for review and, if
23 appropriate, adjustment of the order
24 in accordance with the child support

1 guidelines established pursuant to sec-
2 tion 467(a).

3 “(iii) NO PROOF OF CHANGE IN CIR-
4 CUMSTANCES NECESSARY.—Any adjust-
5 ment under this subparagraph (A) shall be
6 made without a requirement for proof or
7 showing of a change in circumstances.

8 “(B) AUTOMATED METHOD.—The State
9 may use automated methods (including auto-
10 mated comparisons with wage or State income
11 tax data) to identify orders eligible for review,
12 conduct the review, identify orders eligible for
13 adjustment, and apply the appropriate adjust-
14 ment to the orders eligible for adjustment
15 under the threshold established by the State.

16 “(C) REQUEST UPON SUBSTANTIAL
17 CHANGE IN CIRCUMSTANCES.—The State shall,
18 at the request of either parent subject to such
19 an order or of any State child support enforce-
20 ment agency, review and, if appropriate, adjust
21 the order in accordance with the guidelines es-
22 tablished pursuant to section 467(a) based
23 upon a substantial change in the circumstances
24 of either parent.

1 “(D) NOTICE OF RIGHT TO REVIEW.—The
2 State shall provide notice not less than once
3 every 3 years to the parents subject to such an
4 order informing them of their right to request
5 the State to review and, if appropriate, adjust
6 the order pursuant to this paragraph. The no-
7 tice may be included in the order.”.

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

10 Section 604 of the Fair Credit Reporting Act (15
11 U.S.C. 1681b) is amended by adding at the end the follow-
12 ing new paragraphs:

13 “(4) In response to a request by the head of a
14 State or local child support enforcement agency (or
15 a State or local government official authorized by
16 the head of such an agency), if the person making
17 the request certifies to the consumer reporting agen-
18 cy that—

19 “(A) the consumer report is needed for the
20 purpose of establishing an individual’s capacity
21 to make child support payments or determining
22 the appropriate level of such payments;

23 “(B) the paternity of the consumer for the
24 child to which the obligation relates has been
25 established or acknowledged by the consumer in

1 accordance with State laws under which the ob-
2 ligation arises (if required by those laws);

3 “(C) the person has provided at least 10
4 days’ prior notice to the consumer whose report
5 is requested, by certified or registered mail to
6 the last known address of the consumer, that
7 the report will be requested; and

8 “(D) the consumer report will be kept con-
9 fidential, will be used solely for a purpose de-
10 scribed in subparagraph (A), and will not be
11 used in connection with any other civil, admin-
12 istrative, or criminal proceeding, or for any
13 other purpose.

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

18 **SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
19 **PROVIDING FINANCIAL RECORDS TO STATE**
20 **CHILD SUPPORT ENFORCEMENT AGENCIES**
21 **IN CHILD SUPPORT CASES.**

22 (a) **IN GENERAL.**—Notwithstanding any other provi-
23 sion of Federal or State law, a financial institution shall
24 not be liable under any Federal or State law to any person
25 for disclosing any financial record of an individual to a

1 State child support enforcement agency attempting to es-
2 tablish, modify, or enforce a child support obligation of
3 such individual.

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

12 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
13 SURE.—

14 (1) DISCLOSURE BY STATE OFFICER OR EM-
15 PLOYEE.—If any person knowingly, or by reason of
16 negligence, discloses a financial record of an individ-
17 ual in violation of subsection (b), such individual
18 may bring a civil action for damages against such
19 person in a district court of the United States.

20 (2) NO LIABILITY FOR GOOD FAITH BUT ERRO-
21 NEOUS INTERPRETATION.—No liability shall arise
22 under this subsection with respect to any disclosure
23 which results from a good faith, but erroneous, in-
24 terpretation of subsection (b).

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

5 (A) the greater of—

6 (i) \$1,000 for each act of unauthor-
7 ized disclosure of a financial record with
8 respect to which such defendant is found
9 liable; or

10 (ii) the sum of—

11 (I) the actual damages sustained
12 by the plaintiff as a result of such un-
13 authorized disclosure; plus

14 (II) in the case of a willful disclo-
15 sure or a disclosure which is the re-
16 sult of gross negligence, punitive dam-
17 ages; plus

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

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

21 (1) FINANCIAL INSTITUTION.—The term “fi-
22 nancial institution” means—

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

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

4 (C) any Federal credit union or State cred-
5 it union, as defined in section 101 of the Fed-
6 eral Credit Union Act (12 U.S.C. 1752), includ-
7 ing an institution-affiliated party of such a
8 credit union, as defined in section 206(r) of
9 such Act (12 U.S.C. 1786(r)); and

10 (D) any benefit association, insurance com-
11 pany, safe deposit company, money-market mu-
12 tual fund, or similar entity authorized to do
13 business in the State.

14 (2) FINANCIAL RECORD.—The term “financial
15 record” has the meaning given such term in section
16 1101 of the Right to Financial Privacy Act of 1978
17 (12 U.S.C. 3401).

18 (3) STATE CHILD SUPPORT ENFORCEMENT
19 AGENCY.—The term “State child support enforce-
20 ment agency” means a State agency which admin-
21 isters a State program for establishing and enforcing
22 child support obligations.

1 **Subtitle G—Enforcement of**
2 **Support Orders**

3 **SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF**
4 **ARREARAGES.**

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

8 (1) by striking “and” at the end of paragraph
9 (3);

10 (2) by striking the period at the end of para-
11 graph (4) and inserting “, and”;

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

14 “(5) no additional fee may be assessed for ad-
15 justments to an amount previously certified pursu-
16 ant to such section 452(b) with respect to the same
17 obligor.”; and

18 (4) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and in-
20 sserting “Secretary of Health and Human Services”.

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

1 **SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FED-**
2 **ERAL EMPLOYEES.**

3 (a) CONSOLIDATION AND STREAMLINING OF AU-
4 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
5 read as follows:

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

10 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
11 withstanding any other provision of law (including section
12 207 of this Act and section 5301 of title 38, United States
13 Code), effective January 1, 1975, moneys (the entitlement
14 to which is based upon remuneration for employment) due
15 from, or payable by, the United States or the District of
16 Columbia (including any agency, subdivision, or instru-
17 mentality thereof) to any individual, including members
18 of the Armed Forces of the United States, shall be subject,
19 in like manner and to the same extent as if the United
20 States or the District of Columbia were a private person,
21 to withholding in accordance with State law enacted pur-
22 suant to subsections (a)(1) and (b) of section 466 and reg-
23 ulations of the Secretary under such subsections, and to
24 any other legal process brought, by a State agency admin-
25 istering a program under a State plan approved under this

1 part or by an individual obligee, to enforce the legal obliga-
2 tion of the individual to provide child support or alimony.

3 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
4 PRIVATE PERSON.—With respect to notice to withhold in-
5 come pursuant to subsection (a)(1) or (b) of section 466,
6 or any other order or process to enforce support obliga-
7 tions against an individual (if the order or process con-
8 tains or is accompanied by sufficient data to permit
9 prompt identification of the individual and the moneys in-
10 volved), each governmental entity specified in subsection
11 (a) shall be subject to the same requirements as would
12 apply if the entity were a private person, except as other-
13 wise provided in this section.

14 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
15 OR PROCESS—

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

18 “(A) designate an agent or agents to re-
19 ceive orders and accept service of process in
20 matters relating to child support or alimony;
21 and

22 “(B) annually publish in the Federal Reg-
23 ister the designation of the agent or agents,
24 identified by title or position, mailing address,
25 and telephone number.

1 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
2 agent designated pursuant to paragraph (1) of this
3 subsection receives notice pursuant to State proce-
4 dures in effect pursuant to subsection (a)(1) or (b)
5 of section 466, or is effectively served with any
6 order, process, or interrogatory, with respect to an
7 individual’s child support or alimony payment obli-
8 gations, the agent shall—

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

15 “(B) within 30 days (or such longer period
16 as may be prescribed by applicable State law)
17 after receipt of a notice pursuant to such State
18 procedures, comply with all applicable provi-
19 sions of section 466; and

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

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

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

8 “(2) allocation of moneys due or payable to an
9 individual among claimants under section 466(b)
10 shall be governed by section 466(b) and the regula-
11 tions prescribed under such section; and

12 “(3) such moneys as remain after compliance
13 with paragraphs (1) and (2) shall be available to
14 satisfy any other such processes on a first-come,
15 first-served basis, with any such process being satis-
16 fied out of such moneys as remain after the satisfac-
17 tion of all such processes which have been previously
18 served.

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

25 “(f) RELIEF FROM LIABILITY.—

1 “(1) Neither the United States, nor the govern-
2 ment of the District of Columbia, nor any disbursing
3 officer shall be liable with respect to any payment
4 made from moneys due or payable from the United
5 States to any individual pursuant to legal process
6 regular on its face, if the payment is made in ac-
7 cordance with this section and the regulations issued
8 to carry out this section.

9 “(2) No Federal employee whose duties include
10 taking actions necessary to comply with the require-
11 ments of subsection (a) with regard to any individ-
12 ual shall be subject under any law to any discipli-
13 nary action or civil or criminal liability or penalty
14 for, or on account of, any disclosure of information
15 made by the employee in connection with the carry-
16 ing out of such actions.

17 “(g) REGULATIONS.—Authority to promulgate regu-
18 lations for the implementation of this section shall, insofar
19 as this section applies to moneys due from (or payable
20 by)—

21 “(1) the United States (other than the legisla-
22 tive or judicial branches of the Federal Government)
23 or the government of the District of Columbia, be
24 vested in the President (or the designee of the Presi-
25 dent);

1 “(2) the legislative branch of the Federal Gov-
2 ernment, be vested jointly in the President pro tem-
3 pore of the Senate and the Speaker of the House of
4 Representatives (or their designees), and

5 “(3) the judicial branch of the Federal Govern-
6 ment, be vested in the Chief Justice of the United
7 States (or the designee of the Chief Justice).

8 “(h) MONEYS SUBJECT TO PROCESS.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 moneys paid or payable to an individual which are
11 considered to be based upon remuneration for em-
12 ployment, for purposes of this section—

13 “(A) consist of—

14 “(i) compensation paid or payable for
15 personal services of the individual, whether
16 the compensation is denominated as wages,
17 salary, commission, bonus, pay, allowances,
18 or otherwise (including severance pay, sick
19 pay, and incentive pay);

20 “(ii) periodic benefits (including a
21 periodic benefit as defined in section
22 228(h)(3)) or other payments—

23 “(I) under the insurance system
24 established by title II;

1 “(II) under any other system or
2 fund established by the United States
3 which provides for the payment of
4 pensions, retirement or retired pay,
5 annuities, dependents’ or survivors’
6 benefits, or similar amounts payable
7 on account of personal services per-
8 formed by the individual or any other
9 individual;

10 “(III) as compensation for death
11 under any Federal program;

12 “(IV) under any Federal pro-
13 gram established to provide ‘black
14 lung’ benefits; or

15 “(V) by the Secretary of Veter-
16 ans Affairs as compensation for a
17 service-connected disability paid by
18 the Secretary to a former member of
19 the Armed Forces who is in receipt of
20 retired or retainer pay if the former
21 member has waived a portion of the
22 retired or retainer pay in order to re-
23 ceive such compensation; and

24 “(iii) worker’s compensation benefits
25 paid under Federal or State law but

1 “(B) do not include any payment—

2 “(i) by way of reimbursement or oth-
3 erwise, to defray expenses incurred by the
4 individual in carrying out duties associated
5 with the employment of the individual; or

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

13 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
14 mining the amount of any moneys due from, or pay-
15 able by, the United States to any individual, there
16 shall be excluded amounts which—

17 “(A) are owed by the individual to the
18 United States;

19 “(B) are required by law to be, and are,
20 deducted from the remuneration or other pay-
21 ment involved, including Federal employment
22 taxes, and fines and forfeitures ordered by
23 court-martial;

24 “(C) are properly withheld for Federal,
25 State, or local income tax purposes, if the with-

1 holding of the amounts is authorized or re-
2 quired by law and if amounts withheld are not
3 greater than would be the case if the individual
4 claimed all dependents to which he was entitled
5 (the withholding of additional amounts pursu-
6 ant to section 3402(i) of the Internal Revenue
7 Code of 1986 may be permitted only when the
8 individual presents evidence of a tax obligation
9 which supports the additional withholding);

10 “(D) are deducted as health insurance pre-
11 miums;

12 “(E) are deducted as normal retirement
13 contributions (not including amounts deducted
14 for supplementary coverage); or

15 “(F) are deducted as normal life insurance
16 premiums from salary or other remuneration
17 for employment (not including amounts de-
18 ducted for supplementary coverage).

19 “(i) DEFINITIONS.—For purposes of this section—

20 “(1) UNITED STATES.—The term ‘United
21 States’ includes any department, agency, or instru-
22 mentality of the legislative, judicial, or executive
23 branch of the Federal Government, the United
24 States Postal Service, the Postal Rate Commission,
25 any Federal corporation created by an Act of Con-

1 gress that is wholly owned by the Federal Govern-
2 ment, and the governments of the territories and
3 possessions of the United States.

4 “(2) CHILD SUPPORT.—The term ‘child sup-
5 port’, when used in reference to the legal obligations
6 of an individual to provide such support, means
7 amounts required to be paid under a judgment, de-
8 cree, or order, whether temporary, final, or subject
9 to modification, issued by a court or an administra-
10 tive agency of competent jurisdiction, for the sup-
11 port and maintenance of a child, including a child
12 who has attained the age of majority under the law
13 of the issuing State, or a child and the parent with
14 whom the child is living, which provides for mone-
15 tary support, health care, arrearages or reimburse-
16 ment, and which may include other related costs and
17 fees, interest and penalties, income withholding, at-
18 torney’s fees, and other relief.

19 “(3) ALIMONY.—

20 “(A) IN GENERAL.—The term ‘alimony’,
21 when used in reference to the legal obligations
22 of an individual to provide the same, means
23 periodic payments of funds for the support and
24 maintenance of the spouse (or former spouse)
25 of the individual, and (subject to and in accord-

1 ance with State law) includes separate mainte-
2 nance, alimony pendente lite, maintenance, and
3 spousal support, and includes attorney's fees,
4 interest, and court costs when and to the extent
5 that the same are expressly made recoverable as
6 such pursuant to a decree, order, or judgment
7 issued in accordance with applicable State law
8 by a court of competent jurisdiction.

9 “(B) EXCEPTIONS.—Such term does not
10 include—

11 “(i) any child support; or

12 “(ii) any payment or transfer of prop-
13 erty or its value by an individual to the
14 spouse or a former spouse of the individual
15 in compliance with any community prop-
16 erty settlement, equitable distribution of
17 property, or other division of property be-
18 tween spouses or former spouses.

19 “(4) PRIVATE PERSON.—The term ‘private per-
20 son’ means a person who does not have sovereign or
21 other special immunity or privilege which causes the
22 person not to be subject to legal process.

23 “(5) LEGAL PROCESS.—The term ‘legal proc-
24 ess’ means any writ, order, summons, or other simi-
25 lar process in the nature of garnishment—

1 “(A) which is issued by—

2 “(i) a court or an administrative
3 agency of competent jurisdiction in any
4 State, territory, or possession of the Unit-
5 ed States;

6 “(ii) a court or an administrative
7 agency of competent jurisdiction in any
8 foreign country with which the United
9 States has entered into an agreement
10 which requires the United States to honor
11 the process; or

12 “(iii) an authorized official pursuant
13 to an order of such a court or an adminis-
14 trative agency of competent jurisdiction or
15 pursuant to State or local law; and

16 “(B) which is directed to, and the purpose
17 of which is to compel, a governmental entity
18 which holds moneys which are otherwise pay-
19 able 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 (b) CONFORMING AMENDMENTS.—

24 (1) TO PART D OF TITLE IV.—Sections 461 and
25 462 (42 U.S.C. 661 and 662) are repealed.

1 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
2 tion 5520a of title 5, United States Code, is amend-
3 ed, in subsections (h)(2) and (i), by striking “sec-
4 tions 459, 461, and 462 of the Social Security Act
5 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
6 tion 459 of the Social Security Act (42 U.S.C.
7 659)”.

8 (c) MILITARY RETIRED AND RETAINER PAY.—

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

12 (A) by striking “and” at the end of sub-
13 paragraph (B);

14 (B) by striking the period at the end of
15 subparagraph (C) and inserting “; and”; and

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

18 “(D) any administrative or judicial tribu-
19 nal of a State competent to enter orders for
20 support or maintenance (including a State
21 agency administering a program under a State
22 plan approved under part D of title IV of the
23 Social Security Act), and, for purposes of this
24 subparagraph, the term ‘State’ includes the
25 District of Columbia, the Commonwealth of

1 Puerto Rico, the Virgin Islands, Guam, and
2 American Samoa.”.

3 (2) DEFINITION OF COURT ORDER.—Section
4 1408(a)(2) of such title is amended—

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

8 (B) in subparagraph (B)(i), by striking
9 “(as defined in section 462(b) of the Social Se-
10 curity Act (42 U.S.C. 662(b)))” and inserting
11 “(as defined in section 459(i)(2) of the Social
12 Security Act (42 U.S.C. 662(i)(2)))”; and

13 (C) in subparagraph (B)(ii), by striking
14 “(as defined in section 462(c) of the Social Se-
15 curity Act (42 U.S.C. 662(c)))” and inserting
16 “(as defined in section 459(i)(3) of the Social
17 Security Act (42 U.S.C. 662(i)(3)))”.

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

20 (A) in the heading, by inserting “(OR FOR
21 BENEFIT OF)” before “SPOUSE OR”; and

22 (B) in paragraph (1), in the 1st sentence,
23 by inserting “(or for the benefit of such spouse
24 or former spouse to a State disbursement unit

1 established pursuant to section 454B of the So-
2 cial Security Act or other public payee des-
3 igned by a State, in accordance with part D
4 of title IV of the Social Security Act, as di-
5 rected by court order, or as otherwise directed
6 in accordance with such part D)” before “in an
7 amount sufficient”.

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

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

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

21 **SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
22 **TIONS OF MEMBERS OF THE ARMED FORCES.**

23 (a) AVAILABILITY OF LOCATOR INFORMATION.—

24 (1) MAINTENANCE OF ADDRESS INFORMA-
25 TION.—The Secretary of Defense shall establish a

1 centralized personnel locator service that includes
2 the address of each member of the Armed Forces
3 under the jurisdiction of the Secretary. Upon re-
4 quest of the Secretary of Transportation, addresses
5 for members of the Coast Guard shall be included in
6 the centralized personnel locator service.

7 (2) TYPE OF ADDRESS.—

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

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

17 (i) who is permanently assigned over-
18 seas, to a vessel, or to a routinely
19 deployable unit; or

20 (ii) with respect to whom the Sec-
21 retary concerned makes a determination
22 that the member's residential address
23 should not be disclosed due to national se-
24 curity or safety concerns.

1 (3) UPDATING OF LOCATOR INFORMATION.—

2 Within 30 days after a member listed in the locator
3 service establishes a new residential address (or a
4 new duty address, in the case of a member covered
5 by paragraph (2)(B)), the Secretary concerned shall
6 update the locator service to indicate the new ad-
7 dress of the member.

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

14 (b) FACILITATING GRANTING OF LEAVE FOR AT-
15 TENDANCE AT HEARINGS.—

16 (1) REGULATIONS.—The Secretary of each
17 military department, and the Secretary of Transpor-
18 tation with respect to the Coast Guard when it is
19 not operating as a service in the Navy, shall pre-
20 scribe regulations to facilitate the granting of leave
21 to a member of the Armed Forces under the juris-
22 diction of that Secretary in a case in which—

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

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

5 (C) the exigencies of military service (as
6 determined by the Secretary concerned) do not
7 otherwise require that such leave not be grant-
8 ed.

9 (2) COVERED HEARINGS.—Paragraph (1) ap-
10 plies to a hearing that is conducted by a court or
11 pursuant to an administrative process established
12 under State law, in connection with a civil action—

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

15 (B) to determine an obligation of a mem-
16 ber of the Armed Forces to provide child sup-
17 port.

18 (3) DEFINITIONS.—For purposes of this sub-
19 section—

20 (A) The term “court” has the meaning
21 given that term in section 1408(a) of title 10,
22 United States Code.

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

1 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
2 PLIANCE WITH CHILD SUPPORT ORDERS.—

3 (1) DATE OF CERTIFICATION OF COURT
4 ORDER.—Section 1408 of title 10, United States
5 Code, as amended by section 362(c)(4) of this Act,
6 is amended—

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

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

11 “(i) CERTIFICATION DATE.—It is not necessary that
12 the date of a certification of the authenticity or complete-
13 ness of a copy of a court order for child support received
14 by the Secretary concerned for the purposes of this section
15 be recent in relation to the date of receipt by the Sec-
16 retary.”.

17 (2) PAYMENTS CONSISTENT WITH ASSIGN-
18 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
19 of such title is amended by inserting after the 1st
20 sentence the following new sentence: “In the case of
21 a spouse or former spouse who, pursuant to section
22 408(a)(4) of the Social Security Act, assigns to a
23 State the rights of the spouse or former spouse to
24 receive support, the Secretary concerned may make
25 the child support payments referred to in the preced-

1 ing sentence to that State in amounts consistent
2 with that assignment of rights.”.

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

7 “(6) In the case of a court order for which effective
8 service is made on the Secretary concerned on or after
9 the date of the enactment of this paragraph and which
10 provides for payments from the disposable retired pay of
11 a member to satisfy the amount of child support set forth
12 in the order, the authority provided in paragraph (1) to
13 make payments from the disposable retired pay of a mem-
14 ber to satisfy the amount of child support set forth in a
15 court order shall apply to payment of any amount of child
16 support arrearages set forth in that order as well as to
17 amounts of child support that currently become due.”.

18 (4) PAYROLL DEDUCTIONS.—The Secretary of
19 Defense shall begin payroll deductions within 30
20 days after receiving notice of withholding, or for the
21 1st pay period that begins after such 30-day period.

22 **SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.**

23 Section 466 (42 U.S.C. 666), as amended by section
24 321 of this Act, is amended by adding at the end the fol-
25 lowing new subsection:

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

4 “(1)(A) the Uniform Fraudulent Conveyance
5 Act of 1981;

6 “(B) the Uniform Fraudulent Transfer Act
7 of 1984; or

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

14 “(2) procedures under which, in any case in
15 which the State knows of a transfer by a child sup-
16 port debtor with respect to which such a prima facie
17 case is established, the State must—

18 “(A) seek to void such transfer; or

19 “(B) obtain a settlement in the best inter-
20 ests of the child support creditor.”.

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

23 (a) IN GENERAL.—Section 466(a) of the Social Secu-
24 rity Act (42 U.S.C. 666(a)), as amended by sections 315,

1 317(a), and 323 of this Act, is amended by adding at the
2 end the following new paragraph:

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

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

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

18 “(ii) if the individual is subject to
19 such a plan and is not incapacitated, par-
20 ticipate in such work activities (as defined
21 in section 407(d)) as the court, or, at the
22 option of the State, the State agency ad-
23 ministering the State program under this
24 part, deems appropriate.

1 “(B) PAST-DUE SUPPORT DEFINED.—For
2 purposes of subparagraph (A), the term ‘past-
3 due support’ means the amount of a delin-
4 quency, determined under a court order, or an
5 order of an administrative process established
6 under State law, for support and maintenance
7 of a child, or of a child and the parent with
8 whom the child is living.”.

9 (b) CONFORMING AMENDMENT.—The flush para-
10 graph at the end of section 466(a) (42 U.S.C.666(a)) is
11 amended by striking “and (7)” and inserting “(7), and
12 (15)”.

13 **SEC. 366. DEFINITION OF SUPPORT ORDER.**

14 Section 453 (42 U.S.C. 653) as amended by sections
15 316 and 345(b) of this Act, is amended by adding at the
16 end the following new subsection:

17 “(p) SUPPORT ORDER DEFINED.—As used in this
18 part, the term ‘support order’ means a judgment, decree,
19 or order, whether temporary, final, or subject to modifica-
20 tion, issued by a court or an administrative agency of com-
21 petent jurisdiction, for the support and maintenance of a
22 child, including a child who has attained the age of major-
23 ity under the law of the issuing State, or a child and the
24 parent with whom the child is living, which provides for
25 monetary support, health care, arrearages, or reimburse-

1 ment, and which may include related costs and fees, inter-
2 est and penalties, income withholding, attorneys' fees, and
3 other relief.”.

