

Calendar No. 426

104TH CONGRESS
2^D SESSION
S. 1823

A BILL

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

MAY 24, 1996

Read twice and ordered placed on the calendar

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IN THE SENATE OF THE UNITED STATES

MAY 24, 1996

Mr. DOLE introduced the following bill; which was read twice and ordered placed on the calendar

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

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Personal Responsibility
 5 and Work Opportunity Act of 1996”.

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

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

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- Sec. 104. Services provided by charitable, religious, or private organizations.
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- Sec. 106. Report on data processing.
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- Sec. 109. Conforming amendments to the Food Stamp Act of 1977 and related
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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-
 17 half received the full amount due. Of the cases en-
 18 forced through the public child support enforcement
 19 system, only 18 percent of the caseload has a collec-
 20 tion.

21 (5) The number of individuals receiving aid to
 22 families with dependent children (in this section re-

1 ferred to as “AFDC”) has more than tripled since
2 1965. More than two-thirds of these recipients are
3 children. Eighty-nine percent of children receiving
4 AFDC benefits now live in homes in which no father
5 is present.

6 (A)(i) The average monthly number of
7 children receiving AFDC benefits—

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

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

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

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

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

17 (B) The Department of Health and
18 Human Services has estimated that 12,000,000
19 children will receive AFDC benefits within 10
20 years.

21 (C) The increase in the number of children
22 