4 **SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.**

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

7 “(7) REPORTING ARREARAGES TO CREDIT BU-
8 REAUS.—

9 “(A) IN GENERAL.—Procedures (subject to
10 safeguards pursuant to subparagraph (B)) re-
11 quiring the State to report periodically to
12 consumer reporting agencies (as defined in sec-
13 tion 603(f) of the Fair Credit Reporting Act
14 (15 U.S.C. 1681a(f)) the name of any non-
15 custodial parent who is delinquent in the pay-
16 ment of support, and the amount of overdue
17 support owed by such parent.

18 “(B) SAFEGUARDS.—Procedures ensuring
19 that, in carrying out subparagraph (A), infor-
20 mation with respect to a noncustodial parent is
21 reported—

22 “(i) only after such parent has been
23 afforded all due process required under
24 State law, including notice and a reason-

1 able opportunity to contest the accuracy of
2 such information; and

3 “(ii) only to an entity that has fur-
4 nished evidence satisfactory to the State
5 that the entity is a consumer reporting
6 agency (as so defined).”.

7 **SEC. 368. LIENS.**

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

10 “(4) LIENS.—Procedures under which—

11 “(A) liens arise by operation of law against
12 real and personal property for amounts of over-
13 due support owed by a noncustodial parent who
14 resides or owns property in the State; and

15 “(B) the State accords full faith and credit
16 to liens described in subparagraph (A) arising
17 in another State, without registration of the un-
18 derlying order.”.

19 **SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LI-**
20 **CENSES.**

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

24 “(16) AUTHORITY TO WITHHOLD OR SUSPEND
25 LICENSES.—Procedures under which the State has

1 (and uses in appropriate cases) authority to withhold
2 or suspend, or to restrict the use of driver's licenses,
3 professional and occupational licenses, and rec-
4 reational licenses of individuals owing overdue sup-
5 port or failing, after receiving appropriate notice, to
6 comply with subpoenas or warrants relating to pa-
7 ternity or child support proceedings.”.

8 **SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
9 **CHILD SUPPORT.**

10 (a) HHS CERTIFICATION PROCEDURE.—

11 (1) SECRETARIAL RESPONSIBILITY.—Section
12 452 (42 U.S.C. 652), as amended by section 345 of
13 this Act, is amended by adding at the end the fol-
14 lowing new subsection:

15 “(k)(1) If the Secretary receives a certification by a
16 State agency in accordance with the requirements of sec-
17 tion 454(31) that an individual owes arrearages of child
18 support in an amount exceeding \$5,000, the Secretary
19 shall transmit such certification to the Secretary of State
20 for action (with respect to denial, revocation, or limitation
21 of passports) pursuant to section 370(b) of the Bipartisan
22 Welfare Reform Act of 1996.

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

1 (2) STATE CASE AGENCY RESPONSIBILITY.—

2 Section 454 (42 U.S.C. 654), as amended by sec-
3 tions 301(b), 303(a), 312(b), 313(a), 333, and
4 343(b) of this Act, is amended—

5 (A) by striking “and” at the end of para-
6 graph (29);

7 (B) by striking the period at the end of
8 paragraph (30) and inserting “; and”; and

9 (C) by adding after paragraph (30) the fol-
10 lowing new paragraph:

11 “(31) provide that the State agency will have in
12 effect a procedure for certifying to the Secretary, for
13 purposes of the procedure under section 452(k), de-
14 terminations that individuals owe arrearages of child
15 support in an amount exceeding \$5,000, under
16 which procedure—

17 “(A) each individual concerned is afforded
18 notice of such determination and the con-
19 sequences thereof, and an opportunity to con-
20 test the determination; and

21 “(B) the certification by the State agency
22 is furnished to the Secretary in such format,
23 and accompanied by such supporting docu-
24 mentation, as the Secretary may require.”.

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

3 (1) IN GENERAL.—The Secretary of State shall,
4 upon certification by the Secretary of Health and
5 Human Services transmitted under section 452(k) of
6 the Social Security Act, refuse to issue a passport to
7 such individual, and may revoke, restrict, or limit a
8 passport issued previously to such individual.

9 (2) LIMIT ON LIABILITY.—The Secretary of
10 State shall not be liable to an individual for any ac-
11 tion with respect to a certification by a State agency
12 under this section.

13 (c) EFFECTIVE DATE.—This section and the amend-
14 ments made by this section shall become effective October
15 1, 1996.

16 **SEC. 371. INTERNATIONAL CHILD SUPPORT ENFORCE-**
17 **MENT.**

18 (a) AUTHORITY FOR INTERNATIONAL AGREE-
19 MENTS.—Part D of title IV, as amended by section 362(a)
20 of this Act, is amended by adding after section 459 the
21 following new section:

22 **“SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCE-**
23 **MENT.**

24 **“(a) AUTHORITY FOR DECLARATIONS.—**

1 “(1) DECLARATION.—The Secretary of State,
2 with the concurrence of the Secretary of Health and
3 Human Services, is authorized to declare any foreign
4 country (or a political subdivision thereof) to be a
5 foreign reciprocating country if the foreign country
6 has established, or undertakes to establish, proce-
7 dures for the establishment and enforcement of du-
8 ties of support owed to obligees who are residents of
9 the United States, and such procedures are substan-
10 tially in conformity with the standards prescribed
11 under subsection (b).

12 “(2) REVOCATION.—A declaration with respect
13 to a foreign country made pursuant to paragraph
14 (1) may be revoked if the Secretaries of State and
15 Health and Human Services determine that—

16 “(A) the procedures established by the for-
17 eign nation regarding the establishment and en-
18 forcement of duties of support have been so
19 changed, or the foreign nation’s implementation
20 of such procedures is so unsatisfactory, that
21 such procedures do not meet the criteria for
22 such a declaration; or

23 “(B) continued operation of the declaration
24 is not consistent with the purposes of this part.

1 “(3) FORM OF DECLARATION.—A declaration
2 under paragraph (1) may be made in the form of an
3 international agreement, in connection with an inter-
4 national agreement or corresponding foreign declara-
5 tion, or on a unilateral basis.

6 “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-
7 MENT PROCEDURES.—

8 “(1) MANDATORY ELEMENTS.—Child support
9 enforcement procedures of a foreign country which
10 may be the subject of a declaration pursuant to sub-
11 section (a)(1) shall include the following elements:

12 “(A) The foreign country (or political sub-
13 division thereof) has in effect procedures, avail-
14 able to residents of the United States—

15 “(i) for establishment of paternity,
16 and for establishment of orders of support
17 for children and custodial parents; and

18 “(ii) for enforcement of orders to pro-
19 vide support to children and custodial par-
20 ents, including procedures for collection
21 and appropriate distribution of support
22 payments under such orders.

23 “(B) The procedures described in subpara-
24 graph (A), including legal and administrative

1 assistance, are provided to residents of the
2 United States at no cost.

3 “(C) An agency of the foreign country is
4 designated as a Central Authority responsible
5 for—

6 “(i) facilitating child support enforce-
7 ment in cases involving residents of the
8 foreign nation and residents of the United
9 States; and

10 “(ii) ensuring compliance with the
11 standards established pursuant to this sub-
12 section.

13 “(2) ADDITIONAL ELEMENTS.—The Secretary
14 of Health and Human Services and the Secretary of
15 State, in consultation with the States, may establish
16 such additional standards as may be considered nec-
17 essary to further the purposes of this section.

18 “(c) DESIGNATION OF UNITED STATES CENTRAL
19 AUTHORITY.—It shall be the responsibility of the Sec-
20 retary of Health and Human Services to facilitate child
21 support enforcement in cases involving residents of the
22 United States and residents of foreign nations that are
23 the subject of a declaration under this section, by activities
24 including—

1 “(1) development of uniform forms and proce-
2 dures for use in such cases;

3 “(2) notification of foreign reciprocating coun-
4 tries of the State of residence of individuals sought
5 for support enforcement purposes, on the basis of in-
6 formation provided by the Federal Parent Locator
7 Service; and

8 “(3) such other oversight, assistance, and co-
9 ordination activities as the Secretary may find nec-
10 essary and appropriate.

11 “(d) EFFECT ON OTHER LAWS.—States may enter
12 into reciprocal arrangements for the establishment and en-
13 forcement of child support obligations with foreign coun-
14 tries that are not the subject of a declaration pursuant
15 to subsection (a), to the extent consistent with Federal
16 law.”.

17 (b) STATE PLAN REQUIREMENT.—Section 454 (42
18 U.S.C. 654), as amended by sections 301(b), 303(a),
19 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act,
20 is amended—

21 (1) by striking “and” at the end of paragraph
22 (30);

23 (2) by striking the period at the end of para-
24 graph (31) and inserting “; and”; and

1 (3) by adding after paragraph (31) the follow-
2 ing new paragraph:

3 “(32)(A) provide that any request for services
4 under this part by a foreign reciprocating country or
5 a foreign country with which the State has an ar-
6 rangement described in section 459A(d)(2) shall be
7 treated as a request by a State;

8 “(B) provide, at State option, notwithstanding
9 paragraph (4) or any other provision of this part,
10 for services under the plan for enforcement of a
11 spousal support order not described in paragraph
12 (4)(B) entered by such a country (or subdivision);
13 and

14 “(C) provide that no applications will be re-
15 quired from, and no costs will be assessed for such
16 services against, the foreign reciprocating country or
17 foreign obligee (but costs may at State option be as-
18 sessed against the obligor).”.

19 **SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.**

20 Section 466(a) (42 U.S.C. 666(a)), as amended by
21 sections 315, 317(a), 323, 365, and 369 of this Act, is
22 amended by adding at the end the following new para-
23 graph:

24 “(17) FINANCIAL INSTITUTION DATA
25 MATCHES.—

1 “(A) IN GENERAL.—Procedures under
2 which the State agency shall enter into agree-
3 ments with financial institutions doing business
4 in the State—

5 “(i) to develop and operate, in coordi-
6 nation with such financial institutions, a
7 data match system, using automated data
8 exchanges to the maximum extent feasible,
9 in which each such financial institution is
10 required to provide for each calendar quar-
11 ter the name, record address, social secu-
12 rity number or other taxpayer identifica-
13 tion number, and other identifying infor-
14 mation for each noncustodial parent who
15 maintains an account at such institution
16 and who owes past-due support, as identi-
17 fied by the State by name and social secu-
18 rity number or other taxpayer identifica-
19 tion number; and

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

1 “(B) REASONABLE FEES.—The State
2 agency may pay a reasonable fee to a financial
3 institution for conducting the data match pro-
4 vided for in subparagraph (A)(i), not to exceed
5 the actual costs incurred by such financial insti-
6 tution.

7 “(C) LIABILITY.—A financial institution
8 shall not be liable under any Federal or State
9 law to any person—

10 “(i) for any disclosure of information
11 to the State agency under subparagraph
12 (A)(i);

13 “(ii) for encumbering or surrendering
14 any assets held by such financial institu-
15 tion in response to a notice of lien or levy
16 issued by the State agency as provided for
17 in subparagraph (A)(ii); or

18 “(iii) for any other action taken in
19 good faith to comply with the requirements
20 of subparagraph (A).

21 “(D) DEFINITIONS.—For purposes of this
22 paragraph—

23 “(i) FINANCIAL INSTITUTION.—The
24 term ‘financial institution’ means any Fed-
25 eral or State commercial savings bank, in-

1 including savings association or cooperative
2 bank, Federal- or State-chartered credit
3 union, benefit association, insurance com-
4 pany, safe deposit company, money-market
5 mutual fund, or any similar entity author-
6 ized to do business in the State; and

7 “(ii) ACCOUNT.—The term ‘account’
8 means a demand deposit account, checking
9 or negotiable withdrawal order account,
10 savings account, time deposit account, or
11 money-market mutual fund account.”.

12 **SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL**
13 **OR MATERNAL GRANDPARENTS IN CASES OF**
14 **MINOR PARENTS.**

15 Section 466(a) (42 U.S.C. 666(a)), as amended by
16 sections 315, 317(a), 323, 365, 369, and 372 of this Act,
17 is amended by adding at the end the following new para-
18 graph:

19 “(18) ENFORCEMENT OF ORDERS AGAINST PA-
20 TERNAL OR MATERNAL GRANDPARENTS.—Proce-
21 dures under which, at the State’s option, any child
22 support order enforced under this part with respect
23 to a child of minor parents, if the custodial parents
24 of such child is receiving assistance under the State
25 program under part A, shall be enforceable, jointly

1 and severally, against the parents of the noncusto-
2 dial parents of such child.”.

3 **SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF**
4 **CERTAIN DEBTS FOR THE SUPPORT OF A**
5 **CHILD.**

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

9 (1) in paragraph (16) by striking the period at
10 the end and inserting “; or”,

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

12 “(17) to a State or municipality for assistance
13 provided by such State or municipality under a
14 State program funded under section 403 of the So-
15 cial Security Act to the extent that such assistance
16 is provided for the support of a child of the debtor.”,
17 and

18 (3) in paragraph (5), by inserting “ or section
19 408” after “section 402(a)(26).

20 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—
21 Section 456(b) of the Social Security Act (42 U.S.C.
22 656(b)) is amended to read as follows:

23 “(b) NONDISCHARGEABILITY.—A debt (as defined in
24 section 101 of title 11 of the United States Code) to a
25 State (as defined in such section) or municipality (as de-

1 fined in such section) for assistance provided by such
2 State or municipality under a State program funded under
3 section 403 is not dischargeable under section 727, 1141,
4 1228(a), 1228(b), or 1328(b) of title 11 of the United
5 States Code to the extent that such assistance is provided
6 for the support of a child of the debtor (as defined in such
7 section).”.

8 (c) APPLICATION OF AMENDMENTS.—The amend-
9 ments made by this section shall apply only with respect
10 to cases commenced under title 11 of the United States
11 Code after the effective date of this section.

12 **Subtitle H—Medical Support**

13 **SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL** 14 **CHILD SUPPORT ORDER.**

15 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
16 ployee Retirement Income Security Act of 1974 (29
17 U.S.C. 1169(a)(2)(B)) is amended—

18 (1) by striking “issued by a court of competent
19 jurisdiction”;

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

22 (3) by adding, after and below clause (ii), the
23 following:

24 “if such judgment, decree, or order (I) is issued
25 by a court of competent jurisdiction or (II) is

1 issued through an administrative process estab-
2 lished under State law and has the force and ef-
3 fect of law under applicable State law.”.

4 (b) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by
6 this section shall take effect on the date of the en-
7 actment of this Act.

8 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
9 JANUARY 1, 1997.—Any amendment to a plan re-
10 quired to be made by an amendment made by this
11 section shall not be required to be made before the
12 1st plan year beginning on or after January 1,
13 1997, if—

14 (A) during the period after the date before
15 the date of the enactment of this Act and be-
16 fore such 1st plan year, the plan is operated in
17 accordance with the requirements of the amend-
18 ments made by this section; and

19 (B) such plan amendment applies retro-
20 actively to the period after the date before the
21 date of the enactment of this Act and before
22 such 1st plan year.

23 A plan shall not be treated as failing to be operated
24 in accordance with the provisions of the plan merely

1 because it operates in accordance with this para-
2 graph.

3 **SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
4 **COVERAGE.**

5 Section 466(a) (42 U.S.C. 666(a)), as amended by
6 sections 315, 317(a), 323, 365, 369, 372, and 373 of this
7 Act, is amended by adding at the end the following new
8 paragraph:

9 “(19) **HEALTH CARE COVERAGE.**—Procedures
10 under which all child support orders enforced pursu-
11 ant to this part shall include a provision for the
12 health care coverage of the child, and in the case in
13 which a noncustodial parent provides such coverage
14 and changes employment, and the new employer pro-
15 vides health care coverage, the State agency shall
16 transfer notice of the provision to the employer,
17 which notice shall operate to enroll the child in the
18 noncustodial parent’s health plan, unless the non-
19 custodial parent contests the notice.”.

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

4 **SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITA-**
5 **TION PROGRAMS.**

6 Part D of title IV (42 U.S.C. 651–669) is amended
7 by adding at the end the following:

8 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
9 **TION PROGRAMS.**

10 “(a) **IN GENERAL.**—The Administration for Children
11 and Families shall make grants under this section to en-
12 able States to establish and administer programs to sup-
13 port and facilitate noncustodial parents’ access to and visi-
14 tation of their children, by means of activities including
15 mediation (both voluntary and mandatory), counseling,
16 education, development of parenting plans, visitation en-
17 forcement (including monitoring, supervision and neutral
18 drop-off and pickup), and development of guidelines for
19 visitation and alternative custody arrangements.

20 “(b) **AMOUNT OF GRANT.**—The amount of the grant
21 to be made to a State under this section for a fiscal year
22 shall be an amount equal to the lesser of—

23 “(1) 90 percent of State expenditures during
24 the fiscal year for activities described in subsection
25 (a); or

1 “(2) the allotment of the State under sub-
2 section (c) for the fiscal year.

3 “(c) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—The allotment of a State
5 for a fiscal year is the amount that bears the same
6 ratio to the amount appropriated for grants under
7 this section for the fiscal year as the number of chil-
8 dren in the State living with only 1 biological parent
9 bears to the total number of such children in all
10 States.

11 “(2) MINIMUM ALLOTMENT.—The Administra-
12 tion for Children and Families shall adjust allot-
13 ments to States under paragraph (1) as necessary to
14 ensure that no State is allotted less than—

15 “(A) \$50,000 for fiscal year 1996 or 1997;

16 or

17 “(B) \$100,000 for any succeeding fiscal
18 year.

19 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
20 FOR SIMILAR ACTIVITIES.—A State to which a grant is
21 made under this section may not use the grant to supplant
22 expenditures by the State for activities specified in sub-
23 section (a), but shall use the grant to supplement such
24 expenditures at a level at least equal to the level of such
25 expenditures for fiscal year 1995.

1 “(e) STATE ADMINISTRATION.—Each State to which
2 a grant is made under this section—

3 “(1) may administer State programs funded
4 with the grant, directly or through grants to or con-
5 tracts with courts, local public agencies, or non-prof-
6 it private entities;

7 “(2) shall not be required to operate such pro-
8 grams on a statewide basis; and

9 “(3) shall monitor, evaluate, and report on such
10 programs in accordance with regulations prescribed
11 by the Secretary.”.

12 **Subtitle J—Effect of Enactment**

13 **SEC. 391. EFFECTIVE DATES.**

14 (a) IN GENERAL.—Except as otherwise specifically
15 provided (but subject to subsections (b) and (c))—

16 (1) the provisions of this title requiring the en-
17 actment or amendment of State laws under section
18 466 of the Social Security Act, or revision of State
19 plans under section 454 of such Act, shall be effec-
20 tive with respect to periods beginning on and after
21 October 1, 1996; and

22 (2) all other provisions of this title shall become
23 effective upon the date of the enactment of this Act.

1 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
2 provisions of this title shall become effective with respect
3 to a State on the later of—

4 (1) the date specified in this title, or

5 (2) the effective date of laws enacted by the leg-
6 islature of such State implementing such provisions,
7 but in no event later than the 1st day of the 1st calendar
8 quarter beginning after the close of the 1st regular session
9 of the State legislature that begins after the date of the
10 enactment of this Act. For purposes of the previous sen-
11 tence, in the case of a State that has a 2-year legislative
12 session, each year of such session shall be deemed to be
13 a separate regular session of the State legislature.

14 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
15 AMENDMENT.—A State shall not be found out of compli-
16 ance with any requirement enacted by this title if the State
17 is unable to so comply without amending the State con-
18 stitution until the earlier of—

19 (1) 1 year after the effective date of the nec-
20 essary State constitutional amendment; or

21 (2) 5 years after the date of the enactment of
22 this Act.

1 **TITLE IV—RESTRICTING WEL-**
2 **FARE AND PUBLIC BENEFITS**
3 **FOR ALIENS**

4 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERN-**
5 **ING WELFARE AND IMMIGRATION.**

6 The Congress makes the following statements con-
7 cerning national policy with respect to welfare and immi-
8 gration:

9 (1) Self-sufficiency has been a basic principle of
10 United States immigration law since this country's
11 earliest immigration statutes.

12 (2) It continues to be the immigration policy of
13 the United States that—

14 (A) aliens within the nation's borders not
15 depend on public resources to meet their needs,
16 but rather rely on their own capabilities and the
17 resources of their families, their sponsors, and
18 private organizations, and

19 (B) the availability of public benefits not
20 constitute an incentive for immigration to the
21 United States.

22 (3) Despite the principle of self-sufficiency,
23 aliens have been applying for and receiving public
24 benefits from Federal, State, and local governments
25 at increasing rates.

1 (4) Current eligibility rules for public assistance
2 and unenforceable financial support agreements have
3 proved wholly incapable of assuring that individual
4 aliens not burden the public benefits system.

5 (5) It is a compelling government interest to
6 enact new rules for eligibility and sponsorship agree-
7 ments in order to assure that aliens be self-reliant
8 in accordance with national immigration policy.

9 (6) It is a compelling government interest to re-
10 move the incentive for illegal immigration provided
11 by the availability of public benefits.

12 (7) With respect to the State authority to make
13 determinations concerning the eligibility of qualified
14 aliens for public benefits in this title, a State that
15 chooses to follow the Federal classification in deter-
16 mining the eligibility of such aliens for public assist-
17 ance shall be considered to have chosen the least re-
18 strictive means available for achieving the compelling
19 governmental interest of assuring that aliens be self-
20 reliant in accordance with national immigration pol-
21 icy.

1 **Subtitle A—Eligibility for Federal**
2 **Benefits**

3 **SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELI-**
4 **GIBLE FOR FEDERAL PUBLIC BENEFITS.**

5 (a) **IN GENERAL.**—Notwithstanding any other provi-
6 sion of law and except as provided in subsection (b), an
7 alien who is not a qualified alien (as defined in section
8 431) is not eligible for any Federal public benefit (as de-
9 fined in subsection (c)).

10 (b) **EXCEPTIONS.**—

11 (1) Subsection (a) shall not apply with respect
12 to the following Federal public benefits:

13 (A) Emergency medical services under title
14 XIX or XXI of the Social Security Act.

15 (B) Short-term, non-cash, in-kind emer-
16 gency disaster relief.

17 (C)(i) Public health assistance for immuni-
18 zations.

19 (ii) Public health assistance for testing and
20 treatment of a serious communicable disease if
21 the Secretary of Health and Human Services
22 determines that it is necessary to prevent the
23 spread of such disease.

24 (D) Programs, services, or assistance (such
25 as soup kitchens, crisis counseling and interven-

1 tion, and short-term shelter) specified by the
2 Attorney General, in the Attorney General's
3 sole and unreviewable discretion after consulta-
4 tion with appropriate Federal agencies and de-
5 partments, which (i) deliver in-kind services at
6 the community level, including through public
7 or private nonprofit agencies; (ii) do not condi-
8 tion the provision of assistance, the amount of
9 assistance provided, or the cost of assistance
10 provided on the individual recipient's income or
11 resources; and (iii) are necessary for the protec-
12 tion of life or safety.

13 (E) Programs for housing or community
14 development assistance or financial assistance
15 administered by the Secretary of Housing and
16 Urban Development, any program under title V
17 of the Housing Act of 1949, or any assistance
18 under section 306C of the Consolidated Farm
19 and Rural Development Act, to the extent that
20 the alien is receiving such a benefit on the date
21 of the enactment of this Act.

22 (F) The program of medical assistance
23 under title XIX and title XXI of the Social Se-
24 curity Act.

1 (G) Assistance or benefits under the Na-
2 tional School Lunch Act or the Child Nutrition
3 Act of 1966.

4 (2) Subsection (a) shall not apply to any benefit
5 payable under title II of the Social Security Act to
6 an alien who is lawfully present in the United States
7 as determined by the Attorney General, to any bene-
8 fit if nonpayment of such benefit would contravene
9 an international agreement described in section 233
10 of the Social Security Act, to any benefit if nonpay-
11 ment would be contrary to section 202(t) of the So-
12 cial Security Act, or to any benefit payable under
13 title II of the Social Security Act to which entitle-
14 ment is based on an application filed in or before the
15 month in which this Act becomes law.

16 (3) Subsection (a) shall not apply—

17 (A) for up to 48 months if the alien can
18 demonstrate that (i) the alien has been battered
19 or subject to extreme cruelty in the United
20 States by a spouse or parent, or by a member
21 of the spouse or parent's family residing in the
22 same household as the alien and the spouse or
23 parent consented or acquiesced to such battery
24 or cruelty, or (ii) the alien's child has been bat-
25 tered or subject to extreme cruelty in the Unit-

1 ed States by a spouse or parent of the alien
2 (without the active participation of the alien in
3 the battery or extreme cruelty), or by a member
4 of the spouse or parent's family residing in the
5 same household as the alien when the spouse
6 or parent consented or acquiesced to and the
7 alien did not actively participate in such battery
8 or cruelty, and (iii) the need for the public ben-
9 efits applied for has a substantial connection to
10 the battery or cruelty described in subclause (I)
11 or (II); and

12 (B) for more than 48 months if the alien
13 can demonstrate that any battery or cruelty
14 under subparagraph (A) is ongoing, has led to
15 the issuance of an order of a judge or an ad-
16 ministrative law judge or a prior determination
17 of the Service, and that the need for such bene-
18 fits has a substantial connection to such battery
19 or cruelty.

20 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

21 (1) Except as provided in paragraph (2), for
22 purposes of this title the term "Federal public bene-
23 fit" means—

24 (A) any grant, contract, loan, professional
25 license, or commercial license provided by an

1 agency of the United States or by appropriated
2 funds of the United States; and

3 (B) any retirement, welfare, health, dis-
4 ability, public or assisted housing, post-second-
5 ary education, food assistance, unemployment
6 benefit, or any other similar benefit for which
7 payments or assistance are provided to an indi-
8 vidual, household, or family eligibility unit by
9 an agency of the United States or by appro-
10 priated funds of the United States.

11 (2) Such term shall not apply—

12 (A) to any contract, professional license, or
13 commercial license for a nonimmigrant whose
14 visa for entry is related to such employment in
15 the United States; or

16 (B) with respect to benefits for an alien
17 who as a work authorized nonimmigrant or as
18 an alien lawfully admitted for permanent resi-
19 dence under the Immigration and Nationality
20 Act qualified for such benefits and for whom
21 the United States under reciprocal treaty agree-
22 ments is required to pay benefits, as determined
23 by the Attorney General, after consultation with
24 the Secretary of State.

1 SEC. 402. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED
2 ALIENS FOR CERTAIN FEDERAL PROGRAMS.

3 (a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL
4 PROGRAMS.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of law and except as provided in paragraph
7 (2), an alien who is a qualified alien (as defined in
8 section 431) is not eligible for any specified Federal
9 program (as defined in paragraph (3)).

10 (2) EXCEPTIONS.—

11 (A) TIME-LIMITED EXCEPTION FOR REFUG-
12 GEES AND ASYLEES.—Paragraph (1) shall not
13 apply to an alien until 5 years after the date—

14 (i) an alien is admitted to the United
15 States as a refugee under section 207 of
16 the Immigration and Nationality Act;

17 (ii) an alien is granted asylum under
18 section 208 of such Act; or

19 (iii) an alien's deportation is withheld
20 under section 243(h) of such Act.

21 (B) CERTAIN PERMANENT RESIDENT
22 ALIENS.—Paragraph (1) shall not apply to an
23 alien who—

24 (i) is lawfully admitted to the United
25 States for permanent residence under the
26 Immigration and Nationality Act; and

1 (ii)(I) has worked 40 qualifying quar-
2 ters of coverage as defined under title II of
3 the Social Security Act or can be credited
4 with such qualifying quarters as provided
5 under section 436, and (II) did not receive
6 any Federal means-tested public benefit
7 (as defined in section 403(c)) during any
8 such quarter.

9 (C) VETERAN AND ACTIVE DUTY EXCEP-
10 TION.—Paragraph (1) shall not apply to an
11 alien who is lawfully residing in any State and
12 is—

13 (i) a veteran (as defined in section
14 101 of title 38, United States Code) with
15 a discharge characterized as an honorable
16 discharge and not on account of alienage,

17 (ii) on active duty (other than active
18 duty for training) in the Armed Forces of
19 the United States, or

20 (iii) the spouse or unmarried depend-
21 ent child of an individual described in
22 clause (i) or (ii).

23 (D) TRANSITION FOR ALIENS CURRENTLY
24 RECEIVING BENEFITS.—Paragraph (1) shall
25 apply to the eligibility of an alien for a program

1 for months beginning on or after January 1,
2 1997, if, on the date of the enactment of this
3 Act, the alien is lawfully residing in any State
4 and is receiving benefits under such program on
5 the date of the enactment of this Act.

6 (E) FICA EXCEPTION.—Paragraph (1)
7 shall not apply to an alien if there has been
8 paid with respect to the self-employment income
9 or employment of the alien, or of a parent or
10 spouse of the alien, taxes under chapter 2 or
11 chapter 21 of the Internal Revenue Code of
12 1986 in each of 20 different calendar quarters.

13 (F) EXCEPTION FOR BATTERED WOMEN
14 AND CHILDREN.—Paragraph (1) shall not
15 apply—

16 (i) for up to 48 months if the alien
17 can demonstrate that (I) the alien has
18 been battered or subject to extreme cruelty
19 in the United States by a spouse or parent,
20 or by a member of the spouse or parent's
21 family residing in the same household as
22 the alien and the spouse or parent con-
23 sented or acquiesced to such battery or
24 cruelty, or (II) the alien's child has been
25 battered or subject to extreme cruelty in

1 the United States by a spouse or parent of
2 the alien (without the active participation
3 of the alien in the battery or extreme cru-
4 elty), or by a member of the spouse or par-
5 ent's family residing in the same household
6 as the alien when the spouse or parent
7 consented or acquiesced to and the alien
8 did not actively participate in such battery
9 or cruelty, and (III) the need for the public
10 benefits applied for has a substantial con-
11 nection to the battery or cruelty described
12 in this clause; and

13 (ii) for more than 48 months if the
14 alien can demonstrate that any battery or
15 cruelty under clause (i) is ongoing, has led
16 to the issuance of an order of a judge or
17 an administrative law judge or a prior de-
18 termination of the Service, and that need
19 for such benefits has a substantial connec-
20 tion to such battery or cruelty.

21 (G) SSI DISABILITY EXCEPTION.—Para-
22 graph (1) shall not apply to an alien who has
23 not attained 18 years of age and is eligible by
24 reason of disability for supplemental security

1 income benefits under title XVI of the Social
2 Security Act.

3 (H) FOOD STAMP EXCEPTION FOR CHIL-
4 DREN.—Paragraph (1) shall not apply to the
5 eligibility of an alien who has not attained 18
6 years of age for the food stamp program under
7 paragraph (3)(B).

8 (3) SPECIFIED FEDERAL PROGRAM DEFINED.—
9 For purposes of this title, the term “specified Fed-
10 eral program” means any of the following:

11 (A) SSI.—The supplemental security in-
12 come program under title XVI of the Social Se-
13 curity Act.

14 (B) FOOD STAMPS.—The food stamp pro-
15 gram as defined in section 3(h) of the Food
16 Stamp Act of 1977.

17 (b) LIMITED ELIGIBILITY FOR DESIGNATED FED-
18 ERAL PROGRAMS.—

19 (1) IN GENERAL.—Notwithstanding any other
20 provision of law and except as provided in section
21 403 and paragraph (2), a State is authorized to de-
22 termine the eligibility of an alien who is a qualified
23 alien (as defined in section 431) for any designated
24 Federal program (as defined in paragraph (3)).

1 (2) EXCEPTIONS.—Qualified aliens under this
2 paragraph shall be eligible for any designated Fed-
3 eral program.

4 (A) TIME-LIMITED EXCEPTION FOR REFU-
5 GEES AND ASYLEES.—

6 (i) An alien who is admitted to the
7 United States as a refugee under section
8 207 of the Immigration and Nationality
9 Act until 5 years after the date of an
10 alien's entry into the United States.

11 (ii) An alien who is granted asylum
12 under section 208 of such Act until 5 years
13 after the date of such grant of asylum.

14 (iii) An alien whose deportation is
15 being withheld under section 243(h) of
16 such Act until 5 years after such withhold-
17 ing.

18 (B) CERTAIN PERMANENT RESIDENT
19 ALIENS.—An alien who—

20 (i) is lawfully admitted to the United
21 States for permanent residence under the
22 Immigration and Nationality Act; and

23 (ii)(I) has worked 40 qualifying quar-
24 ters of coverage as defined under title II of
25 the Social Security Act or can be credited

1 with such qualifying quarters as provided
2 under section 436, and (II) did not receive
3 any Federal means-tested public benefit
4 (as defined in section 403(c)) during any
5 such quarter.

6 (C) VETERAN AND ACTIVE DUTY EXCEP-
7 TION.—An alien who is lawfully residing in any
8 State and is—

9 (i) a veteran (as defined in section
10 101 of title 38, United States Code) with
11 a discharge characterized as an honorable
12 discharge and not on account of alienage,

13 (ii) on active duty (other than active
14 duty for training) in the Armed Forces of
15 the United States, or

16 (iii) the spouse or unmarried depend-
17 ent child of an individual described in
18 clause (i) or (ii).

19 (D) TRANSITION FOR THOSE CURRENTLY
20 RECEIVING BENEFITS.—An alien who on the
21 date of the enactment of this Act is lawfully re-
22 siding in any State and is receiving benefits
23 under such program on the date of the enact-
24 ment of this Act shall continue to be eligible to
25 receive such benefits until January 1, 1997.

1 (E) FICA EXCEPTION.—Paragraph (1)
2 shall not apply to an alien if there has been
3 paid with respect to the self-employment income
4 or employment of the alien, or of a parent or
5 spouse of the alien, taxes under chapter 2 or
6 chapter 21 of the Internal Revenue Code of
7 1986 in each of 20 different calendar quarters.

8 (F) TIME-LIMITED EXCEPTION FOR BAT-
9 TERED WOMEN AND CHILDREN.—Paragraph
10 (1) shall not apply—

11 (i) for up to 48 months if the alien
12 can demonstrate that (I) the alien has
13 been battered or subject to extreme cruelty
14 in the United States by a spouse or parent,
15 or by a member of the spouse or parent's
16 family residing in the same household as
17 the alien and the spouse or parent con-
18 sented or acquiesced to such battery or
19 cruelty, or (II) the alien's child has been
20 battered or subject to extreme cruelty in
21 the United States by a spouse or parent of
22 the alien (without the active participation
23 of the alien in the battery or extreme cru-
24 elty), or by a member of the spouse or par-
25 ent's family residing in the same household

1 as the alien when the spouse or parent
2 consented or acquiesced to and the alien
3 did not actively participate in such battery
4 or cruelty, and (III) the need for the public
5 benefits applied for has a substantial con-
6 nection to the battery or cruelty described
7 in subclause (I) or (II); and

8 (ii) for more than 48 months if the
9 alien can demonstrate that any battery or
10 cruelty under clause (i) is ongoing, has led
11 to the issuance of an order of a judge or
12 an administrative law judge or a prior de-
13 termination of the Service, and that the
14 need for such benefits has a substantial
15 connection to such battery or cruelty.

16 (G) SSI DISABILITY EXCEPTION.—Para-
17 graph (1) shall not apply to an alien who has
18 not attained 18 years of age and is eligible by
19 reason of disability for supplemental security
20 income benefits under title XVI of the Social
21 Security Act.

22 (3) DESIGNATED FEDERAL PROGRAM DE-
23 FINED.—For purposes of this title, the term “des-
24 signated Federal program” means any of the follow-
25 ing:

1 (A) TEMPORARY ASSISTANCE FOR NEEDY
2 FAMILIES.—The program of block grants to
3 States for temporary assistance for needy fami-
4 lies under part A of title IV of the Social Secu-
5 rity Act.

6 (B) SOCIAL SERVICES BLOCK GRANT.—
7 The program of block grants to States for so-
8 cial services under title XX of the Social Secu-
9 rity Act.

10 **SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**
11 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**
12 **LIC BENEFIT.**

13 (a) IN GENERAL.—Notwithstanding any other provi-
14 sion of law and except as provided in subsection (b), an
15 alien who is a qualified alien (as defined in section 431)
16 and who enters the United States on or after the date
17 of the enactment of this Act is not eligible for any Federal
18 means-tested public benefit (as defined in subsection (c))
19 for a period of five years beginning on the date of the
20 alien's entry into the United States with a status within
21 the meaning of the term "qualified alien".

22 (b) EXCEPTIONS.—The limitation under subsection
23 (a) shall not apply to the following aliens:

24 (1) EXCEPTION FOR REFUGEES AND
25 ASYLEES.—

1 (A) An alien who is admitted to the United
2 States as a refugee under section 207 of the
3 Immigration and Nationality Act.

4 (B) An alien who is granted asylum under
5 section 208 of such Act.

6 (C) An alien whose deportation is being
7 withheld under section 243(h) of such Act.

8 (2) VETERAN AND ACTIVE DUTY EXCEPTION.—
9 An alien who is lawfully residing in any State and
10 is—

11 (A) a veteran (as defined in section 101 of
12 title 38, United States Code) with a discharge
13 characterized as an honorable discharge and not
14 on account of alienage,

15 (B) on active duty (other than active duty
16 for training) in the Armed Forces of the United
17 States, or

18 (C) the spouse or unmarried dependent
19 child of an individual described in subparagraph
20 (A) or (B).

21 (3) FICA EXCEPTION.—An alien if there has
22 been paid with respect to the self-employment in-
23 come or employment of the alien, or of a parent or
24 spouse of the alien, taxes under chapter 2 or chapter

1 21 of the Internal Revenue Code of 1986 in each of
2 20 different calendar quarters.

3 (4) EXCEPTION FOR BATTERED WOMEN AND
4 CHILDREN.—An alien—

5 (A) for up to 48 months if the alien can
6 demonstrate that (i) the alien has been battered
7 or subject to extreme cruelty in the United
8 States by a spouse or parent, or by a member
9 of the spouse or parent's family residing in the
10 same household as the alien and the spouse or
11 parent consented or acquiesced to such battery
12 or cruelty, or (ii) the alien's child has been bat-
13 tered or subject to extreme cruelty in the Unit-
14 ed States by a spouse or parent of the alien
15 (without the active participation of the alien in
16 the battery or extreme cruelty), or by a member
17 of the spouse or parent's family residing in the
18 same household as the alien when the spouse or
19 parent consented or acquiesced to and the alien
20 did not actively participate in such battery or
21 cruelty, and (iii) the need for the public benefits
22 applied for has a substantial connection to the
23 battery or cruelty described in clause (i) or (ii);
24 and

1 (B) for more than 48 months if the alien
2 can demonstrate that any battery or cruelty
3 under subparagraph (A) is ongoing, has led to
4 the issuance of an order of a judge or an ad-
5 ministrative law judge or a prior determination
6 of the Service, and that need for such benefits
7 has a substantial connection to such battery or
8 cruelty.

9 (5) SSI DISABILITY EXCEPTION.—An alien who
10 has not attained 18 years of age and is eligible by
11 reason of disability for supplemental security income
12 benefits under title XVI of the Social Security Act.

13 (6) FOOD STAMP EXCEPTION FOR CHILDREN.—
14 An alien who has not attained 18 years of age only
15 for purposes of eligibility for the food stamp pro-
16 gram as defined in section 3(h) of the Food Stamp
17 Act of 1977.

18 (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-
19 FINED.—

20 (1) Except as provided in paragraph (2), for
21 purposes of this title, the term “Federal means-test-
22 ed public benefit” means a public benefit (including
23 cash, medical, housing, and food assistance and so-
24 cial services) of the Federal Government in which
25 the eligibility of an individual, household, or family

1 eligibility unit for benefits, or the amount of such
2 benefits, or both are determined on the basis of in-
3 come, resources, or financial need of the individual,
4 household, or unit.

5 (2) Such term does not include the following:

6 (A) Emergency medical services under title
7 XIX or XXI of the Social Security Act.

8 (B) Short-term, non-cash, in-kind emer-
9 gency disaster relief.

10 (C) Assistance or benefits under the Na-
11 tional School Lunch Act.

12 (D) Assistance or benefits under the Child
13 Nutrition Act of 1966.

14 (E)(i) Public health assistance for immuni-
15 zations.

16 (ii) Public health assistance for testing and
17 treatment of a serious communicable disease if
18 the Secretary of Health and Human Services
19 determines that it is necessary to prevent the
20 spread of such disease.

21 (F) Payments for foster care and adoption
22 assistance under part B of title IV of the Social
23 Security Act for a child who would, in the ab-
24 sence of subsection (a), be eligible to have such
25 payments made on the child's behalf under such

1 part, but only if the foster or adoptive parent
2 or parents of such child are not described under
3 subsection (a).

4 (G) Programs, services, or assistance (such
5 as soup kitchens, crisis counseling and interven-
6 tion, and short-term shelter) specified by the
7 Attorney General, in the Attorney General's
8 sole and unreviewable discretion after consulta-
9 tion with appropriate Federal agencies and de-
10 partments, which (i) deliver in-kind services at
11 the community level, including through public
12 or private nonprofit agencies; (ii) do not condi-
13 tion the provision of assistance, the amount of
14 assistance provided, or the cost of assistance
15 provided on the individual recipient's income or
16 resources; and (iii) are necessary for the protec-
17 tion of life or safety.

18 (H) Programs of student assistance under
19 titles IV, V, IX, and X of the Higher Education
20 Act of 1965.

21 (I) Means-tested programs under the Ele-
22 mentary and Secondary Education Act of 1965.

23 (J) The program of medical assistance
24 under title XIX and title XXI of the Social Se-
25 curity Act.

1 **SEC. 404. NOTIFICATION AND INFORMATION REPORTING.**

2 (a) NOTIFICATION.—Each Federal agency that ad-
3 ministers a program to which section 401, 402, or 403
4 applies shall, directly or through the States, post informa-
5 tion and provide general notification to the public and to
6 program recipients of the changes regarding eligibility for
7 any such program pursuant to this title.

8 (b) INFORMATION REPORTING UNDER TITLE IV OF
9 THE SOCIAL SECURITY ACT.—Part A of title IV of the
10 Social Security Act is amended by inserting the following
11 new section after section 411:

12 **“SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFOR-**
13 **MATION.**

14 “Each State to which a grant is made under section
15 403 of the Social Security Act shall, at least 4 times annu-
16 ally and upon request of the Immigration and Naturaliza-
17 tion Service, furnish the Immigration and Naturalization
18 Service with the name and address of, and other identify-
19 ing information on, any individual who the State knows
20 is unlawfully in the United States.”.

21 (c) SSI.—Section 1631(e) of such Act (42 U.S.C.
22 1383(e)) is amended—

23 (1) by redesignating paragraphs (6) and (7) in-
24 serted by sections 206(d)(2) and 206(f)(1) of the
25 Social Security Independence and Programs Im-
26 provement Act of 1994 (Public Law 103–296; 108

1 Stat. 1514, 1515) as paragraphs (7) and (8), re-
2 spectively; and

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

5 “(9) Notwithstanding any other provision of
6 law, the Commissioner shall, at least 4 times annu-
7 ally and upon request of the Immigration and Natu-
8 ralization Service (hereafter in this paragraph re-
9 ferred to as the ‘Service’), furnish the Service with
10 the name and address of, and other identifying in-
11 formation on, any individual who the Commissioner
12 knows is unlawfully in the United States, and shall
13 ensure that each agreement entered into under sec-
14 tion 1616(a) with a State provides that the State
15 shall furnish such information at such times with re-
16 spect to any individual who the State knows is un-
17 lawfully in the United States.”.

18 (d) INFORMATION REPORTING FOR HOUSING PRO-
19 GRAMS.—Title I of the United States Housing Act of 1937
20 (42 U.S.C. 1437 et seq.), as amended by this Act, is fur-
21 ther amended by adding at the end the following new sec-
22 tion:

1 "SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCE-
2 MENT AND OTHER AGENCIES.

3 "Notwithstanding any other provision of law, the Sec-
4 retary shall, at least 4 times annually and upon request
5 of the Immigration and Naturalization Service (hereafter
6 in this section referred to as the 'Service'), furnish the
7 Service with the name and address of, and other identify-
8 ing information on, any individual who the Secretary
9 knows is unlawfully in the United States, and shall ensure
10 that each contract for assistance entered into under sec-
11 tion 6 or 8 of this Act with a public housing agency pro-
12 vides that the public housing agency shall furnish such
13 information at such times with respect to any individual
14 who the public housing agency knows is unlawfully in the
15 United States."

16 **Subtitle B—Eligibility for State**
17 **and Local Public Benefits Pro-**
18 **grams**

19 **SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR**
20 **NONIMMIGRANTS INELIGIBLE FOR STATE**
21 **AND LOCAL PUBLIC BENEFITS.**

22 (a) IN GENERAL.—Notwithstanding any other provi-
23 sion of law and except as provided in subsections (b) and
24 (d), an alien who is not described under a paragraph of
25 this subsection is not eligible for any State or local public
26 benefit (as defined in subsection (c)):

1 (1) A qualified alien (as defined in section 431).

2 (2) A nonimmigrant under the Immigration and
3 Nationality Act.

4 (3) An alien who is paroled into the United
5 States under section 212(d)(5) of such Act for less
6 than one year.

7 (4) An alien—

8 (A) for up to 48 months if the alien can
9 demonstrate that (i) the alien has been battered
10 or subject to extreme cruelty in the United
11 States by a spouse or parent, or by a member
12 of the spouse or parent's family residing in the
13 same household as the alien and the spouse or
14 parent consented or acquiesced to such battery
15 or cruelty, or (ii) the alien's child has been bat-
16 tered or subject to extreme cruelty in the Unit-
17 ed States by a spouse or parent of the alien
18 (without the active participation of the alien in
19 the battery or extreme cruelty), or by a member
20 of the spouse or parent's family residing in the
21 same household as the alien when the spouse or
22 parent consented or acquiesced to and the alien
23 did not actively participate in such battery or
24 cruelty, and (iii) the need for the public benefits
25 applied for has a substantial connection to the

1 battery or cruelty described in clause (i) or (ii),
2 and

3 (B) for more than 48 months if the alien
4 can demonstrate that any battery or cruelty
5 under subparagraph (A) is ongoing, has led to
6 the issuance of an order of a judge or an ad-
7 ministrative law judge or a prior determination
8 of the Service, and that the need for such bene-
9 fits has a substantial connection to such battery
10 or cruelty.

11 (b) EXCEPTIONS.—Subsection (a) shall not apply
12 with respect to the following State or local public benefits:

13 (1) Emergency medical services under title XIX
14 or XXI of the Social Security Act.

15 (2) Short-term, noncash, in-kind emergency dis-
16 aster relief.

17 (3)(A) Public health assistance for immuniza-
18 tions.

19 (B) Public health assistance for testing and
20 treatment of a serious communicable disease if the
21 Secretary of Health and Human Services determines
22 that it is necessary to prevent the spread of such
23 disease.

24 (4) Programs, services, or assistance (such as
25 soup kitchens, crisis counseling and intervention,

1 and short-term shelter) specified by the Attorney
2 General, in the Attorney General's sole and
3 unreviewable discretion after consultation with ap-
4 propriate Federal agencies and departments, which
5 (A) deliver in-kind services at the community level,
6 including through public or private nonprofit agen-
7 cies; (B) do not condition the provision of assistance,
8 the amount of assistance provided, or the cost of as-
9 sistance provided on the individual recipient's in-
10 come or resources; and (C) are necessary for the
11 protection of life or safety.

12 (c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

13 (1) Except as provided in paragraph (2), for
14 purposes of this subtitle the term "State or local
15 public benefit" means—

16 (A) any grant, contract, loan, professional
17 license, or commercial license provided by an
18 agency of a State or local government or by ap-
19 propriated funds of a State or local govern-
20 ment; and

21 (B) any retirement, welfare, health, dis-
22 ability, public or assisted housing, post-second-
23 ary education, food assistance, unemployment
24 benefit, or any other similar benefit for which
25 payments or assistance are provided to an indi-

1 vidual, household, or family eligibility unit by
2 an agency of a State or local government or by
3 appropriated funds of a State or local govern-
4 ment.

5 (2) Such term shall not apply—

6 (A) to any contract, professional license, or
7 commercial license for a nonimmigrant whose
8 visa for entry is related to such employment in
9 the United States; or

10 (B) with respect to benefits for an alien
11 who as a work authorized nonimmigrant or as
12 an alien lawfully admitted for permanent resi-
13 dence under the Immigration and Nationality
14 Act qualified for such benefits and for whom
15 the United States under reciprocal treaty agree-
16 ments is required to pay benefits, as determined
17 by the Secretary of State, after consultation
18 with the Attorney General.

19 (d) STATE AUTHORITY TO PROVIDE FOR ELIGI-
20 BILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUB-
21 LIC BENEFITS.—A State may provide that an alien who
22 is not lawfully present in the United States is eligible for
23 any State or local public benefit for which such alien would
24 otherwise be ineligible under subsection (a) only through
25 the enactment of a State law after the date of the enact-

1 ment of this Act which affirmatively provides for such eli-
2 gibility.

3 **SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**
4 **QUALIFIED ALIENS FOR STATE PUBLIC BENE-**
5 **FITS.**

6 (a) **IN GENERAL.**—Notwithstanding any other provi-
7 sion of law and except as provided in subsection (b), a
8 State is authorized to determine the eligibility for any
9 State public benefits (as defined in subsection (c) of an
10 alien who is a qualified alien (as defined in section 431),
11 a nonimmigrant under the Immigration and Nationality
12 Act, or an alien who is paroled into the United States
13 under section 212(d)(5) of such Act for less than one year.

14 (b) **EXCEPTIONS.**—Qualified aliens under this sub-
15 section shall be eligible for any State public benefits.

16 (1) **TIME-LIMITED EXCEPTION FOR REFUGEES**
17 **AND ASYLEES.**—

18 (A) An alien who is admitted to the United
19 States as a refugee under section 207 of the
20 Immigration and Nationality Act until 5 years
21 after the date of an alien's entry into the Unit-
22 ed States.

23 (B) An alien who is granted asylum under
24 section 208 of such Act until 5 years after the
25 date of such grant of asylum.

1 (C) An alien whose deportation is being
2 withheld under section 243(h) of such Act until
3 5 years after such withholding.

4 (2) CERTAIN PERMANENT RESIDENT ALIENS.—

5 An alien who—

6 (A) is lawfully admitted to the United
7 States for permanent residence under the Im-
8 migration and Nationality Act; and

9 (B)(i) has worked 40 qualifying quarters
10 of coverage as defined under title II of the So-
11 cial Security Act or can be credited with such
12 qualifying quarters as provided under section
13 436, and (ii) did not receive any Federal
14 means-tested public benefit (as defined in sec-
15 tion 403(c)) during any such quarter.

16 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

17 An alien who is lawfully residing in any State and
18 is—

19 (A) a veteran (as defined in section 101 of
20 title 38, United States Code) with a discharge
21 characterized as an honorable discharge and not
22 on account of alienage,

23 (B) on active duty (other than active duty
24 for training) in the Armed Forces of the United
25 States, or

1 (C) the spouse or unmarried dependent
2 child of an individual described in subparagraph
3 (A) or (B).

4 (4) TRANSITION FOR THOSE CURRENTLY RE-
5 CEIVING BENEFITS.—An alien who on the date of
6 the enactment of this Act is lawfully residing in any
7 State and is receiving benefits on the date of the en-
8 actment of this Act shall continue to be eligible to
9 receive such benefits until January 1, 1997.

10 (5) EXCEPTION FOR BATTERED WOMEN AND
11 CHILDREN.—An alien—

12 (A) for up to 48 months if the alien can
13 demonstrate that (i) the alien has been battered
14 or subject to extreme cruelty in the United
15 States by a spouse or parent, or by a member
16 of the spouse or parent's family residing in the
17 same household as the alien and the spouse or
18 parent consented or acquiesced to such battery
19 or cruelty, or (ii) the alien's child has been bat-
20 tered or subject to extreme cruelty in the Unit-
21 ed States by a spouse or parent of the alien
22 (without the active participation of the alien in
23 the battery or extreme cruelty), or by a member
24 of the spouse or parent's family residing in the
25 same household as the alien when the spouse or

1 parent consented or acquiesced to and the alien
2 did not actively participate in such battery or
3 cruelty, and (iii) the need for the public benefits
4 applied for has a substantial connection to the
5 battery or cruelty described in clause (i) or (ii);
6 and

7 (B) for more than 48 months if the alien
8 can demonstrate that any battery or cruelty
9 under subparagraph (A) is ongoing, has led to
10 the issuance of an order of a judge or an ad-
11 ministrative law judge or a prior determination
12 of the Service, and that the need for such bene-
13 fits has a substantial connection to such battery
14 or cruelty.

15 (c) STATE PUBLIC BENEFITS DEFINED.—The term
16 “State public benefits” means any means-tested public
17 benefit of a State or political subdivision of a State under
18 which the State or political subdivision specifies the stand-
19 ards for eligibility, and does not include any Federal public
20 benefit.

1 **Subtitle C—Attribution of Income**
2 **and Affidavits of Support**

3 **SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME**
4 **AND RESOURCES TO ALIEN FOR PURPOSES**
5 **OF MEDICAID ELIGIBILITY.**

6 (a) **IN GENERAL.**—Notwithstanding any other provi-
7 sion of law, in determining the eligibility and the amount
8 of benefits of an alien (other than an alien who has not
9 attained 18 years of age or an alien who is pregnant) for
10 the program of medical assistance under title XIX and
11 title XXI of the Social Security Act, the income and re-
12 sources of the alien shall be deemed to include the follow-
13 ing:

14 (1) The income and resources of any person
15 who executed an affidavit of support pursuant to
16 section 213A of the Immigration and Nationality
17 Act (as added by section 423) on behalf of such
18 alien.

19 (2) The income and resources of the spouse (if
20 any) of the person.

21 (b) **APPLICATION.**—Subsection (a) shall apply with
22 respect to an alien (other than an alien who has not at-
23 tained 18 years of age or an alien who is pregnant) until
24 such time as the alien—

1 (1) achieves United States citizenship through
2 naturalization pursuant to chapter 2 of title III of
3 the Immigration and Nationality Act; or

4 (2)(A) has worked 40 qualifying quarters of
5 coverage as defined under title II of the Social Secu-
6 rity Act or can be credited with such qualifying
7 quarters as provided under section 436, and (B) did
8 not receive any Federal means-tested public benefit
9 (as defined in section 403(c)) during any such quar-
10 ter.

11 (c) REVIEW OF INCOME AND RESOURCES OF ALIEN
12 UPON REAPPLICATION.—Whenever an alien (other than
13 an alien who has not attained 18 years of age or an alien
14 who is pregnant) is required to reapply for benefits under
15 any Federal means-tested public benefits program, the ap-
16 plicable agency shall review the income and resources at-
17 tributed to the alien under subsection (a).

18 **SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR AT-**
19 **TRIBUTION OF SPONSOR'S INCOME AND RE-**
20 **SOURCES TO THE ALIEN WITH RESPECT TO**
21 **STATE PROGRAMS.**

22 (a) OPTIONAL APPLICATION TO STATE PROGRAMS.—
23 Except as provided in subsection (b), in determining the
24 eligibility and the amount of benefits of an alien for any
25 State public benefits (as defined in section 412(c)), the

1 State or political subdivision that offers the benefits is au-
2 thorized to provide that the income and resources of the
3 alien shall be deemed to include—

4 (1) the income and resources of any individual
5 who executed an affidavit of support pursuant to
6 section 213A of the Immigration and Nationality
7 Act (as added by section 423) on behalf of such
8 alien, and

9 (2) the income and resources of the spouse (if
10 any) of the individual.

11 (b) EXCEPTIONS.—Subsection (a) shall not apply
12 with respect to the following State public benefits:

13 (1) Emergency medical services.

14 (2) Short-term, noncash, in-kind emergency dis-
15 aster relief.

16 (3) Programs comparable to assistance or bene-
17 fits under the National School Lunch Act.

18 (4) Programs comparable to assistance or bene-
19 fits under the Child Nutrition Act of 1966.

20 (5)(A) Public health assistance for immuniza-
21 tions.

22 (B) Public health assistance for testing and
23 treatment of a serious communicable disease if the
24 appropriate chief State health official determines

1 that it is necessary to prevent the spread of such
2 disease.

3 (6) Payments for foster care and adoption as-
4 sistance.

5 (7) Programs, services, or assistance (such as
6 soup kitchens, crisis counseling and intervention,
7 and short-term shelter) specified by the Attorney
8 General of a State, after consultation with appro-
9 priate agencies and departments, which (A) deliver
10 in-kind services at the community level, including
11 through public or private nonprofit agencies; (B) do
12 not condition the provision of assistance, the amount
13 of assistance provided, or the cost of assistance pro-
14 vided on the individual recipient's income or re-
15 sources; and (C) are necessary for the protection of
16 life or safety.

17 **SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
18 **SUPPORT.**

19 (a) **IN GENERAL.**—Title II of the Immigration and
20 Nationality Act is amended by inserting after section 213
21 the following new section:

22 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

23 “SEC. 213A. (a) **ENFORCEABILITY.**—(1) No affidavit
24 of support may be accepted by the Attorney General or
25 by any consular officer to establish that an alien is not

1 excludable as a public charge under section 212(a)(4) un-
2 less such affidavit is executed as a contract—

3 “(A) which is legally enforceable against the
4 sponsor by the sponsored alien, the Federal Govern-
5 ment, and by any State (or any political subdivision
6 of such State) which provides any means-tested pub-
7 lic benefits program, but not later than 10 years
8 after the alien last receives any such benefit;

9 “(B) in which the sponsor agrees to financially
10 support the alien, so that the alien will not become
11 a public charge; and

12 “(C) in which the sponsor agrees to submit to
13 the jurisdiction of any Federal or State court for the
14 purpose of actions brought under subsection (e)(2).

15 “(2) A contract under paragraph (1) shall be enforce-
16 able with respect to benefits provided to the alien until
17 such time as the alien achieves United States citizenship
18 through naturalization pursuant to chapter 2 of title III.

19 “(b) FORMS.—Not later than 90 days after the date
20 of enactment of this section, the Attorney General, in con-
21 sultation with the Secretary of State and the Secretary
22 of Health and Human Services, shall formulate an affida-
23 vit of support consistent with the provisions of this sec-
24 tion.

1 “(c) REMEDIES.—Remedies available to enforce an
2 affidavit of support under this section include any or all
3 of the remedies described in sections 3201, 3203, 3204,
4 or 3205 of title 28, United States Code, as well as an
5 order for specific performance and payment of legal fees
6 and other costs of collection, and include corresponding
7 remedies available under State law. A Federal agency may
8 seek to collect amounts owed under this section in accord-
9 ance with the provisions of subchapter II of chapter 37
10 of title 31, United States Code.

11 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—

12 “(1) IN GENERAL.—The sponsor shall notify
13 the Attorney General and the State in which the
14 sponsored alien is currently resident within 30 days
15 of any change of address of the sponsor during the
16 period specified in subsection (a)(2).

17 “(2) PENALTY.—Any person subject to the re-
18 quirement of paragraph (1) who fails to satisfy such
19 requirement shall be subject to a civil penalty of—

20 “(A) not less than \$250 or more than
21 \$2,000, or

22 “(B) if such failure occurs with knowledge
23 that the alien has received any means-tested
24 public benefit, not less than \$2,000 or more
25 than \$5,000.

1 “(e) REIMBURSEMENT OF GOVERNMENT EX-
2 PENSES.—(1)(A) Upon notification that a sponsored alien
3 has received any benefit under any means-tested public
4 benefits program, the appropriate Federal, State, or local
5 official shall request reimbursement by the sponsor in the
6 amount of such assistance.

7 “(B) The Attorney General, in consultation with the
8 Secretary of Health and Human Services, shall prescribe
9 such regulations as may be necessary to carry out sub-
10 paragraph (A).

11 “(2) If within 45 days after requesting reimburse-
12 ment, the appropriate Federal, State, or local agency has
13 not received a response from the sponsor indicating a will-
14 ingness to commence payments, an action may be brought
15 against the sponsor pursuant to the affidavit of support.

16 “(3) If the sponsor fails to abide by the repayment
17 terms established by such agency, the agency may, within
18 60 days of such failure, bring an action against the spon-
19 sor pursuant to the affidavit of support.

20 “(4) No cause of action may be brought under this
21 subsection later than 10 years after the alien last received
22 any benefit under any means-tested public benefits pro-
23 gram.

24 “(5) If, pursuant to the terms of this subsection, a
25 Federal, State, or local agency requests reimbursement

1 from the sponsor in the amount of assistance provided,
2 or brings an action against the sponsor pursuant to the
3 affidavit of support, the appropriate agency may appoint
4 or hire an individual or other person to act on behalf of
5 such agency acting under the authority of law for purposes
6 of collecting any moneys owed. Nothing in this subsection
7 shall preclude any appropriate Federal, State, or local
8 agency from directly requesting reimbursement from a
9 sponsor for the amount of assistance provided, or from
10 bringing an action against a sponsor pursuant to an affi-
11 davit of support.

12 “(f) DEFINITIONS.—For the purposes of this sec-
13 tion—

14 “(1) SPONSOR.—The term ‘sponsor’ means an
15 individual who—

16 “(A) is a citizen or national of the United
17 States or an alien who is lawfully admitted to
18 the United States for permanent residence;

19 “(B) has attained the age of 18 years;

20 “(C) is domiciled in any of the 50 States
21 or the District of Columbia; and

22 “(D) is the person petitioning for the ad-
23 mission of the alien under section 204.

24 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
25 GRAM.—The term ‘means-tested public benefits pro-

1 gram' means a program of public benefits (including
2 cash, medical, housing, and food assistance and so-
3 cial services) of the Federal Government or of a
4 State or political subdivision of a State in which the
5 eligibility of an individual, household, or family eligi-
6 bility unit for benefits under the program, or the
7 amount of such benefits, or both are determined on
8 the basis of income, resources, or financial need of
9 the individual, household, or unit.”.

10 (b) CLERICAL AMENDMENT.—The table of contents
11 of such Act is amended by inserting after the item relating
12 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

13 (c) EFFECTIVE DATE.—Subsection (a) of section
14 213A of the Immigration and Nationality Act, as inserted
15 by subsection (a) of this section, shall apply to affidavits
16 of support executed on or after a date specified by the
17 Attorney General, which date shall not be earlier than 60
18 days (and not later than 90 days) after the date the Attor-
19 ney General formulates the form for such affidavits under
20 subsection (b) of such section.

21 (d) BENEFITS NOT SUBJECT TO REIMBURSE-
22 MENT.—Requirements for reimbursement by a sponsor for
23 benefits provided to a sponsored alien pursuant to an affi-
24 davit of support under section 213A of the Immigration

1 and Nationality Act shall not apply with respect to the
2 following:

3 (1) Emergency medical services under title XIX
4 or XXI of the Social Security Act.

5 (2) Short-term, noncash, in-kind emergency dis-
6 aster relief.

7 (3) Assistance or benefits under the National
8 School Lunch Act.

9 (4) Assistance or benefits under the Child Nu-
10 trition Act of 1966.

11 (5)(A) Public health assistance for immuniza-
12 tions.

13 (B) Public health assistance for testing and
14 treatment of a serious communicable disease if the
15 Secretary of Health and Human Services determines
16 that it is necessary to prevent the spread of such
17 disease.

18 (6) Payments for foster care and adoption as-
19 sistance under part B of title IV of the Social Secu-
20 rity Act for a child, but only if the foster or adoptive
21 parent or parents of such child are not otherwise in-
22 eligible pursuant to section 403 of this Act.

23 (7) Programs, services, or assistance (such as
24 soup kitchens, crisis counseling and intervention,
25 and short-term shelter) specified by the Attorney

1 General, in the Attorney General's sole and
2 unreviewable discretion after consultation with ap-
3 propriate Federal agencies and departments, which
4 (A) deliver in-kind services at the community level,
5 including through public or private nonprofit agen-
6 cies; (B) do not condition the provision of assistance,
7 the amount of assistance provided, or the cost of as-
8 sistance provided on the individual recipient's in-
9 come or resources; and (C) are necessary for the
10 protection of life or safety.

11 (8) Programs of student assistance under titles
12 IV, V, IX, and X of the Higher Education Act of
13 1965.

14 **SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.**

15 Section 484(b) of the Higher Education Act of 1965
16 (20 U.S.C. 1091(b)) is amended by adding at the end the
17 following new paragraph:

18 “(6) Notwithstanding sections 427(a)(2)(A),
19 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any
20 other provision of this title, a student who is an
21 alien lawfully admitted for permanent residence
22 under the Immigration and Nationality Act shall not
23 be eligible for a loan under this title unless the loan
24 is endorsed and cosigned by the alien's sponsor
25 under section 213A of the Immigration and Nation-

1 ality Act or by another creditworthy individual who
2 is a United States citizen.”.

3 **Subtitle D—General Provisions**

4 **SEC. 431. DEFINITIONS.**

5 (a) **IN GENERAL.**—Except as otherwise provided in
6 this title, the terms used in this title have the same mean-
7 ing given such terms in section 101(a) of the Immigration
8 and Nationality Act.

9 (b) **QUALIFIED ALIEN.**—For purposes of this title,
10 the term “qualified alien” means an alien who, at the time
11 the alien applies for, receives, or attempts to receive a
12 Federal public benefit, is—

13 (1) an alien who is lawfully admitted for perma-
14 nent residence under the Immigration and National-
15 ity Act,

16 (2) an alien who is granted asylum under sec-
17 tion 208 of such Act,

18 (3) a refugee who is admitted to the United
19 States under section 207 of such Act,

20 (4) an alien who is paroled into the United
21 States under section 212(d)(5) of such Act for a pe-
22 riod of at least 1 year,

23 (5) an alien whose deportation is being withheld
24 under section 243(h) of such Act, or

1 (6) an alien who is granted conditional entry
2 pursuant to section 203(a)(7) of such Act as in ef-
3 fect prior to April 1, 1980.

4 **SEC. 432. REAPPLICATION FOR SSI BENEFITS.**

5 (a) **APPLICATION AND NOTICE.**—Notwithstanding
6 any other provision of law, in the case of an individual
7 who is receiving supplemental security income benefits
8 under title XVI of the Social Security Act as of the date
9 of the enactment of this Act and whose eligibility for such
10 benefits would terminate by reason of the application of
11 section 402(a)(D), the Commissioner of Social Security
12 shall so notify the individual not later than 90 days after
13 the date of the enactment of this Act.

14 (b) **REAPPLICATION.**—

15 (1) **IN GENERAL.**—Not later than 120 days
16 after the date of the enactment of this Act, each in-
17 dividual notified pursuant to subsection (a) who de-
18 sires to reapply for benefits under title XVI of the
19 Social Security Act shall reapply to the Commis-
20 sioner of Social Security.

21 (2) **DETERMINATION OF ELIGIBILITY.**—Not
22 later than 1 year after the date of the enactment of
23 this Act, the Commissioner of Social Security shall
24 determine the eligibility of each individual who re-

1 applies for benefits under paragraph (1) pursuant to
2 the procedures of such title XVI.

3 **SEC. 433. VERIFICATION OF ELIGIBILITY FOR FEDERAL**
4 **PUBLIC BENEFITS.**

5 (a) **IN GENERAL.**—Not later than 18 months after
6 the date of the enactment of this Act, the Attorney Gen-
7 eral of the United States, after consultation with the Sec-
8 retary of Health and Human Services, shall promulgate
9 regulations requiring verification that a person applying
10 for a Federal public benefit (as defined in section 401(c)),
11 to which the limitation under section 401 applies, is a
12 qualified alien and is eligible to receive such benefit. Such
13 regulations shall, to the extent feasible, require that infor-
14 mation requested and exchanged be similar in form and
15 manner to information requested and exchanged under
16 section 1137 of the Social Security Act.

17 (b) **STATE COMPLIANCE.**—Not later than 24 months
18 after the date the regulations described in subsection (a)
19 are adopted, a State that administers a program that pro-
20 vides a Federal public benefit shall have in effect a ver-
21 ification system that complies with the regulations.

22 (c) **AUTHORIZATION OF APPROPRIATIONS.**—There
23 are authorized to be appropriated such sums as may be
24 necessary to carry out the purpose of this section.

1 **SEC. 434. STATUTORY CONSTRUCTION.**

2 (a) **LIMITATION.**—

3 (1) Nothing in this title may be construed as an
4 entitlement or a determination of an individual's eli-
5 gibility or fulfillment of the requisite requirements
6 for any Federal, State, or local governmental pro-
7 gram, assistance, or benefits. For purposes of this
8 title, eligibility relates only to the general issue of
9 eligibility or ineligibility on the basis of alienage.

10 (2) Nothing in this title may be construed as
11 addressing alien eligibility for a basic public edu-
12 cation as determined by the Supreme Court of the
13 United States under *Plyler v. Doe* (457 U.S.
14 202)(1982).

15 (b) **NOT APPLICABLE TO FOREIGN ASSISTANCE.**—
16 This title does not apply to any Federal, State, or local
17 governmental program, assistance, or benefits provided to
18 an alien under any program of foreign assistance as deter-
19 mined by the Secretary of State in consultation with the
20 Attorney General.

21 (c) **SEVERABILITY.**—If any provision of this title or
22 the application of such provision to any person or cir-
23 cumstance is held to be unconstitutional, the remainder
24 of this title and the application of the provisions of such
25 to any person or circumstance shall not be affected there-
26 by.

1 **SEC. 435. COMMUNICATION BETWEEN STATE AND LOCAL**
2 **GOVERNMENT AGENCIES AND THE IMMIGRA-**
3 **TION AND NATURALIZATION SERVICE.**

4 Notwithstanding any other provision of Federal,
5 State, or local law, no State or local government entity
6 may be prohibited, or in any way restricted, from sending
7 to or receiving from the Immigration and Naturalization
8 Service information regarding the immigration status,
9 lawful or unlawful, of an alien in the United States.

10 **SEC. 436. QUALIFYING QUARTERS.**

11 For purposes of this title, in determining the number
12 of qualifying quarters of coverage under title II of the So-
13 cial Security Act an alien shall be credited with—

14 (1) all of the qualifying quarters of coverage as
15 defined under title II of the Social Security Act
16 worked by a parent of such alien while the alien was
17 under age 18 if the parent did not receive any Fed-
18 eral means-tested public benefit (as defined in sec-
19 tion 403(c)) during any such quarter, and

20 (2) all of the qualifying quarters worked by a
21 spouse of such alien during their marriage if the
22 spouse did not receive any Federal means-tested
23 public benefit (as defined in section 403(c)) during
24 any such quarter and the alien remains married to
25 such spouse or such spouse is deceased.

1 **SEC. 437. TITLE INAPPLICABLE TO PROGRAMS SPECIFIED**
2 **BY ATTORNEY GENERAL.**

3 Notwithstanding any other provision of this title, this
4 title or any provision of this title shall not apply to pro-
5 grams, services, or assistance (such as soup kitchens, cri-
6 sis counseling and intervention, and short term shelter)
7 specified by the Attorney General, in the Attorney Gen-
8 eral's sole and unreviewable discretion after consultation
9 with appropriate Federal agencies and departments, which
10 (1) deliver services at the community level, including
11 through public or private nonprofit agencies; (2) do not
12 condition the provision of assistance, the amount of assist-
13 ance provided, or the cost of assistance provided on the
14 individual recipient's income or resources; and (3) are nec-
15 essary for the protection of life, safety or the public health.

16 **SEC. 438. TITLE INAPPLICABLE TO PROGRAMS OF NON-**
17 **PROFIT CHARITABLE ORGANIZATIONS.**

18 Notwithstanding any other provision of this title, this
19 title or any provision of this title shall not apply to pro-
20 grams, services, or assistance of a nonprofit charitable or-
21 ganization, regardless of whether such programs, services,
22 or assistance are funded, in whole or in part, by the Fed-
23 eral Government or the government of any State or politi-
24 cal subdivision of a State.

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELATING TO AS- SISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking “Secretary of Housing and Urban Development” each place it appears and inserting “applicable Secretary”;

(2) in subsection (b), by inserting after “National Housing Act,” the following: “the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,”;

(3) in paragraphs (2) through (6) of subsection (d), by striking “Secretary” each place it appears and inserting “applicable Secretary”;

(4) in subsection (d), in the matter following paragraph (6), by striking “the term ‘Secretary’” and inserting “the term ‘applicable Secretary’”; and

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

1 “(h) For purposes of this section, the term ‘applicable
2 Secretary’ means—

3 “(1) the Secretary of Housing and Urban De-
4 velopment, with respect to financial assistance ad-
5 ministered by such Secretary and financial assist-
6 ance under subtitle A of title III of the Cranston-
7 Gonzalez National Affordable Housing Act; and

8 “(2) the Secretary of Agriculture, with respect
9 to financial assistance administered by such Sec-
10 retary.”.

11 (b) CONFORMING AMENDMENTS.—Section 501(h) of
12 the Housing Act of 1949 (42 U.S.C. 1471(h)) is amend-
13 ed—

14 (1) by striking “(1)”;

15 (2) by striking “by the Secretary of Housing
16 and Urban Development”; and

17 (3) by striking paragraph (2).

18 **TITLE V—REDUCTIONS IN FED-**
19 **ERAL GOVERNMENT POSI-**
20 **TIONS**

21 **SEC. 501. REDUCTIONS.**

22 (a) DEFINITIONS.—As used in this section:

23 (1) APPROPRIATE EFFECTIVE DATE.—The term
24 “appropriate effective date”, used with respect to a
25 Department referred to in this section, means the

1 date on which all provisions of this Act (other than
2 title II) that the Department is required to carry
3 out, and amendments and repeals made by such Act
4 to provisions of Federal law that the Department is
5 required to carry out, are effective.

6 (2) COVERED ACTIVITY.—The term “covered
7 activity”, used with respect to a Department re-
8 ferred to in this section, means an activity that the
9 Department is required to carry out under—

10 (A) a provision of this Act (other than title
11 II); or

12 (B) a provision of Federal law that is
13 amended or repealed by this Act (other than
14 title II).

15 (b) REPORTS.—

16 (1) CONTENTS.—Not later than December 31,
17 1995, each Secretary referred to in paragraph (2)
18 shall prepare and submit to the relevant committees
19 described in paragraph (3) a report containing—

20 (A) the determinations described in sub-
21 section (c);

22 (B) appropriate documentation in support
23 of such determinations; and

24 (C) a description of the methodology used
25 in making such determinations.

1 (2) SECRETARY.—The Secretaries referred to in
2 this paragraph are—

3 (A) the Secretary of Agriculture;

4 (B) the Secretary of Education;

5 (C) the Secretary of Labor;

6 (D) the Secretary of Housing and Urban
7 Development; and

8 (E) the Secretary of Health and Human
9 Services.

10 (3) RELEVANT COMMITTEES.—The relevant
11 Committees described in this paragraph are the fol-
12 lowing:

13 (A) With respect to each Secretary de-
14 scribed in paragraph (2), the Committee on
15 Government Reform and Oversight of the
16 House of Representatives and the Committee
17 on Governmental Affairs of the Senate.

18 (B) With respect to the Secretary of Agri-
19 culture, the Committee on Agriculture and the
20 Committee on Economic and Educational Op-
21 portunities of the House of Representatives and
22 the Committee on Agriculture, Nutrition, and
23 Forestry of the Senate.

24 (C) With respect to the Secretary of Edu-
25 cation, the Committee on Economic and Edu-

1 cational Opportunities of the House of Rep-
2 resentatives and the Committee on Labor and
3 Human Resources of the Senate.

4 (D) With respect to the Secretary of
5 Labor, the Committee on Economic and Edu-
6 cational Opportunities of the House of Rep-
7 resentatives and the Committee on Labor and
8 Human Resources of the Senate.

9 (E) With respect to the Secretary of Hous-
10 ing and Urban Development, the Committee on
11 Banking and Financial Services of the House of
12 Representatives and the Committee on Bank-
13 ing, Housing, and Urban Affairs of the Senate.

14 (F) With respect to the Secretary of
15 Health and Human Services, the Committee on
16 Economic and Educational Opportunities of the
17 House of Representatives, the Committee on
18 Labor and Human Resources of the Senate, the
19 Committee on Ways and Means of the House of
20 Representatives, and the Committee on Finance
21 of the Senate.

22 (4) REPORT ON CHANGES.—Not later than De-
23 cember 31, 1996, and each December 31 thereafter,
24 each Secretary referred to in paragraph (2) shall
25 prepare and submit to the relevant Committees de-

1 scribed in paragraph (3), a report concerning any
2 changes with respect to the determinations made
3 under subsection (c) for the year in which the report
4 is being submitted.

5 (c) DETERMINATIONS.—Not later than October 1,
6 1996, each Secretary referred to in subsection (b)(2) shall
7 determine—

8 (1) the number of full-time equivalent positions
9 required by the Department headed by such Sec-
10 retary to carry out the covered activities of the De-
11 partment, as of the day before the date of enactment
12 of this Act;

13 (2) the number of such positions required by
14 the Department to carry out the activities, as of the
15 appropriate effective date for the Department; and

16 (3) the difference obtained by subtracting the
17 number referred to in paragraph (2) from the num-
18 ber referred to in paragraph (1).

19 (d) ACTIONS.—Each Secretary referred to in sub-
20 section (b)(2) shall take such actions as may be necessary,
21 including reduction in force actions, consistent with sec-
22 tions 3502 and 3595 of title 5, United States Code, to
23 reduce the number of positions of personnel of the Depart-
24 ment—

1 (1) not later than 30 days after the appropriate
2 effective date for the Department involved, by at
3 least 50 percent of the difference referred to in sub-
4 section (c)(3); and

5 (2) not later than 13 months after such appro-
6 priate effective date, by at least the remainder of
7 such difference (after the application of paragraph
8 (1)).

9 (e) CONSISTENCY.—

10 (1) EDUCATION.—The Secretary of Education
11 shall carry out this section in a manner that enables
12 the Secretary to meet the requirements of this sec-
13 tion.

14 (2) LABOR.—The Secretary of Labor shall
15 carry out this section in a manner that enables the
16 Secretary to meet the requirements of this section.

17 (3) HEALTH AND HUMAN SERVICES.—The Sec-
18 retary of Health and Human Services shall carry out
19 this section in a manner that enables the Secretary
20 to meet the requirements of this section and sections
21 502 and 503.

22 (f) CALCULATION.—In determining, under subsection
23 (c), the number of full-time equivalent positions required
24 by a Department to carry out a covered activity, a Sec-
25 retary referred to in subsection (b)(2) shall include the

1 number of such positions occupied by personnel carrying
2 out program functions or other functions (including budg-
3 etary, legislative, administrative, planning, evaluation, and
4 legal functions) related to the activity.

5 (g) GENERAL ACCOUNTING OFFICE REPORT.—Not
6 later than July 1, 1996, the Comptroller General of the
7 United States shall prepare and submit to the committees
8 described in subsection (b)(3), a report concerning the de-
9 terminations made by each Secretary under subsection (c).
10 Such report shall contain an analysis of the determina-
11 tions made by each Secretary under subsection (c) and
12 a determination as to whether further reductions in full-
13 time equivalent positions are appropriate.

14 **SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.**

15 (a) IN GENERAL.—The Secretary of Health and
16 Human Services shall reduce the Federal workforce within
17 the Department of Health and Human Services by an
18 amount equal to the sum of—

19 (1) 75 percent of the full-time equivalent posi-
20 tions at such Department that relate to any direct
21 spending program, or any program funded through
22 discretionary spending, that has been converted into
23 a block grant program under this Act and the
24 amendments made by this Act; and

1 (2) an amount equal to 75 percent of that por-
2 tion of the total full-time equivalent departmental
3 management positions at such Department that
4 bears the same relationship to the amount appro-
5 priated for the programs referred to in paragraph
6 (1) as such amount relates to the total amount ap-
7 propriated for use by such Department.

8 (b) **REDUCTIONS IN THE DEPARTMENT OF HEALTH**
9 **AND HUMAN SERVICES.**—Notwithstanding any other pro-
10 vision of this Act, the Secretary of Health and Human
11 Services shall take such actions as may be necessary, in-
12 cluding reductions in force actions, consistent with sec-
13 tions 3502 and 3595 of title 5, United States Code, to
14 reduce the full-time equivalent positions within the De-
15 partment of Health and Human Services—

16 (1) by 245 full-time equivalent positions related
17 to the program converted into a block grant under
18 the amendment made by section 103; and

19 (2) by 60 full-time equivalent managerial posi-
20 tions in the Department.

21 **SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C.**
22 **AREA.**

23 In making reductions in full-time equivalent posi-
24 tions, the Secretary of Health and Human Services is en-
25 couraged to reduce personnel in the Washington, D.C.,

1 area office (agency headquarters) before reducing field
2 personnel.

3 **TITLE VI—REFORM OF PUBLIC**
4 **HOUSING**

5 **SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE**
6 **AND PUBLIC ASSISTANCE PROGRAMS.**

7 Title I of the United States Housing Act of 1937 (42
8 U.S.C. 1437 et seq.) is amended by adding at the end
9 the following new section:

10 **“SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE**
11 **AND PUBLIC ASSISTANCE PROGRAMS.**

12 “(a) IN GENERAL.—If the benefits of a family are
13 reduced under a Federal, State, or local law relating to
14 welfare or a public assistance program for the failure of
15 any member of the family to perform an action required
16 under the law or program, the family may not, for the
17 duration of the reduction, receive any increased assistance
18 under this Act as the result of a decrease in the income
19 of the family to the extent that the decrease in income
20 is the result of the benefits reduction.

21 “(b) EXCEPTION.—Subsection (a) shall not apply in
22 any case in which the benefits of a family are reduced be-
23 cause the welfare or public assistance program to which
24 the Federal, State, or local law relates limits the period

1 during which benefits may be provided under the pro-
2 gram.”.

3 **SEC. 602. FRAUD UNDER MEANS-TESTED WELFARE AND**
4 **PUBLIC ASSISTANCE PROGRAMS.**

5 (a) **IN GENERAL.**—If an individual’s benefits under
6 a Federal, State, or local law relating to a means-tested
7 welfare or a public assistance program are reduced be-
8 cause of an act of fraud by the individual under the law
9 or program, the individual may not, for the duration of
10 the reduction, receive an increased benefit under any other
11 means-tested welfare or public assistance program for
12 which Federal funds are appropriated as a result of a de-
13 crease in the income of the individual (determined under
14 the applicable program) attributable to such reduction.

15 (b) **WELFARE OR PUBLIC ASSISTANCE PROGRAMS**
16 **FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.**—For
17 purposes of subsection (a), the term “means-tested welfare
18 or public assistance program for which Federal funds are
19 appropriated” includes the food stamp program under the
20 Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any
21 program of public or assisted housing under title I of the
22 United States Housing Act of 1937 (42 U.S.C. 1437 et
23 seq.), and State programs funded under part A of title
24 IV of the Social Security Act (42 U.S.C. 601 et seq.).

1 **SEC. 603. EFFECTIVE DATE.**

2 This title and the amendment made by this title shall
3 become effective on the date of enactment of this Act.

4 **TITLE VII—CHILD CARE**

5 **SEC. 701. SHORT TITLE AND REFERENCES.**

6 (a) **SHORT TITLE.**—This title may be cited as the
7 “Child Care and Development Block Grant Amendments
8 of 1995”.

9 (b) **REFERENCES.**—Except as otherwise expressly
10 provided, whenever in this title an amendment or repeal
11 is expressed in terms of an amendment to, or repeal of,
12 a section or other provision, the reference shall be consid-
13 ered to be made to a section or other provision of the Child
14 Care and Development Block Grant Act of 1990 (42
15 U.S.C. 9858 et seq.).

16 **SEC. 702. GOALS.**

17 (a) **GOALS.**—Section 658A (42 U.S.C. 9801 note) is
18 amended—

19 (1) in the section heading by inserting “AND
20 GOALS” after “TITLE”;

21 (2) by inserting “(a) **SHORT TITLE.**—” before
22 “This”; and

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

24 “(b) **GOALS.**—The goals of this subchapter are—

25 “(1) to allow each State maximum flexibility in
26 developing child care programs and policies that best

1 amount of each grant shall be ratably re-
2 duced.”.

3 (f) ASSESSMENT.—Section 19 of the Act is amended
4 by striking subsection (j).

5 (g) EFFECTIVE DATE.—The amendments made by
6 subsection (e) shall become effective on October 1, 1996.

7 **SEC. 833. BREASTFEEDING PROMOTION PROGRAM.**

8 Section 21 of the Child Nutrition Act of 1966 (42
9 U.S.C. 1790) is repealed.

10 **TITLE IX—FOOD STAMP PRO-**
11 **GRAM AND RELATED PRO-**
12 **GRAMS**

13 **SEC. 901. DEFINITION OF CERTIFICATION PERIOD.**

14 Section 3(c) of the Food Stamp Act of 1977 (7
15 U.S.C. 2012(c)) is amended by striking “Except as pro-
16 vided” and all that follows and inserting the following:
17 “The certification period shall not exceed 12 months, ex-
18 cept that the certification period may be up to 24 months
19 if all adult household members are elderly or disabled. A
20 State agency shall have at least 1 contact with each cer-
21 tified household every 12 months.”.

22 **SEC. 902. EXPANDED DEFINITION OF “COUPON”.**

23 Section 3(d) of the Food Stamp Act of 1977 (7
24 U.S.C. 2012(d)) is amended by striking “or type of certifi-
25 cate” and inserting “type of certificate, authorization

1 cards, cash or checks issued in lieu of coupons or access
2 devices, including, but not limited to, electronic benefit
3 transfer cards and personal identification numbers”.

4 **SEC. 903. TREATMENT OF CHILDREN LIVING AT HOME.**

5 The second sentence of section 3(i) of the Food
6 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by
7 striking “(who are not themselves parents living with their
8 children or married and living with their spouses)”.

9 **SEC. 904. ADJUSTMENT OF THRIFTY FOOD PLAN.**

10 The second sentence of section 3(o) of the Food
11 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

12 (1) by striking “shall (1) make” and inserting
13 the following:

14 “shall—

15 “(1) make”;

16 (2) by striking “scale, (2) make” and inserting
17 the following:

18 “scale;

19 “(2) make”;

20 (3) by striking “Alaska, (3) make” and insert-
21 ing the following:

22 “Alaska;

23 “(3) make”; and

1 (1) Section 5(k) of the Food Stamp Act of
2 1977 Act (7 U.S.C. 2014(k)) is amended—

3 (A) in paragraph (1)—

4 (i) in subparagraph (A), by striking
5 “plan for aid to families with dependent
6 children approved” and inserting “program
7 funded”; and

8 (ii) in subparagraph (B), by striking
9 “, not including energy or utility-cost as-
10 sistance,”;

11 (B) by amending paragraph (2)(C) to read
12 as follows:

13 “(C) a payment or allowance described in sub-
14 section (d)(11);” and

15 (C) by adding at the end the following:

16 “(4) THIRD PARTY ENERGY ASSISTANCE PAY-
17 MENTS.—

18 “(A) ENERGY ASSISTANCE PAYMENTS.—

19 For purposes of subsection (d)(1), a payment
20 made under a Federal or State law to provide
21 energy assistance to a household shall be con-
22 sidered money payable directly to the house-
23 hold.

24 “(B) ENERGY ASSISTANCE EXPENSES.—

25 For purposes of subsection (e)(7), an expense

1 paid on behalf of a household under a Federal
2 or State law to provide energy assistance shall
3 be considered an out-of-pocket expense incurred
4 and paid by the household.”.

5 (2) Section 2605(f) of the Low-Income Home
6 Energy Assistance Act of 1981 (42 U.S.C. 8624(f))
7 is amended—

8 (A) by striking “(f)(1) Notwithstanding”
9 and inserting “(f) Notwithstanding”;

10 (B) in paragraph (1), by striking “food
11 stamps,”; and

12 (C) by striking paragraph (2).

13 (c) EXCLUSION OF CERTAIN JTPA INCOME.—Sec-
14 tion 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014)
15 is amended—

16 (1) in subsection (d)—

17 (A) by striking “and (16)” and inserting
18 “(16)”;

19 (B) by inserting before the period at the
20 end the following: “, and (17) income received
21 under the Job Training Partnership Act (29
22 U.S.C. 1501 et seq.) by a household member
23 who is less than 19 years of age”; and

24 (2) in subsection (l), by striking “under section
25 204(b)(1)(C)” and all that follows and inserting

1 “shall be considered earned income for purposes of
2 the food stamp program.”.

3 (d) EXCLUSION OF LIFE INSURANCE POLICIES.—
4 Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C.
5 2014(g)) is amended by adding at the end the following:

6 “(6) The Secretary shall exclude from financial re-
7 sources the cash value of any life insurance policy owned
8 by a member of a household.”.

9 (e) IN-TANDEM EXCLUSIONS FROM INCOME.—Sec-
10 tion 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014)
11 is amended by adding at the end the following:

12 “(n) Whenever a Federal statute enacted after the
13 date of the enactment of this Act excludes funds from in-
14 come for purposes of determining eligibility, benefit levels,
15 or both under State plans approved under part A of title
16 IV of the Social Security Act, then such funds shall be
17 excluded from income for purposes of determining eligi-
18 bility, benefit levels, or both, respectively, under the food
19 stamp program of households all of whose members re-
20 ceive benefits under a State plan approved under part A
21 of title IV of the Social Security Act.”.

22 **SEC. 907. DEDUCTIONS FROM INCOME.**

23 Section 5(e) of the Food Stamp Act of 1977 (7
24 U.S.C. 2014(e)) is amended—

25 (1) in the 1st sentence—

1 (A) by striking “\$85” and inserting
2 “\$134”;

3 (B) by striking “\$145, \$120, \$170, and
4 \$75, respectively” and inserting the following:
5 “\$229, \$189, \$269, and \$118, respectively, for fiscal year
6 1996; and a standard deduction of \$120 a month for each
7 household, except that households in Alaska, Hawaii,
8 Guam, and the Virgin Islands of the United States shall
9 be allowed a standard deduction of \$204, \$169, \$240, and
10 \$105, respectively, for fiscal years thereafter, adjusted in
11 accordance with this subsection”;

12 (2) in the 2nd sentence by striking “Such” and
13 all that follows through “each October 1 thereafter,”
14 and inserting “On October 1, 2001, and on each Oc-
15 tober 1 thereafter, such standard deductions shall be
16 adjusted”;

17 (3) by striking the 14th sentence; and

18 (4) by inserting after the 9th sentence the fol-
19 lowing:

20 “A State agency may make use of a standard utility allow-
21 ance mandatory for all households with qualifying utility
22 costs if the State agency has developed 1 or more stand-
23 ards that include the cost of heating and cooling and 1
24 or more standards that do not include the cost of heating
25 and cooling, and if the Secretary finds that the standards

1 will not result in an increased cost to the Secretary. A
2 State agency that has not made the use of a standard util-
3 ity allowance mandatory shall allow a household to switch,
4 at the end of a certification period, between the standard
5 utility allowance and a deduction based on the actual util-
6 ity costs of the household.”

7 **SEC. 908. VEHICLE ALLOWANCE.**

8 Section 5(g)(2) of the Food Stamp Act of 1977 (7
9 U.S.C. 2014(g)(2)) is amended to read as follows:

10 “(2) INCLUDED ASSETS.—

11 “(A) IN GENERAL.—Subject to the other
12 provisions of this paragraph, the Secretary
13 shall, in prescribing inclusions in, and exclu-
14 sions from, financial resources, follow the regu-
15 lations in force as of June 1, 1982 (other than
16 those relating to licensed vehicles and inaccess-
17 sible resources).

18 “(B) ADDITIONAL INCLUDED ASSETS.—
19 The Secretary shall include in financial re-
20 sources—

21 “(i) any boat, snowmobile, or airplane
22 used for recreational purposes;

23 “(ii) any vacation home;

24 “(iii) any mobile home used primarily
25 for vacation purposes;

1 “(iv) subject to subparagraph (C), any
2 licensed vehicle that is used for household
3 transportation or to obtain or continue em-
4 ployment to the extent that the fair market
5 value of the vehicle exceeds a level set by
6 the Secretary, which shall be \$4,600 begin-
7 ning October 1, 1995, and adjusted on
8 each October 1 thereafter to reflect
9 changes in the new car component of the
10 Consumer Price Index for All Urban Con-
11 sumers published by the Bureau of Labor
12 Statistics for the 12-month period ending
13 on June 30 preceding the date of such ad-
14 justment and rounded to the nearest \$50;
15 and

16 “(v) any savings or retirement ac-
17 count (including an individual account), re-
18 gardless of whether there is a penalty for
19 early withdrawal.

20 “(C) EXCLUDED VEHICLES.—A vehicle
21 (and any other property, real or personal, to the
22 extent the property is directly related to the
23 maintenance or use of the vehicle) shall not be
24 included in financial resources under this para-
25 graph if the vehicle is—

- 1 “(i) used to produce earned income;
- 2 “(ii) necessary for the transportation
- 3 of a physically disabled household member;
- 4 or
- 5 “(iii) depended on by a household to
- 6 carry fuel for heating or water for home
- 7 use and provides the primary source of fuel
- 8 or water, respectively, for the household.”.

9 **SEC. 909. VENDOR PAYMENTS FOR TRANSITIONAL HOUS-**
10 **ING COUNTED AS INCOME.**

11 Section 5(k)(2) of the Food Stamp Act of 1977 (7
12 U.S.C. 2014(k)(2)) is amended—

- 13 (1) by striking subparagraph (F); and
- 14 (2) by redesignating subparagraphs (G) and
- 15 (H) as subparagraphs (F) and (G), respectively.

16 **SEC. 910. INCREASED PENALTIES FOR VIOLATING FOOD**
17 **STAMP PROGRAM REQUIREMENTS.**

18 Section 6(b)(1) of the Food Stamp Act of 1977 (7
19 U.S.C. 2015(b)(1)) is amended—

- 20 (1) in clause (i)—
- 21 (A) by striking “six months” and inserting
- 22 “1 year”; and
- 23 (B) by adding “and” at the end; and
- 24 (2) striking clauses (ii) and (iii) and inserting
- 25 the following:

1 “(ii) permanently upon—

2 “(I) the second occasion of any such deter-
3 mination; or

4 “(II) the first occasion of a finding by a
5 Federal, State, or local court of the trading of
6 a controlled substance (as defined in section
7 102 of the Controlled Substances Act (21
8 U.S.C. 802)), firearms, ammunition, or explo-
9 sives for coupons.”.

10 **SEC. 911. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

11 Section 6(b)(1)(ii) of the Food Stamp Act of 1977
12 (7 U.S.C. 2015(b)(1)(iii)), as amended by section 910, is
13 amended—

14 (1) in subclause (I), by striking “or” at the
15 end;

16 (2) in subclause (II), by striking the period at
17 the end and inserting “; or”; and

18 (3) by inserting after subclause (II) the follow-
19 ing:

20 “(IV) a conviction of an offense under sub-
21 section (b) or (c) of section 15 involving an
22 item covered by subsection (b) or (c) of section
23 15 having a value of \$500 or more.”.

1 **SEC. 912. DISQUALIFICATION.**

2 (a) **IN GENERAL.**—Section 6(d) of the Food Stamp
3 Act of 1977 (7 U.S.C. 2015(d)) is amended by striking
4 “(d)(1) Unless otherwise exempted by the provisions” and
5 all that follows through paragraph (1) and inserting the
6 following:

7 “(d) **CONDITIONS OF PARTICIPATION.**—

8 “(1) **WORK REQUIREMENTS.**—

9 “(A) **IN GENERAL.**—No physically and
10 mentally fit individual over the age of 15 and
11 under the age of 60 shall be eligible to partici-
12 pate in the food stamp program if the individ-
13 ual—

14 “(i) refuses, at the time of application
15 and every 12 months thereafter, to register
16 for employment in a manner prescribed by
17 the Secretary;

18 “(ii) refuses without good cause to
19 participate in an employment and training
20 program under paragraph (4), to the ex-
21 tent required by the State agency;

22 “(iii) refuses without good cause to
23 accept an offer of employment, at a site or
24 plant not subject to a strike or lockout at
25 the time of the refusal, at a wage not less
26 than the higher of—

1 “(I) the applicable Federal or
2 State minimum wage; or

3 “(II) 80 percent of the wage that
4 would have governed had the mini-
5 mum hourly rate under section
6 6(a)(1) of the Fair Labor Standards
7 Act of 1938 (29 U.S.C. 206(a)(1))
8 been applicable to the offer of employ-
9 ment;

10 “(iv) refuses without good cause to
11 provide a State agency with sufficient in-
12 formation to allow the State agency to de-
13 termine the employment status or the job
14 availability of the individual;

15 “(v) voluntarily and without good
16 cause—

17 “(I) quits a job; or

18 “(II) reduces work effort and,
19 after the reduction, the individual is
20 working less than 30 hours per week;
21 or

22 “(vi) fails to comply with section 20.

23 “(B) HOUSEHOLD INELIGIBILITY.—If an
24 individual who is the head of a household be-
25 comes ineligible to participate in the food stamp

1 program under subparagraph (A), the house-
2 hold shall, at the option of the State agency,
3 become ineligible to participate in the food
4 stamp program for a period, determined by the
5 State agency, that does not exceed the lesser
6 of—

7 “(i) the duration of the ineligibility of
8 the individual determined under subpara-
9 graph (C); or

10 “(ii) 180 days.

11 “(C) DURATION OF INELIGIBILITY.—

12 “(i) FIRST VIOLATION.—The first
13 time that an individual becomes ineligible
14 to participate in the food stamp program
15 under subparagraph (A), the individual
16 shall remain ineligible until the later of—

17 “(I) the date the individual be-
18 comes eligible under subparagraph
19 (A);

20 “(II) the date that is 1 month
21 after the date the individual became
22 ineligible; or

23 “(III) a date determined by the
24 State agency that is not later than 3

1 months after the date the individual
2 became ineligible.

3 “(ii) SECOND VIOLATION.—The sec-
4 ond time that an individual becomes ineli-
5 gible to participate in the food stamp pro-
6 gram under subparagraph (A), the individ-
7 ual shall remain ineligible until the later
8 of—

9 “(I) the date the individual be-
10 comes eligible under subparagraph
11 (A);

12 “(II) the date that is 3 months
13 after the date the individual became
14 ineligible; or

15 “(III) a date determined by the
16 State agency that is not later than 6
17 months after the date the individual
18 became ineligible.

19 “(iii) THIRD OR SUBSEQUENT VIOLA-
20 TION.—The third or subsequent time that
21 an individual becomes ineligible to partici-
22 pate in the food stamp program under sub-
23 paragraph (A), the individual shall remain
24 ineligible until the later of—

1 “(I) the date the individual be-
2 comes eligible under subparagraph
3 (A);

4 “(II) the date that is 6 months
5 after the date the individual became
6 ineligible;

7 “(III) a date determined by the
8 State agency; or

9 “(IV) at the option of the State
10 agency, permanently.

11 “(D) ADMINISTRATION.—

12 “(i) GOOD CAUSE.—The Secretary
13 shall determine the meaning of good cause
14 for the purpose of this paragraph.

15 “(ii) VOLUNTARY QUIT.—The Sec-
16 retary shall determine the meaning of vol-
17 untarily quitting and reducing work effort
18 for the purpose of this paragraph.

19 “(iii) DETERMINATION BY STATE
20 AGENCY.—

21 “(I) IN GENERAL.—Subject to
22 subclause (II) and clauses (i) and (ii),
23 a State agency shall determine—

24 “(aa) the meaning of any
25 term in subparagraph (A);

1 “(bb) the procedures for de-
2 termining whether an individual
3 is in compliance with a require-
4 ment under subparagraph (A);
5 and

6 “(cc) whether an individual
7 is in compliance with a require-
8 ment under subparagraph (A).

9 “(II) NOT LESS RESTRICTIVE.—
10 A State agency may not determine a
11 meaning, procedure, or determination
12 under subclause (I) to be less restric-
13 tive than a comparable meaning, pro-
14 cedure, or determination under a
15 State program funded under part A of
16 title IV of the Social Security Act (42
17 U.S.C. 601 et seq.).

18 “(iv) STRIKE AGAINST THE GOVERN-
19 MENT.—For the purpose of subparagraph
20 (A)(v), an employee of the Federal Govern-
21 ment, a State, or a political subdivision of
22 a State, who is dismissed for participating
23 in a strike against the Federal Govern-
24 ment, the State, or the political subdivision

1 of the State shall be considered to have
2 voluntarily quit without good cause.

3 “(v) SELECTING A HEAD OF HOUSE-
4 HOLD.—

5 “(I) IN GENERAL.—For the pur-
6 pose of this paragraph, the State
7 agency shall allow the household to se-
8 lect any adult parent of a child in the
9 household as the head of the house-
10 hold if all adult household members
11 making application under the food
12 stamp program agree to the selection.

13 “(II) TIME FOR MAKING DES-
14 IGNATION.—A household may des-
15 ignate the head of the household
16 under subclause (I) each time the
17 household is certified for participation
18 in the food stamp program, but may
19 not change the designation during a
20 certification period unless there is a
21 change in the composition of the
22 household.

23 “(vi) CHANGE IN HEAD OF HOUSE-
24 HOLD.—If the head of a household leaves
25 the household during a period in which the

1 household is ineligible to participate in the
2 food stamp program under subparagraph
3 (B)—

4 “(I) the household shall, if other-
5 wise eligible, become eligible to par-
6 ticipate in the food stamp program;
7 and

8 “(II) if the head of the household
9 becomes the head of another house-
10 hold, the household that becomes
11 headed by the individual shall become
12 ineligible to participate in the food
13 stamp program for the remaining pe-
14 riod of ineligibility.”.

15 (b) CONFORMING AMENDMENT.—

16 (1) The second sentence of section 17(b)(2) of
17 the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2))
18 is amended by striking “6(d)(1)(i)” and inserting
19 “6(d)(1)(A)(i)”.

20 (2) Section 20(f) of the Food Stamp Act of
21 1977 (7 U.S.C. 2029(f)) is amended to read as fol-
22 lows:

23 “(f) DISQUALIFICATION.—An individual or a house-
24 hold may become ineligible under section 6(d)(1) to par-

1 ticipate in the food stamp program for failing to comply
2 with this section.”.

3 **SEC. 913. CARETAKER EXEMPTION.**

4 Section 6(d)(2)(B) of the Food Stamp Act of 1977
5 (7 U.S.C. 2015(d)(2)(B)) is amended to read as follows:
6 “(B) a parent or other member of a household with re-
7 sponsibility for the care of (i) a dependent child under the
8 age of 6 or any lower age designated by the State agency
9 that is not under the age of 1, or (ii) an incapacitated
10 person;”.

11 **SEC. 914. EMPLOYMENT AND TRAINING.**

12 (a) **IN GENERAL.**—Section 6(d)(4) of the Food
13 Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

14 (1) in subparagraph (D)—

15 (A) in clause (i), by striking “to which the
16 application” and all that follows through “30
17 days or less”;

18 (B) in clause (ii), by striking “but with re-
19 spect” and all that follows through “child
20 care”; and

21 (C) in clause (iii), by striking “, on the
22 basis of” and all that follows through “clause
23 (ii)” and inserting “the exemption continues to
24 be valid”;

1 (2) in subparagraph (E), by striking the third
2 sentence.

3 (b) FUNDING.—Section 16(h) of the Food Stamp Act
4 of 1977 (7 U.S.C. 2025(h)) is amended by striking
5 “(h)(1)(A) The Secretary” and all that follows through
6 the end of paragraph (1) and inserting the following:

7 “(h) FUNDING OF EMPLOYMENT AND TRAINING
8 PROGRAMS.—

9 “(1) IN GENERAL.—

10 “(A) AMOUNTS.—To carry out employ-
11 ment and training programs, the Secretary
12 shall reserve for allocation to State agencies
13 from funds made available for each fiscal year
14 under section 18(a)(1) the amount of
15 \$150,000,000 for each of the fiscal years 1996
16 through 2002.

17 “(B) ALLOCATION.—The Secretary shall
18 allocate the amounts reserved under subpara-
19 graph (A) among the State agencies using a
20 reasonable formula (as determined by the Sec-
21 retary) that gives consideration to the popu-
22 lation in each State affected by section 6(o).

23 “(C) REALLOCATION.—

24 “(i) NOTIFICATION.—A State agency
25 shall promptly notify the Secretary if the

1 State agency determines that the State
2 agency will not expend all of the funds al-
3 located to the State agency under subpara-
4 graph (B).

5 “(ii) REALLOCATION.—On notification
6 under clause (i), the Secretary shall reallo-
7 cate the funds that the State agency will
8 not expend as the Secretary considers ap-
9 propriate and equitable.

10 “(D) MINIMUM ALLOCATION.—Notwith-
11 standing subparagraphs (A) through (C), the
12 Secretary shall ensure that each State agency
13 operating an employment and training program
14 shall receive not less than \$50,000 in each fis-
15 cal year.”.

16 (d) REPORTS.—Section 16(h) of the Food Stamp Act
17 of 1977 (7 U.S.C. 2025(h)) is amended—

18 (1) in paragraph (5)—

19 (A) by striking “(5)(A) The Secretary”
20 and inserting “(5) The Secretary”; and

21 (B) by striking subparagraph (B); and

22 (2) by striking paragraph (6).

1 SEC. 915. COMPARABLE TREATMENT FOR DISQUALIFICA-
2 TION.

3 (a) IN GENERAL.—Section 6 of the Food Stamp Act
4 of 1977 (7 U.S.C. 2015) is amended by adding at the end
5 the following:

6 “(i) COMPARABLE TREATMENT FOR DISQUALIFICA-
7 TION.—

8 “(1) IN GENERAL.—If a disqualification is im-
9 posed on a member of a household for a failure of
10 the member to perform an action required under a
11 Federal, State, or local law relating to a means-test-
12 ed public assistance program, the State agency may
13 impose the same disqualification on the member of
14 the household under the food stamp program.

15 “(2) RULES AND PROCEDURES.—If a disquali-
16 fication is imposed under paragraph (1) for a failure
17 of an individual to perform an action required under
18 part A of title IV of the Social Security Act (42
19 U.S.C. 601 et seq.), the State agency may use the
20 rules and procedures that apply under part A of title
21 IV of such Act to impose the same disqualification
22 under the food stamp program.

23 “(3) APPLICATION AFTER DISQUALIFICATION
24 PERIOD.—A member of a household disqualified
25 under paragraph (1) may, after the disqualification
26 period has expired, apply for benefits under this Act

1 and shall be treated as a new applicant, except that
2 a prior disqualification under subsection (d) shall be
3 considered in determining eligibility.”.

4 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
5 Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

6 (1) in paragraph (24), by striking “and” at the
7 end;

8 (2) in paragraph (25), by striking the period at
9 the end and inserting a semicolon; and

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

11 “(26) the guidelines the State agency uses in
12 carrying out section 6(i); and”.

13 (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)
14 of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A))
15 is amended by striking “that is comparable to a require-
16 ment of paragraph (1)”.

17 **SEC. 916. DISQUALIFICATION FOR RECEIPT OF MULTIPLE**
18 **FOOD STAMP BENEFITS.**

19 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
20 2015), as amended by section 915, is amended by adding
21 at the end the following:

22 “(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE
23 FOOD STAMP BENEFITS.—An individual shall be ineligible
24 to participate in the food stamp program as a member
25 of any household for a 10-year period if the individual is

1 found by a State agency to have made, or is convicted
2 in a Federal or State court of having made, a fraudulent
3 statement or representation with respect to the identity
4 or place of residence of the individual in order to receive
5 multiple benefits simultaneously under the food stamp
6 program.”.

7 **SEC. 917. DISQUALIFICATION OF FLEEING FELONS.**

8 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
9 2015), as amended by sections 915 and 916, is amended
10 by adding at the end the following:

11 “(k) DISQUALIFICATION OF FLEEING FELONS.—No
12 member of a household who is otherwise eligible to partici-
13 pate in the food stamp program shall be eligible to partici-
14 pate in the program as a member of that or any other
15 household during any period during which the individual
16 is—

17 “(1) fleeing to avoid prosecution, or custody or
18 confinement after conviction, under the law of the
19 place from which the individual is fleeing, for a
20 crime, or attempt to commit a crime, that is a felony
21 under the law of the place from which the individual
22 is fleeing or that, in the case of New Jersey, is a
23 high misdemeanor under the law of New Jersey; or

24 “(2) violating a condition of probation or parole
25 imposed under a Federal or State law.”.

1 **SEC. 918. COOPERATION WITH CHILD SUPPORT AGENCIES.**

2 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
3 2015), as amended by sections 915, 916, and 917, is
4 amended by adding at the end the following:

5 “(l) **CUSTODIAL PARENT’S COOPERATION WITH**
6 **CHILD SUPPORT AGENCIES.—**

7 “(1) **IN GENERAL.—**At the option of a State
8 agency, subject to paragraphs (2) and (3), no natu-
9 ral or adoptive parent or other individual (collec-
10 tively referred to in this subsection as ‘the individ-
11 ual’) who is living with and exercising parental con-
12 trol over a child under the age of 18 who has an ab-
13 sent parent shall be eligible to participate in the food
14 stamp program unless the individual cooperates with
15 the State agency administering the program estab-
16 lished under part D of title IV of the Social Security
17 Act (42 U.S.C. 651 et seq.)—

18 “(A) in establishing the paternity of the
19 child (if the child is born out of wedlock); and

20 “(B) in obtaining support for—

21 “(i) the child; or

22 “(ii) the individual and the child.

23 “(2) **GOOD CAUSE FOR NONCOOPERATION.—**

24 Paragraph (1) shall not apply to the individual if
25 good cause is found for refusing to cooperate, as de-
26 termined by the State agency in accordance with

1 standards prescribed by the Secretary in consulta-
2 tion with the Secretary of Health and Human Serv-
3 ices. The standards shall take into consideration cir-
4 cumstances under which cooperation may be against
5 the best interests of the child.

6 “(3) FEES.—Paragraph (1) shall not require
7 the payment of a fee or other cost for services pro-
8 vided under part D of title IV of the Social Security
9 Act (42 U.S.C. 651 et seq.).

10 “(m) NONCUSTODIAL PARENT’S COOPERATION WITH
11 CHILD SUPPORT AGENCIES.—

12 “(1) IN GENERAL.—At the option of a State
13 agency, subject to paragraphs (2) and (3), a puta-
14 tive or identified noncustodial parent of a child
15 under the age of 18 (referred to in this subsection
16 as ‘the individual’) shall not be eligible to participate
17 in the food stamp program if the individual refuses
18 to cooperate with the State agency administering the
19 program established under part D of title IV of the
20 Social Security Act (42 U.S.C. 651 et seq.)—

21 “(A) in establishing the paternity of the
22 child (if the child is born out of wedlock); and

23 “(B) in providing support for the child.

24 “(2) REFUSAL TO COOPERATE.—

1 “(A) GUIDELINES.—The Secretary, in con-
2 sultation with the Secretary of Health and
3 Human Services, shall develop guidelines on
4 what constitutes a refusal to cooperate under
5 paragraph (1).

6 “(B) PROCEDURES.—The State agency
7 shall develop procedures, using guidelines devel-
8 oped under subparagraph (A), for determining
9 whether an individual is refusing to cooperate
10 under paragraph (1).

11 “(3) FEES.—Paragraph (1) shall not require
12 the payment of a fee or other cost for services pro-
13 vided under part D of title IV of the Social Security
14 Act (42 U.S.C. 651 et seq.).

15 “(4) PRIVACY.—The State agency shall provide
16 safeguards to restrict the use of information col-
17 lected by a State agency administering the program
18 established under part D of title IV of the Social Se-
19 curity Act (42 U.S.C. 651 et seq.) to purposes for
20 which the information is collected.”.

21 **SEC. 919. DISQUALIFICATION RELATING TO CHILD SUP-**
22 **PORT ARREARS.**

23 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
24 2015), as amended by sections 915, 916, 917 and 918,
25 is amended by adding at the end the following:

1 “(o) DISQUALIFICATION FOR CHILD SUPPORT AR-
2 REARS.—

3 “(1) IN GENERAL.—At the option of a State
4 agency, except as provided in paragraph (2), no indi-
5 vidual shall be eligible to participate in the food
6 stamp program as a member of any household dur-
7 ing any month that the individual is delinquent in
8 any payment due under a court order for the sup-
9 port of a child of the individual.

10 “(2) EXCEPTIONS.—Paragraph (1) shall not
11 apply if—

12 “(A) a court is allowing the individual to
13 delay payment; or

14 “(B) the individual is complying with a
15 payment plan approved by a court or the State
16 agency designated under part D of title IV of
17 the Social Security Act (42 U.S.C. 651 et seq.)
18 to provide support for the child of the individ-
19 ual.”.

20 **SEC. 920. WORK REQUIREMENT FOR ABLE-BODIED RECIPI-**
21 **ENTS.**

22 “(a) IN GENERAL.—Section 6 of the Food Stamp Act
23 of 1977 (7 U.S.C. 2015), as amended by sections 915,
24 916, 917, 918, and 919, is amended by adding at the end
25 the following:

1 “(p) WORK REQUIREMENT.—

2 “(1) DEFINITION OF WORK PROGRAM.—In this
3 subsection, the term ‘work program’ means—

4 “(A) a program under the Job Training
5 Partnership Act (29 U.S.C. 1501 et seq.);

6 “(B) a program under section 236 of the
7 Trade Act of 1974 (19 U.S.C. 2296); or

8 “(C) a program of employment or training
9 operated or supervised by a State or local gov-
10 ernment, as determined appropriate by the Sec-
11 retary.

12 “(2) WORK REQUIREMENT.—No individual
13 shall be eligible to participate in the food stamp pro-
14 gram as a member of any household if, during the
15 preceding 12 months, the individual received food
16 stamp benefits for not less than 6 months during
17 which the individual did not—

18 “(A) work 20 hours or more per week,
19 averaged monthly;

20 “(B) participate in a workfare program
21 under section 20 or a comparable State or local
22 workfare program;

23 “(C) participate in and comply with the re-
24 quirements of an approved employment and
25 training program under subsection (d)(4); or

1 “(D) participate in and comply with the
2 requirements of a work program for 20 hours
3 or more per week.

4 “(3) EXCEPTION.—Paragraph (2) shall not
5 apply to an individual if the individual is—

6 “(A) under 18 or over 50 years of age;

7 “(B) medically certified as physically or
8 mentally unfit for employment;

9 “(C) a parent or other member of a house-
10 hold with a dependent child under 18 years of
11 age; or

12 “(D) otherwise exempt under subsection
13 (d)(2).

14 “(4) WAIVER.—

15 “(A) IN GENERAL.—The Secretary may
16 waive the applicability of paragraph (2) to any
17 group of individuals in the State if the Sec-
18 retary makes a determination that the area in
19 which the individuals reside—

20 “(i) has an unemployment rate of over
21 8 percent; or

22 “(ii) does not have a sufficient num-
23 ber of jobs to provide employment for the
24 individuals.

1 “(B) REPORT.—The Secretary shall report
2 the basis for a waiver under subparagraph (A)
3 to the Committee on Agriculture of the House
4 of Representatives and the Committee on Agri-
5 culture, Nutrition, and Forestry of the Sen-
6 ate.”.

7 (b) WORK AND TRAINING PROGRAMS.—Section
8 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C.
9 2015(d)(4)) is amended by adding at the end the follow-
10 ing:

11 “(O) REQUIRED PARTICIPATION IN WORK
12 AND TRAINING PROGRAMS.—A State agency
13 shall provide an opportunity to participate in
14 the employment and training program under
15 this paragraph to any individual who would oth-
16 erwise become subject to disqualification under
17 subsection (i).

18 “(P) COORDINATING WORK REQUIRE-
19 MENTS.—

20 “(i) IN GENERAL.—Notwithstanding
21 any other provision of this paragraph, a
22 State agency that meets the participation
23 requirements of clause (ii) may operate the
24 employment and training program of the
25 State for individuals who are members of

1 households receiving allotments under this
2 Act as part of a program operated by the
3 State under part F of title IV of the Social
4 Security Act (42 U.S.C. 681 et seq.), sub-
5 ject to the requirements of such Act.

6 “(ii) PARTICIPATION REQUIRE-
7 MENTS.—A State agency may exercise the
8 option under clause (i) if the State agency
9 provides an opportunity to participate in
10 an approved employment and training pro-
11 gram to an individual who is—

12 “(I) subject to subsection (i);

13 “(II) not employed at least an
14 average of 20 hours per week;

15 “(III) not participating in a
16 workfare program under section 20
17 (or a comparable State or local pro-
18 gram); and

19 “(IV) not subject to a waiver
20 under subsection (i)(4).”.

21 **SEC. 921. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
22 **SYSTEMS.**

23 (a) **IN GENERAL.**—Section 7(i) of the Food Stamp
24 Act of 1977 (7 U.S.C. 2016(i)) is amended—

1 (1) by amending paragraph (1) to read as fol-
2 lows:

3 “(1) ELECTRONIC BENEFIT TRANSFERS.—

4 “(A) IMPLEMENTATION.—Each State
5 agency shall implement an electronic benefit
6 transfer system in which household benefits de-
7 termined under section 8(a) or 24 are issued
8 from and stored in a central databank before
9 October 1, 2002, unless the Secretary provides
10 a waiver for a State agency that faces unusual
11 barriers to implementing an electronic benefit
12 transfer system.

13 “(B) TIMELY IMPLEMENTATION.—State
14 agencies are encouraged to implement an elec-
15 tronic benefit transfer system under subpara-
16 graph (A) as soon as practicable.

17 “(C) STATE FLEXIBILITY.—Subject to
18 paragraph (2), a State agency may procure and
19 implement an electronic benefit transfer system
20 under the terms, conditions, and design that
21 the State agency considers appropriate.

22 “(D) OPERATION.—An electronic benefit
23 transfer system should take into account gen-
24 erally accepted standard operating rules based
25 on—

1 “(i) commercial electronic funds
2 transfer technology;

3 “(ii) the need to permit interstate op-
4 eration and law enforcement monitoring;
5 and

6 “(iii) the need to permit monitoring
7 and investigations by authorized law en-
8 forcement agencies.”;

9 (2) in paragraph (2)—

10 (A) by striking “effective no later than
11 April 1, 1992,”;

12 (B) in subparagraph (A)—

13 (i) by striking “, in any 1 year,”; and

14 (ii) by striking “on-line”;

15 (F) by adding at the end the following:

16 “(I) procurement standards.”; and

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

18 “(7) REPLACEMENT OF BENEFITS.—Regula-
19 tions issued by the Secretary regarding the replace-
20 ment of benefits and liability for replacement of ben-
21 efits under an electronic benefit transfer system
22 shall be similar to the regulations in effect for a
23 paper food stamp issuance system.”.

24 (b) SENSE OF CONGRESS.—It is the sense of Con-
25 gress that a State that operates an electronic benefit

1 transfer system under the Food Stamp Act of 1977 (7
2 U.S.C. 2011 et seq.) should operate the system in a man-
3 ner that is compatible with electronic benefit transfer sys-
4 tems operated by other States.

5 **SEC. 922. VALUE OF MINIMUM ALLOTMENT.**

6 The proviso in section 8(a) of the Food Stamp Act
7 of 1977 (7 U.S.C. 2017(a)) is amended by striking “, and
8 shall be adjusted” and all that follows through “\$5”.

9 **SEC. 923. BENEFITS ON RECERTIFICATION.**

10 Section 8(c)(2)(B) of the Food Stamp Act of 1977
11 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
12 than one month”.

13 **SEC. 924. OPTIONAL COMBINED ALLOTMENT FOR EXPE-**
14 **DITED HOUSEHOLDS.**

15 Section 8(c)(3) of the Food Stamp Act of 1977 (7
16 U.S.C. 2017(c)(3)) is amended to read as follows:

17 “(3) **OPTIONAL COMBINED ALLOTMENT FOR**
18 **EXPEDITED HOUSEHOLDS.**—A State agency may
19 provide to an eligible household applying after the
20 15th day of a month, in lieu of the initial allotment
21 of the household and the regular allotment of the
22 household for the following month, an allotment that
23 is equal to the total amount of the initial allotment
24 and the first regular allotment. The allotment shall
25 be provided in accordance with section 11(e)(3) in

1 the case of a household that is not entitled to expedited service and in accordance with paragraphs (3)
2 dited service and in accordance with paragraphs (3)
3 and (9) of section 11(e) in the case of a household
4 that is entitled to expedited service.”.

5 **SEC. 925. FAILURE TO COMPLY WITH OTHER MEANS-TEST-**
6 **ED PUBLIC ASSISTANCE PROGRAMS.**

7 Section 8(d) of the Food Stamp Act of 1977 (7
8 U.S.C. 2017(d)) is amended to read as follows:

9 “(d) REDUCTION OF PUBLIC ASSISTANCE BENE-
10 FITS.—

11 “(1) IN GENERAL.—If the benefits of a house-
12 hold are reduced under a Federal, State, or local law
13 relating to a means-tested public assistance program
14 for the failure of a member of the household to per-
15 form an action required under the law or program,
16 for the duration of the reduction—

17 “(A) the household may not receive an in-
18 creased allotment as the result of a decrease in
19 the income of the household to the extent that
20 the decrease is the result of the reduction; and

21 “(B) the State agency may reduce the al-
22 lotment of the household by not more than 25
23 percent.

24 “(2) RULES AND PROCEDURES.—If the allot-
25 ment of a household is reduced under this subsection

1 for a failure to perform an action required under
2 part A of title IV of the Social Security Act (42
3 U.S.C. 601 et seq.), the State agency may use the
4 rules and procedures that apply under part A of title
5 IV of such Act to reduce the allotment under the
6 food stamp program.”.

7 **SEC. 926. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN**
8 **CENTERS.**

9 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
10 2017) is amended by adding at the end the following:

11 “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN
12 CENTERS.—

13 “(1) IN GENERAL.—In the case of an individual
14 who resides in a center for the purpose of a drug or
15 alcoholic treatment program described in the last
16 sentence of section 3(i), a State agency may provide
17 an allotment for the individual to—

18 “(A) the center as an authorized represent-
19 ative of the individual for a period that is less
20 than 1 month; and

21 “(B) the individual, if the individual leaves
22 the center.

23 “(2) DIRECT PAYMENT.—A State agency may
24 require an individual referred to in paragraph (1) to
25 designate the center in which the individual resides

1 as the authorized representative of the individual for
2 the purpose of receiving an allotment.”.

3 **SEC. 927. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**
4 **RIODS.**

5 Section 9(a)(1) of the Food Stamp Act of 1977 (7
6 U.S.C. 2018(a)(1)) is amended by adding at the end the
7 following:

8 “The Secretary is authorized to issue regulations estab-
9 lishing specific time periods during which authorization to
10 accept and redeem coupons under the food stamp program
11 shall be valid.”.

12 **SEC. 928. SPECIFIC PERIOD FOR PROHIBITING PARTICIPA-**
13 **TION OF STORES BASED ON LACK OF BUSI-**
14 **NESS INTEGRITY.**

15 Section 9(a)(1) of the Food Stamp Act of 1977 (7
16 U.S.C. 2018(a)(1)), as amended by section 927, is amend-
17 ed by adding at the end the following:

18 “The Secretary is authorized to issue regulations estab-
19 lishing specific time periods during which a retail food
20 store or wholesale food concern that has an application
21 for approval to accept and redeem coupons denied or that
22 has such an approval withdrawn on the basis of business
23 integrity and reputation cannot submit a new application
24 for approval. Such periods shall reflect the severity of

1 business integrity infractions that are the basis of such
2 denials or withdrawals.”.

3 **SEC. 929. INFORMATION FOR VERIFYING ELIGIBILITY FOR**
4 **AUTHORIZATION.**

5 Section 9(c) of the Food Stamp Act of 1977 (7
6 U.S.C. 2018(c)) is amended—

7 (1) in the 1st sentence by inserting “, which
8 may include relevant income and sales tax filing doc-
9 uments,” after “submit information” ; and

10 (2) by inserting after the 1st sentence the fol-
11 lowing:

12 “The regulations may require retail food stores and whole-
13 sale food concerns to provide written authorization for the
14 Secretary to verify all relevant tax filings with appropriate
15 agencies and to obtain corroborating documentation from
16 other sources in order that the accuracy of information
17 provided by such stores and concerns may be verified.”.

18 **SEC. 930. WAITING PERIOD FOR STORES THAT INITIALLY**
19 **FAIL TO MEET AUTHORIZATION CRITERIA.**

20 Section 9(d) of the Food Stamp Act of 1977 (7
21 U.S.C. 2018(d)) is amended by adding at the end the fol-
22 lowing:

23 “Regulations issued pursuant to this Act shall prohibit a
24 retail food store or wholesale food concern that has an ap-
25 plication for approval to accept and redeem coupons de-

1 nied because it does not meet criteria for approval estab-
2 lished by the Secretary in regulations from submitting a
3 new application for six months from the date of such de-
4 nial.”.

5 **SEC. 931. OPERATION OF FOOD STAMP OFFICES.**

6 Section 11(e)(2) of the Food Stamp Act of 1977 (7
7 U.S.C. 2020(e)(2)) is amended to read as follows:

8 “(2)(A) that the State agency shall establish
9 procedures governing the operation of food stamp of-
10 fices that the State agency determines best serve
11 households in the State, including households with
12 special needs, such as households with elderly or dis-
13 abled members, households in rural areas with low-
14 income members, homeless individuals, households
15 residing on reservations, and households in areas in
16 which a substantial number of members of low-in-
17 come households speak a language other than Eng-
18 lish.

19 “(B) In carrying out subparagraph (A), a State
20 agency—

21 “(i) shall provide timely, accurate, and fair
22 service to applicants for, and participants in,
23 the food stamp program;

1 “(ii) shall develop an application contain-
2 ing the information necessary to comply with
3 this Act;

4 “(iii) shall permit an applicant household
5 to apply to participate in the program on the
6 same day that the household first contacts a
7 food stamp office in person during office hours;

8 “(iv) shall consider an application that
9 contains the name, address, and signature of
10 the applicant to be filed on the date the appli-
11 cant submits the application;

12 “(v) shall require that an adult representa-
13 tive of each applicant household certify in writ-
14 ing, under penalty of perjury, that—

15 “(I) the information contained in the
16 application is true; and

17 “(II) all members of the household
18 are citizens or are aliens eligible to receive
19 food stamps under section 6(f);

20 “(vi) shall provide a method of certifying
21 and issuing coupons to eligible homeless individ-
22 uals, to ensure that participation in the food
23 stamp program is limited to eligible households;
24 and

1 “(vii) may establish operating procedures
2 that vary for local food stamp offices to reflect
3 regional and local differences within the State.

4 “(C) Nothing in this Act shall prohibit the use
5 of signatures provided and maintained electronically,
6 storage of records using automated retrieval systems
7 only, or any other feature of a State agency’s appli-
8 cation system that does not rely exclusively on the
9 collection and retention of paper applications or
10 other records.

11 “(D) The signature of any adult under this
12 paragraph shall be considered sufficient to comply
13 with any provision of Federal law requiring a house-
14 hold member to sign an application or statement.”;

15 (2) in the last sentence of subsection (i) by
16 striking “No” and inserting “Other than in a case
17 of disqualification as a penalty for failure to comply
18 with a public assistance program rule or regulation,
19 no”.

20 **SEC. 932. MANDATORY CLAIMS COLLECTION METHODS.**

21 (a) ADMINISTRATION.—Section 11(e)(8) of the Food
22 Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by
23 inserting “or refunds of Federal taxes as authorized pur-
24 suant to section 3720A of title 31 of the United States
25 Code” before the semicolon at the end.

1 (b) COLLECTION OF CLAIMS.—Section 13(d) of the
2 Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amend-
3 ed—

4 (1) by striking “may” and inserting “shall”;
5 and

6 (2) by inserting “or refunds of Federal taxes as
7 authorized pursuant to section 3720A of title 31 of
8 the United States Code” before the period at the
9 end.

10 (c) RELATED AMENDMENTS.—Section 6103(1) of
11 the Internal Revenue Code (26 U.S.C. 6103(1)) is amend-
12 ed—

13 (1) by striking “officers and employees” in
14 paragraph (10)(A) and inserting “officers, employ-
15 ees or agents, including State agencies”; and

16 (2) by striking “officers and employees” in
17 paragraph (10)(B) and inserting “officers, employ-
18 ees or agents, including State agencies”.

19 **SEC. 933. EXCHANGE OF LAW ENFORCEMENT INFORMA-**
20 **TION.**

21 Section 11(e)(8) of the Food Stamp Act of 1977 (7
22 U.S.C. 2020(e)(8)) is amended—

23 (1) by striking “that (A) such” and inserting
24 the following:

25 “that—

1 “(A) the”;

2 (2) by striking “law, (B) notwithstanding” and

3 inserting the following:

4 “law;

5 “(B) notwithstanding”;

6 (3) by striking “Act, and (C) such” and insert-

7 ing the following:

8 “Act;

9 “(C) the”; and

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

11 “(D) notwithstanding any other provision
12 of law, the address, social security number, and,
13 if available, photograph of any member of a
14 household shall be made available, on request,
15 to any Federal, State, or local law enforcement
16 officer if the officer furnishes the State agency
17 with the name of the member and notifies the
18 agency that—

19 “(i) the member—

20 “(I) is fleeing to avoid prosecu-
21 tion, or custody or confinement after
22 conviction, for a crime (or attempt to
23 commit a crime) that, under the law
24 of the place the member is fleeing, is
25 a felony (or, in the case of New Jer-

1 sey, a high misdemeanor), or is violat-
2 ing a condition of probation or parole
3 imposed under Federal or State law;
4 or

5 “(II) has information that is nec-
6 essary for the officer to conduct an of-
7 ficial duty related to subclause (I);

8 “(ii) locating or apprehending the
9 member is an official duty; and

10 “(iii) the request is being made in the
11 proper exercise of an official duty; and

12 “(E) the safeguards shall not prevent com-
13 pliance with paragraph (16);”.

14 **SEC. 934. EXPEDITED COUPON SERVICE.**

15 Section 11(e)(9) of the Food Stamp Act of 1977 (7
16 U.S.C. 2020(e)(9)) is amended—

17 (1) in subparagraph (A)—

18 (A) by striking “five days” and inserting
19 “7 days”; and

20 (B) by inserting “and” at the end;

21 (2) by striking subparagraph (B);

22 (3) in subparagraph (D) by striking “, (B), or
23 (C)” and inserting “or (B)”; and

24 (4) by redesignating subparagraphs (C) and
25 (D) as subparagraphs (B) and (C), respectively.

1 SEC. 935. WITHDRAWING FAIR HEARING REQUESTS.

2 Section 11(e)(10) of the Food Stamp Act of 1977 (7
3 U.S.C. 2020(e)(10)) is amended by inserting before the
4 semicolon at the end a period and the following: "At the
5 option of a State, at any time prior to a fair hearing deter-
6 mination under this paragraph, a household may with-
7 draw, orally or in writing, a request by the household for
8 the fair hearing. If the withdrawal request is an oral re-
9 quest, the State agency shall provide a written notice to
10 the household confirming the withdrawal request and pro-
11 viding the household with an opportunity to request a
12 hearing".

**13 SEC. 936. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS
14 VERIFICATION SYSTEMS.**

15 Section 11(e)(19) of the Food Stamp Act of 1977 (7
16 U.S.C. 2020(e)(19)) is amended by striking "that infor-
17 mation is" and inserting "at the option of the State agen-
18 cy, that information may be".

**19 SEC. 937. BASES FOR SUSPENSIONS AND DISQUALIFICA-
20 TIONS.**

21 Section 12(a) of the Food Stamp Act of 1977 (7
22 U.S.C. 2021(a)) is amended by adding at the end the fol-
23 lowing:

24 "Regulations issued pursuant to this Act shall provide cri-
25 teria for the finding of violations and the suspension or
26 disqualification of a retail food store or wholesale food con-

1 cern on the basis of evidence which may include, but is
2 not limited to, facts established through on-site investiga-
3 tions, inconsistent redemption data, or evidence obtained
4 through transaction reports under electronic benefit trans-
5 fer systems.”.

6 **SEC. 938. AUTHORITY TO SUSPEND STORES VIOLATING**
7 **PROGRAM REQUIREMENTS PENDING ADMIN-**
8 **ISTRATIVE AND JUDICIAL REVIEW.**

9 (a) **SUSPENSION AUTHORITY.**—Section 12(a) of the
10 Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended
11 by section 937, is amended by adding at the end the fol-
12 lowing:

13 “Such regulations may establish criteria under which the
14 authorization of a retail food store or wholesale food con-
15 cern to accept and redeem coupons may be suspended at
16 the time such store or concern is initially found to have
17 committed violations of program requirements. Such sus-
18 pension may coincide with the period of a review as pro-
19 vided in section 14. The Secretary shall not be liable for
20 the value of any sales lost during any suspension or dis-
21 qualification period.”.

22 (b) **CONFORMING AMENDMENT.**—Section 14(a) of
23 the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amend-
24 ed—

1 (1) in the 1st sentence by inserting “sus-
2 pended,” before “disqualified or subjected”;

3 (2) in the 5th sentence by inserting before the
4 period at the end the following:

5 “, except that in the case of the suspension of a retail
6 food store or wholesale food concern pursuant to section
7 12(a), such suspension shall remain in effect pending any
8 administrative or judicial review of the proposed disquali-
9 fication action, and the period of suspension shall be
10 deemed a part of any period of disqualification which is
11 imposed.”; and

12 (3) by striking the last sentence.

13 **SEC. 939. DISQUALIFICATION OF RETAILERS WHO ARE DIS-**
14 **QUALIFIED FROM THE WIC PROGRAM.**

15 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
16 2021) is amended by adding at the end the following:

17 “(g) The Secretary shall issue regulations providing
18 criteria for the disqualification of approved retail food
19 stores and wholesale food concerns that are otherwise dis-
20 qualified from accepting benefits under the Special Sup-
21 plemental Nutrition Program for Women, Infants and
22 Children (WIC) authorized under section 17 of the Child
23 Nutrition Act of 1966. Such disqualification—

24 “(1) shall be for the same period as the dis-
25 qualification from the WIC Program;

1 “(2) may begin at a later date; and

2 “(3) notwithstanding section 14 of this Act,
3 shall not be subject to administrative or judicial re-
4 view.”.

5 **SEC. 940. PERMANENT DEBARMENT OF RETAILERS WHO IN-**
6 **TENTIONALLY SUBMIT FALSIFIED APPLICA-**
7 **TIONS.**

8 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
9 2021), as amended by section 939, is amended by adding
10 at the end the following:

11 “(h) The Secretary shall issue regulations providing
12 for the permanent disqualification of a retail food store
13 or wholesale food concern that is determined to have
14 knowingly submitted an application for approval to accept
15 and redeem coupons which contains false information
16 about one or more substantive matters which were the
17 basis for providing approval. Any disqualification imposed
18 under this subsection shall be subject to administrative
19 and judicial review pursuant to section 14, but such dis-
20 qualification shall remain in effect pending such review.”.

21 **SEC. 941. EXPANDED CIVIL AND CRIMINAL FORFEITURE**
22 **FOR VIOLATIONS OF THE FOOD STAMP ACT.**

23 (a) **FORFEITURE OF ITEMS EXCHANGED IN FOOD**
24 **STAMP TRAFFICKING.**—Section 15(g) of the Food Stamp

1 Act of 1977 (7 U.S.C. 2024(g)) is amended by striking
2 “or intended to be furnished”.

3 (b) CIVIL AND CRIMINAL FORFEITURE.—Section 15
4 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is
5 amended by adding at the end the following:

6 “(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENE-
7 FIT VIOLATIONS.—

8 “(A) Any food stamp benefits and any property,
9 real or personal—

10 “(i) constituting, derived from, or traceable
11 to any proceeds obtained directly or indirectly
12 from, or

13 “(ii) used, or intended to be used, to com-
14 mit, or to facilitate,
15 the commission of a violation of subsection (b) or
16 subsection (c) involving food stamp benefits having
17 an aggregate value of not less than \$5,000, shall be
18 subject to forfeiture to the United States.

19 “(B) The provisions of chapter 46 of title 18,
20 United States Code, relating to civil forfeitures shall
21 extend to a seizure or forfeiture under this sub-
22 section, insofar as applicable and not inconsistent
23 with the provisions of this subsection.

24 “(2) CRIMINAL FORFEITURE FOR FOOD STAMP BEN-
25 EFIT VIOLATIONS.—

1 “(A)(i) Any person convicted of violating sub-
2 section (b) or subsection (c) involving food stamp
3 benefits having an aggregate value of not less than
4 \$5,000, shall forfeit to the United States, irrespec-
5 tive of any State law—

6 “(I) any food stamp benefits and any prop-
7 erty constituting, or derived from, or traceable
8 to any proceeds such person obtained directly or
9 indirectly as a result of such violation; and

10 “(II) any food stamp benefits and any of
11 such person’s property used, or intended to be
12 used, in any manner or part, to commit, or to
13 facilitate the commission of such violation.

14 “(ii) In imposing sentence on such person, the
15 court shall order that the person forfeit to the Unit-
16 ed States all property described in this subsection.

17 “(B) All food stamp benefits and any property
18 subject to forfeiture under this subsection, any sei-
19 zure and disposition thereof, and any administrative
20 or judicial proceeding relating thereto, shall be gov-
21 erned by subsections (b), (c), (e); and (g) through
22 (p) of section 413 of the Comprehensive Drug Abuse
23 Prevention and Control Act of 1970 (21 U.S.C.
24 853), insofar as applicable and not inconsistent with
25 the provisions of this subsection.

1 “(3) APPLICABILITY.—This subsection shall not
2 apply to property specified in subsection (g) of this sec-
3 tion.

4 “(4) RULES.—The Secretary may prescribe such
5 rules and regulations as may be necessary to carry out
6 this subsection.”.

7 **SEC. 942. EXPANDED AUTHORITY FOR SHARING INFORMA-**
8 **TION PROVIDED BY RETAILERS.**

9 (a) AMENDMENT TO SOCIAL SECURITY ACT.—Sec-
10 tion 205(c)(2)(C)(iii) of the Social Security Act (42
11 U.S.C. 405(c)(2)(C)(iii)), as amended by section 316(a)
12 of the Social Security Administrative Reform Act of 1994
13 (Public Law 103–296; 108 Stat. 1464), is amended—

14 (1) by inserting in the 1st sentence of subclause
15 (II) after “instrumentality of the United States” the
16 following: “, or State government officers and em-
17 ployees with law enforcement or investigative respon-
18 sibilities, or State agencies that have the responsibil-
19 ity for administering the Special Supplemental Nu-
20 trition Program for Women, Infants and Children
21 (WIC)”;

22 (2) by inserting in the last sentence of sub-
23 clause (II) immediately after “other Federal” the
24 words “or State”; and

1 (3) by inserting “or a State” in subclause (III)
2 immediately after “United States”.

3 (b) AMENDMENT TO INTERNAL REVENUE CODE OF
4 1986.—Section 6109(f)(2) of the Internal Revenue Code
5 of 1986 (26 U.S.C. 6109(f)(2)) (as added by section
6 316(b) of the Social Security Administrative Reform Act
7 of 1994 (Public Law 103–296; 108 Stat. 1464)) is amend-
8 ed—

9 (1) by inserting in subparagraph (A) after “in-
10 strumentality of the United States” the following: “,
11 or State government officers and employees with law
12 enforcement or investigative responsibilities, or State
13 agencies that have the responsibility for administer-
14 ing the Special Supplemental Nutrition Program for
15 Women, Infants and Children (WIC)”;

16 (2) in the last sentence of subparagraph (A) by
17 inserting “or State” after “other Federal”; and

18 (3) in subparagraph (B) by inserting “or a
19 State” after “United States”.

20 **SEC. 943. LIMITATION OF FEDERAL MATCH.**

21 Section 16(a)(4) of the Food Stamp Act of 1977 (7
22 U.S.C. 2025(a)(4)) is amended by inserting after the
23 comma at the end the following: “but not including re-
24 cruitment activities,”.

1 **SEC. 944. COLLECTION OF OVERISSUANCES.**

2 Section 16(a) of the Food Stamp Act of 1977 (7
3 U.S.C. 2025(a)) is amended by striking “25 percent dur-
4 ing the period beginning October 1, 1990” and all that
5 follows through “error of a State agency” and inserting
6 the following: “25 percent of the overissuances collected
7 by the State agency under section 13, except those
8 overissuances arising from an error of the State agency”.

9 **SEC. 945. STANDARDS FOR ADMINISTRATION.**

10 (a) **IN GENERAL.**—Section 16 of the Food Stamp Act
11 of 1977 (7 U.S.C. 2025) is amended by striking sub-
12 section (b).

13 (b) **CONFORMING AMENDMENTS.**—

14 (1) The 1st sentence of section 11(g) of the
15 Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is
16 amended by striking “the Secretary’s standards for
17 the efficient and effective administration of the pro-
18 gram established under section 16(b)(1) or”.

19 (2) Section 16(c)(1)(B) of the Food Stamp Act
20 of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by
21 striking “pursuant to subsection (b)”.

22 **SEC. 946. RESPONSE TO WAIVERS.**

23 Section 17(b)(1) of the Food Stamp Act of 1977 (7
24 U.S.C. 2026(b)(1)) is amended by adding at the end the
25 following:

26 “(C) **RESPONSE TO WAIVERS.**—

1 “(i) RESPONSE.—Not later than 60 days after
2 the date of receiving a request for a waiver under
3 subparagraph (A), the Secretary shall provide a re-
4 sponse that—

5 “(I) approves the waiver request;

6 “(II) denies the waiver request and ex-
7 plains any modification needed for approval of
8 the waiver request;

9 “(III) denies the waiver request and ex-
10 plains the grounds for the denial; or

11 “(IV) requests clarification of the waiver
12 request.

13 “(ii) FAILURE TO RESPOND.—If the Secretary
14 does not provide a response in accordance with
15 clause (i), the waiver shall be considered approved,
16 unless the approval is specifically prohibited by this
17 Act.

18 “(iii) NOTICE OF DENIAL.—On denial of a
19 waiver request under clause (i)(III), the Secretary
20 shall provide a copy of the waiver request and a de-
21 scription of the reasons for the denial to the Com-
22 mittee on Agriculture of the House of Representa-
23 tives and the Committee on Agriculture, Nutrition,
24 and Forestry of the Senate.”.

1 **SEC. 947. AUTHORIZATION OF APPROPRIATIONS.**

2 The 1st sentence of section 18(a)(1) of the Food
3 Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by
4 striking “1991 through 1997” and inserting “1996
5 through 2002”.

6 **SEC. 948. AUTHORIZE STATES TO OPERATE SIMPLIFIED**
7 **FOOD STAMP PROGRAMS.**

8 (a) **AUTHORITY FOR PROGRAM.**—The Food Stamp
9 Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding
10 at the end the following:

11 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

12 “(a) **DEFINITION.**—In this section, the term ‘Federal
13 costs’ does not include any Federal costs incurred under
14 section 17.

15 “(b) **STATE OPTION.**—Subject to subsection (d), a
16 State may elect to carry out a simplified food stamp pro-
17 gram for households described in subsection (c)(1), state-
18 wide or in a political subdivision of the State, in accord-
19 ance with this section.

20 “(c) **PROGRAM REQUIREMENTS.**—If a State elects to
21 carry out such simplified food stamp program, within the
22 State or a political subdivision of the State—

23 “(1) only households in which all members re-
24 ceive assistance under a State program funded
25 under part A of title IV of the Social Security Act
26 (42 U.S.C. 601 et seq.) shall receive benefits under

1 this section. Such households shall be automatically
2 eligible to participate in such simplified food stamp
3 program; and

4 “(2) subject to subsection (f), benefits under
5 such simplified food stamp program shall be deter-
6 mined under rules and procedures established by the
7 State under—

8 “(A) a State program funded under part A
9 of title IV of the Social Security Act (42 U.S.C.
10 601 et seq.);

11 “(B) the food stamp program; or

12 “(C) a combination of a State program
13 funded under part A of title IV of the Social
14 Security Act (42 U.S.C. 601 et seq.) and the
15 food stamp program.

16 “(d) STATE PLAN.—(1) A State may not operate
17 such simplified food stamp program unless the Secretary
18 approves a State plan for the operation of such simplified
19 food stamp program under paragraph (2).

20 “(2) The Secretary is authorized to approve any State
21 plan to carry out such simplified food stamp program if
22 the Secretary determines that the plan—

23 “(A) simplifies program administration while
24 fulfilling the goals of the food stamp program to

1 permit low-income households to obtain a more nu-
2 tritious diet;

3 “(B) complies with this section;

4 “(C) would not increase Federal costs for any
5 fiscal year; and

6 “(D) would not substantially alter, as deter-
7 mined by the Secretary, the appropriate distribution
8 of benefits according to household need.

9 “(e) COST DETERMINATION.—(1) During each fiscal
10 year and not later than 90 days after the end of each fiscal
11 year, the Secretary shall determine using data provided
12 by the State deemed appropriate by the Secretary whether
13 such simplified food stamp program being carried out by
14 a State is increasing Federal costs under this Act above
15 what the costs would have been for the same population
16 had they been subject to the rules of the food stamp pro-
17 gram.

18 “(2) If the Secretary determines that such simplified
19 food stamp program has increased Federal costs under
20 this Act for any fiscal year or any portion of any fiscal
21 year, the Secretary shall notify the State not later than
22 30 days after the Secretary makes the determination
23 under paragraph (1).

24 “(3)(A) Not later than 90 days after the date of a
25 notification under paragraph (2), the State shall submit

1 a plan for approval by the Secretary for prompt corrective
2 action that is designed to prevent such simplified food
3 stamp program from increasing Federal costs under this
4 Act.

5 “(B) If the State does not submit a plan under sub-
6 paragraph (A) or carry out a plan approved by the Sec-
7 retary, the Secretary shall terminate the approval of the
8 State operating such simplified food stamp program and
9 the State shall be ineligible to operate a future Simplified
10 Program.

11 “(f) RULES AND PROCEDURES.—(1) In operating
12 such simplified food stamp program, a State or political
13 subdivision of a State may follow the rules and procedures
14 established by the State or political subdivision under a
15 State program funded under part A of title IV of the So-
16 cial Security Act (42 U.S.C. 601 et seq.) or under the
17 food stamp program.

18 “(2) In operating such simplified food stamp pro-
19 gram, a State or political subdivision shall comply with
20 the requirements of—

21 “(A) section 5(e) to the extent that it requires
22 an excess shelter expense deduction;

23 “(B) subsections (a) through (g) of section 7;

24 “(C) section 8(a) (except that the income of a
25 household may be determined under a State pro-

1 gram funded under part A of title IV of the Social
2 Security Act (42 U.S.C. 601 et seq.);

3 “(D) subsections (b) and (d) of section 8;

4 “(E) subsections (a), (c), (d), and (n) of section
5 11;

6 “(F) paragraphs (8), (9), (12), (18), (20), (24),
7 and (25) of section 11(e);

8 “(G) section 11(e)(2), to the extent that it re-
9 quires the State agency to provide an application to
10 households on the 1st day they contact a food stamp
11 office in person during office hours to make what
12 may reasonably be interpreted as an oral or written
13 request for food stamp assistance and to allow those
14 households to file such application on the same day;

15 “(H) section 11(e)(3), to the extent that it re-
16 quires the State agency to complete certification of
17 an eligible household and provide an allotment retro-
18 active to the period of application to an eligible
19 household not later than 30 days following the filing
20 of an application;

21 “(I) section 11(e)(10) (or a comparable require-
22 ment established by the State under a State pro-
23 gram funded under part A of title IV of the Social
24 Security Act (42 U.S.C. 601 et seq.)); and

25 “(J) section 16.

1 “(3) Notwithstanding any other provision of this sec-
2 tion, a household may not receive benefits under this sec-
3 tion as a result of the eligibility of the household under
4 a State program funded under part A of title IV of the
5 Social Security Act (42 U.S.C. 601 et seq.), unless the
6 Secretary determines that any household with income
7 above 130 percent of the poverty guidelines is not eligible
8 for such simplified food stamp program.”.

9 (b) REPEALER.—Section 8 of the Food Stamp Act
10 of 1977 (7 U.S.C. 2017) is amended by striking sub-
11 section (e).

12 (c) REQUIREMENTS.—Section 11(e) of the Food
13 Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

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

16 (2) in paragraph (25) by striking the period at
17 the end; and

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

19 “(26) if a State elects to carry out a simplified
20 food stamp program under section 24, the plan of
21 the State agency for operating such simplified food
22 stamp program, including—

23 “(A) the rules and procedures to be fol-
24 lowed by the State to determine food stamp
25 benefits; and

1 “(B) a description of the method by which
2 the State will carry out a quality control system
3 under section 16(c).”.

4 (d) **REPEAL OF DEMONSTRATION PROJECTS.**—Sec-
5 tion 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026)
6 is amended by—

7 (1) by striking subsection (i); and

8 (2) redesignating subsections (j) through (l) as
9 subsections (i) through (k), respectively.

10 **SEC. 949. EMERGENCY FOOD ASSISTANCE PROGRAM.**

11 (a) **DEFINITIONS.**—Section 201A of the Emergency
12 Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C.
13 612c note) is amended to read as follows:

14 **“SEC. 201A. DEFINITIONS.**

15 “**In this Act:**

16 “(1) **ADDITIONAL COMMODITIES.**—The term
17 ‘additional commodities’ means commodities made
18 available under section 214 in addition to the com-
19 modities made available under sections 202 and
20 203D.

21 “(2) **AVERAGE MONTHLY NUMBER OF UNEM-**
22 **PLOYED PERSONS.**—The term ‘average monthly
23 number of unemployed persons’ means the average
24 monthly number of unemployed persons in each
25 State in the most recent fiscal year for which infor-

1 mation concerning the number of unemployed per-
2 sons is available, as determined by the Bureau of
3 Labor Statistics of the Department of Labor.

4 “(3) ELIGIBLE RECIPIENT AGENCY.—The term
5 ‘eligible recipient agency’ means a public or non-
6 profit organization—

7 “(A) that administers—

8 “(i) an emergency feeding organiza-
9 tion;

10 “(ii) a charitable institution (including
11 a hospital and a retirement home, but ex-
12 cluding a penal institution) to the extent
13 that the institution serves needy persons;

14 “(iii) a summer camp for children, or
15 a child nutrition program providing food
16 service;

17 “(iv) a nutrition project operating
18 under the Older Americans Act of 1965
19 (42 U.S.C. 3001 et seq.), including a
20 project that operates a congregate nutri-
21 tion site and a project that provides home-
22 delivered meals; or

23 “(v) a disaster relief program;

1 “(B) that has been designated by the ap-
2 propriate State agency, or by the Secretary;
3 and

4 “(C) that has been approved by the Sec-
5 retary for participation in the program estab-
6 lished under this Act.

7 “(4) EMERGENCY FEEDING ORGANIZATION.—
8 The term ‘emergency feeding organization’ means a
9 public or nonprofit organization that administers ac-
10 tivities and projects (including the activities and
11 projects of a charitable institution, a food bank, a
12 food pantry, a hunger relief center, a soup kitchen,
13 or a similar public or private nonprofit eligible recip-
14 ient agency) providing nutrition assistance to relieve
15 situations of emergency and distress through the
16 provision of food to needy persons, including low-in-
17 come and unemployed persons.

18 “(5) FOOD BANK.—The term ‘food bank’
19 means a public or charitable institution that main-
20 tains an established operation involving the provision
21 of food or edible commodities, or the products of
22 food or edible commodities, to food pantries, soup
23 kitchens, hunger relief centers, or other food or feed-
24 ing centers that, as an integral part of their normal

1 activities, provide meals or food to feed needy per-
2 sons on a regular basis.

3 “(6) FOOD PANTRY.—The term ‘food pantry’
4 means a public or private nonprofit organization
5 that distributes food to low-income and unemployed
6 households, including food from sources other than
7 the Department of Agriculture, to relieve situations
8 of emergency and distress.

9 “(7) POVERTY LINE.—The term ‘poverty line’
10 has the same meaning given the term in section
11 673(2) of the Community Services Block Grant Act
12 (42 U.S.C. 9902(2)).

13 “(8) SOUP KITCHEN.—The term ‘soup kitchen’
14 means a public or charitable institution that, as an
15 integral part of the normal activities of the institu-
16 tion, maintains an established feeding operation to
17 provide food to needy homeless persons on a regular
18 basis.

19 “(9) TOTAL VALUE OF ADDITIONAL COMMOD-
20 ITIES.—The term ‘total value of additional commod-
21 ities’ means the actual cost of all additional com-
22 modities made available under section 214 that are
23 paid by the Secretary (including the distribution and
24 processing costs incurred by the Secretary).

1 “(10) VALUE OF ADDITIONAL COMMODITIES
2 ALLOCATED TO EACH STATE.—The term ‘value of
3 additional commodities allocated to each State’
4 means the actual cost of additional commodities
5 made available under section 214 and allocated to
6 each State that are paid by the Secretary (including
7 the distribution and processing costs incurred by the
8 Secretary).”.

9 (b) STATE PLAN.—Section 202A of the Emergency
10 Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C.
11 612c note) (7 U.S.C. 612c note) is amended to read as
12 follows:

13 “SEC. 202A. STATE PLAN.

14 “(a) IN GENERAL.—To receive commodities under
15 this Act, a State shall submit a plan of operation and ad-
16 ministration every 4 years to the Secretary for approval.
17 The plan may be amended at any time, with the approval
18 of the Secretary.

19 “(b) REQUIREMENTS.—Each plan shall—

20 “(1) designate the State agency responsible for
21 distributing the commodities received under this Act;

22 “(2) set forth a plan of operation and adminis-
23 tration to expeditiously distribute commodities under
24 this Act;

1 “(3) set forth the standards of eligibility for re-
2 ipient agencies; and

3 “(4) set forth the standards of eligibility for in-
4 dividual or household recipients of commodities,
5 which shall require—

6 “(A) individuals or households to be com-
7 prised of needy persons; and

8 “(B) individual or household members to
9 be residing in the geographic location served by
10 the distributing agency at the time of applying
11 for assistance.

12 “(c) STATE ADVISORY BOARD.—The Secretary shall
13 encourage each State receiving commodities under this Act
14 to establish a State advisory board consisting of represent-
15 atives of all interested entities, both public and private,
16 in the distribution of commodities received under this Act
17 in the State.”.

18 (c) AUTHORIZATION OF APPROPRIATIONS FOR AD-
19 MINISTRATIVE FUNDS.—Section 204(a)(1) of the Emer-
20 gency Food Assistance Act of 1983 (Public Law 98–8; 7
21 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

22 (1) in the 1st sentence—

23 (A) by striking “1991 through 1995” and
24 inserting “1996 through 2002”; and

1 (B) by striking “for State and local” and
2 all that follows through “under this title” and
3 inserting “to pay for the direct and indirect ad-
4 ministrative costs of the State related to the
5 processing, transporting, and distributing to eli-
6 gible recipient agencies of commodities provided
7 by the Secretary under this Act and commod-
8 ities secured from other sources”; and
9 (2) by striking the fourth sentence.

10 (d) TECHNICAL AMENDMENTS.—The Emergency
11 Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C.
12 612c note) (7 U.S.C. 612c note) is amended—

13 (1) in the 1st sentence of section 203B(a), by
14 striking “203 and 203A of this Act” and inserting
15 “203A”;

16 (2) in section 204(a), by striking “title” each
17 place it appears and inserting “Act”; and

18 (3) by striking section 212.

19 (e) REPORT ON EFAP.—Section 1571 of the Food
20 Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c
21 note) is repealed.

22 **SEC. 950. FOOD BANK DEMONSTRATION PROJECT.**

23 Section 3 of the Charitable Assistance and Food
24 Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c
25 note) is repealed.

1 **SEC. 951. REPORT ON ENTITLEMENT COMMODITY PROC-**
2 **ESSING.**

3 Section 1773 of the Food, Agriculture, Conservation,
4 and Trade Act of 1990 (Public Law 101-624; 7 U.S.C.
5 612c note) is amended by striking subsection (f).

6 **TITLE X—MISCELLANEOUS**

7 **SEC. 1001. EXPENDITURE OF FEDERAL FUNDS IN ACCORD-**
8 **ANCE WITH LAWS AND PROCEDURES APPLI-**
9 **CABLE TO EXPENDITURE OF STATE FUNDS.**

10 (a) **IN GENERAL.**—Notwithstanding any other provi-
11 sion of law, any funds received by a State under the provi-
12 sions of law specified in subsection (b) shall be expended
13 only in accordance with the laws and procedures applicable
14 to expenditures of the State's own revenues, including ap-
15 propriation by the State legislature, consistent with the
16 terms and conditions required under such provisions of
17 law.

18 (b) **PROVISIONS OF LAW.**—The provisions of law
19 specified in this subsection are the following:

20 (1) Part A of title IV of the Social Security Act
21 (relating to block grants for temporary assistance
22 for needy families).

23 (2) Section 25 of the Food Stamp Act of 1977
24 (relating to the optional State food assistance block
25 grant).

1 (3) The Child Care and Development Block
2 Grant Act of 1990 (relating to block grants for child
3 care).

4 **SEC. 1002. ELIMINATION OF HOUSING ASSISTANCE WITH**
5 **RESPECT TO FUGITIVE FELONS AND PROBA-**
6 **TION AND PAROLE VIOLATORS.**

7 (a) **ELIGIBILITY FOR ASSISTANCE.**—The United
8 States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is
9 amended—

10 (1) in section 6(l)—

11 (A) in paragraph (5), by striking “and” at
12 the end;

13 (B) in paragraph (6), by striking the pe-
14 riod at the end and inserting “; and”; and

15 (C) by inserting immediately after para-
16 graph (6) the following new paragraph:

17 “(7) provide that it shall be cause for imme-
18 diate termination of the tenancy of a public housing
19 tenant if such tenant—

20 “(A) is fleeing to avoid prosecution, or cus-
21 tody or confinement after conviction, under the
22 laws of the place from which the individual
23 flees, for a crime, or attempt to commit a
24 crime, which is a felony under the laws of the
25 place from which the individual flees, or which,

1 in the case of the State of New Jersey, is a
2 high misdemeanor under the laws of such State;
3 or

4 “(2) is violating a condition of probation or pa-
5 role imposed under Federal or State law.”; and

6 (2) in section 8(d)(1)(B)—

7 (A) in clause (iii), by striking “and” at the
8 end;

9 (B) in clause (iv), by striking the period at
10 the end and inserting “; and”; and

11 (C) by adding after clause (iv) the follow-
12 ing new clause:

13 “(v) it shall be cause for termination
14 of the tenancy of a tenant if such tenant—

15 “(I) is fleeing to avoid prosecu-
16 tion, or custody or confinement after
17 conviction, under the laws of the place
18 from which the individual flees, for a
19 crime, or attempt to commit a crime,
20 which is a felony under the laws of
21 the place from which the individual
22 flees, or which, in the case of the
23 State of New Jersey, is a high mis-
24 demeanor under the laws of such
25 State; or

1 individual flees, for a crime, or attempt to
2 commit a crime, which is a felony under
3 the laws of the place from which the indi-
4 vidual flees, or which, in the case of the
5 State of New Jersey, is a high mis-
6 demeanor under the laws of such State; or

7 “(ii) is violating a condition of proba-
8 tion or parole imposed under Federal or
9 State law; or

10 “(iii) has information that is nec-
11 essary for the officer to conduct the offi-
12 cer’s official duties;

13 “(B) the location or apprehension of the
14 recipient is within such officer’s official duties;
15 and

16 “(C) the request is made in the proper ex-
17 ercise of the officer’s official duties.”.

18 **SEC. 1003. SENSE OF THE SENATE REGARDING ENTER-**
19 **PRISE ZONES.**

20 (a) **FINDINGS.**—The Senate finds that:

21 (1) Many of the Nation’s urban centers are
22 places with high levels of poverty, high rates of wel-
23 fare dependency, high crime rates, poor schools, and
24 joblessness;

1 (2) Federal tax incentives and regulatory re-
2 forms can encourage economic growth, job creation
3 and small business formation in many urban centers;

4 (3) Encouraging private sector investment in
5 America's economically distressed urban and rural
6 areas is essential to breaking the cycle of poverty
7 and the related ills of crime, drug abuse, illiteracy,
8 welfare dependency, and unemployment;

9 (4) The empowerment zones enacted in 1993
10 should be enhanced by providing incentives to in-
11 crease entrepreneurial growth, capital formation, job
12 creation, educational opportunities, and home owner-
13 ship in the designated communities and zones.

14 (b) SENSE OF THE SENATE.—Therefore, it is the
15 Sense of the Senate that the Congress should adopt enter-
16 prise zone legislation in the One Hundred Fourth Con-
17 gress, and that such enterprise zone legislation provide the
18 following incentives and provisions:

19 (1) Federal tax incentives that expand access to
20 capital, increase the formation and expansion of
21 small businesses, and promote commercial revitaliza-
22 tion;

23 (2) Regulatory reforms that allow localities to
24 petition Federal agencies, subject to the relevant
25 agencies' approval, for waivers or modifications of

1 regulations to improve job creation, small business
2 formation and expansion, community development,
3 or economic revitalization objectives of the enterprise
4 zones;

5 (3) Home ownership incentives and grants to
6 encourage resident management of public housing
7 and home ownership of public housing;

8 (4) School reform pilot projects in certain des-
9 ignated enterprise zones to provide low-income par-
10 ents with new and expanded educational options for
11 their children's elementary and secondary schooling.

12 **SEC. 1004. SENSE OF THE SENATE REGARDING THE IN-**
13 **ABILITY OF THE NONCUSTODIAL PARENT TO**
14 **PAY CHILD SUPPORT.**

15 It is the sense of the Senate that—

16 (a) States should diligently continue their ef-
17 forts to enforce child support payments by the non-
18 custodial parent to the custodial parent, regardless
19 of the employment status or location of the non-
20 custodial parent; and

21 (b) States are encouraged to pursue pilot pro-
22 grams in which the parents of a nonadult, noncusto-
23 dial parent who refuses to or is unable to pay child
24 support must—

1 (1) pay or contribute to the child support
2 owed by the noncustodial parent; or

3 (2) otherwise fulfill all financial obligations
4 and meet all conditions imposed on the
5 non-custodial parent, such as participation in a
6 work program or other related activity.

7 **SEC. 1005. FOOD STAMP ELIGIBILITY.**

8 Section 6(f) of the Food Stamp Act of 1977 (7
9 U.S.C. 2015(f)) is amended by striking the third sentence
10 and inserting the following:

11 “The State agency shall, at its option, consider either
12 all income and financial resources of the individual ren-
13 dered ineligible to participate in the food stamp program
14 under this subsection, or such income, less a pro rata
15 share, and the financial resources of the ineligible individ-
16 ual, to determine the eligibility and the value of the allot-
17 ment of the household of which such individual is a mem-
18 ber.”.

19 **SEC. 1006. ESTABLISHING NATIONAL GOALS TO PREVENT**
20 **TEENAGE PREGNANCIES.**

21 (a) IN GENERAL.—Not later than January 1, 1997,
22 the Secretary of Health and Human Services shall estab-
23 lish and implement a strategy for—

24 (1) preventing out-of-wedlock teenage preg-
25 nancies, and

1 (2) assuring that at least 25 percent of the
2 communities in the United States have teenage preg-
3 nancy prevention programs in place.

4 (b) REPORT.—Not later than June 30, 1998, and an-
5 nually thereafter, the Secretary shall report to the Con-
6 gress with respect to the progress that has been made in
7 meeting the goals described in paragraphs (1) and (2) of
8 subsection (a).

9 **SEC. 1007. SENSE OF THE SENATE REGARDING ENFORCE-**
10 **MENT OF STATUTORY RAPE LAWS.**

11 It is the sense of the Senate that States and local
12 jurisdictions should aggressively enforce statutory rape
13 laws.

14 **SEC. 1008. SANCTIONING FOR TESTING POSITIVE FOR**
15 **CONTROLLED SUBSTANCES.**

16 Notwithstanding any other provision of law, States
17 shall not be prohibited by the Federal Government from
18 sanctioning welfare recipients who test positive for use of
19 controlled substances.

20 **SEC. 1009. ABSTINENCE EDUCATION.**

21 (a) INCREASES IN FUNDING.—Section 501(a) of the
22 Social Security Act (42 U.S.C. 701(a)) is amended in the
23 matter preceding paragraph (1) by striking “Fiscal year
24 1990 and each fiscal year thereafter” and inserting “Fis-

1 cal years 1990 through 1995 and \$761,000,000 for fiscal
2 year 1996 and each fiscal year thereafter”.

3 (b) ABSTINENCE EDUCATION.—Section 501(a)(1) of
4 such Act (42 U.S.C. 701(a)(1)) is amended—

5 (1) in subparagraph (C), by striking “and” at
6 the end;

7 (2) in subparagraph (D), by adding “and” at
8 the end; and

9 (3) by adding at the end the following new sub-
10 paragraph:

11 “(E) to provide abstinence education, and
12 at the option of the State, where appropriate,
13 mentoring, counseling, and adult supervision to
14 promote abstinence from sexual activity, with a
15 focus on those groups which are most likely to
16 bear children out-of-wedlock.”.

17 (c) ABSTINENCE EDUCATION DEFINED.—Section
18 501(b) of such Act (42 U.S.C. 701(b)) is amended by add-
19 ing at the end the following new paragraph:

20 “(5) ABSTINENCE EDUCATION.—For purposes
21 of this subsection, the term ‘abstinence education’
22 means an educational or motivational program
23 which—

1 “(A) has as its exclusive purpose, teaching
2 the social, psychological, and health gains to be
3 realized by abstaining from sexual activity;

4 “(B) teaches abstinence from sexual activ-
5 ity outside marriage as the expected standard
6 for all school age children;

7 “(C) teaches that abstinence from sexual
8 activity is the only certain way to avoid out-of-
9 wedlock pregnancy, sexually transmitted dis-
10 eases, and other associated health problems;

11 “(D) teaches that a mutually faithful
12 monogamous relationship in context of marriage
13 is the expected standard of human sexual activ-
14 ity;

15 “(E) teaches that sexual activity outside of
16 the context of marriage is likely to have harm-
17 ful psychological and physical effects;

18 “(F) teaches that bearing children out-of-
19 wedlock is likely to have harmful consequences
20 for the child, the child’s parents, and society;

21 “(G) teaches young people how to reject
22 sexual advances and how alcohol and drug use
23 increases vulnerability to sexual advances; and

1 “(H) teaches the importance of attaining
2 self-sufficiency before engaging in sexual activ-
3 ity.”.

4 (d) SET-ASIDE.—

5 (1) IN GENERAL.—Section 502(c) of such Act
6 (42 U.S.C. 702(c)) is amended in the matter preced-
7 ing paragraph (1) by striking “From” and inserting
8 “Except as provided in subsection (e), from”.

9 (2) SET-ASIDE.—Section 502 of such Act (42
10 U.S.C. 702) is amended by adding at the end the
11 following new subsection:

12 “(e) Of the amounts appropriated under section
13 501(a) for any fiscal year, the Secretary shall set aside
14 \$75,000,000 for abstinence education in accordance with
15 section 501(a)(1)(E).”.

16 **SEC. 1010. PROVISIONS TO ENCOURAGE ELECTRONIC BEN-**
17 **EFIT TRANSFER SYSTEMS.**

18 Section 904 of the Electronic Fund Transfer Act (15
19 U.S.C. 1693b) is amended—

20 (1) by striking “(d) In the event” and inserting
21 “(d) APPLICABILITY TO SERVICE PROVIDERS
22 OTHER THAN CERTAIN FINANCIAL INSTITU-
23 TIONS.—

24 “(1) IN GENERAL.—In the event”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(2) STATE AND LOCAL GOVERNMENT ELEC-
4 TRONIC BENEFIT TRANSFER PROGRAMS.—

5 “(A) EXEMPTION GENERALLY.—The dis-
6 closures, protections, responsibilities, and rem-
7 edies established under this title, and any regu-
8 lation prescribed or order issued by the Board
9 in accordance with this title, shall not apply to
10 any electronic benefit transfer program estab-
11 lished under State or local law or administered
12 by a State or local government.

13 “(B) EXCEPTION FOR DIRECT DEPOSIT
14 INTO RECIPIENT’S ACCOUNT.—Subparagraph
15 (A) shall not apply with respect to any elec- o
16 tronic funds transfer under an electronic benefit
17 transfer program for deposits directly into a
18 consumer account held by the recipient of the
19 benefit.

20 “(C) RULE OF CONSTRUCTION.—No provi-
21 sion of this paragraph may be construed as—

22 “(i) affecting or altering the protec-
23 tions otherwise applicable with respect to
24 benefits established by Federal, State, or
25 local law; or

1 “(ii) otherwise superseding the appli-
2 cation of any State or local law.

3 “(D) ELECTRONIC BENEFIT TRANSFER
4 PROGRAM DEFINED.—For purposes of this
5 paragraph, the term ‘electronic benefit transfer
6 program’—

7 “(i) means a program under which a
8 government agency distributes needs-tested
9 benefits by establishing accounts to be
10 accessed by recipients electronically, such
11 as through automated teller machines, or
12 point-of-sale terminals; and

13 “(ii) does not include employment-re-
14 lated payments, including salaries and pen-
15 sion, retirement, or unemployment benefits
16 established by Federal, State, or local gov-
17 ernments.”.

18 **SEC. 1011. REDUCTION IN BLOCK GRANTS TO STATES FOR**
19 **SOCIAL SERVICES.**

20 Section 2003(c) of the Social Security Act (42 U.S.C.
21 1397b(c)) is amended—

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

24 (2) by striking paragraph (5) and inserting the
25 following:

1 “(5) \$2,800,000,000 for each of the fiscal years
2 1990 through 1996 and for each fiscal year after fis-
3 cal year 2002; and

4 “(6) \$2,520,000,000 for each of the fiscal years
5 1997 through 2002.”.

6 **SEC. 1012. EFFICIENT USE OF FEDERAL TRANSPORTATION**
7 **FUNDS.**

8 The Secretary of Health and Human Services is en-
9 couraged to work in coordination with State agencies to
10 ensure that Federal transportation funds that may be
11 used for the benefit of persons receiving public assistance
12 pursuant to this Act and the amendments made by this
13 Act are most efficiently used for such purpose. The Sec-
14 retary shall work with the individual States to develop cri-
15 teria and measurements to report back to the Congress,
16 within 3 years after the date of the enactment of this Act,
17 the following:

18 (1) The use of competitive contracting or other
19 market-oriented strategies to achieve efficiencies.

20 (2) The efficient use of all related transpor-
21 tation funds to support persons receiving assistance
22 pursuant to this Act and the amendments made by
23 this Act.

24 (3) The actual value derived from transpor-
25 tation services to achieve such purposes.

- 1 (4) The application of such analyses to other
- 2 support services to achieve such purposes.

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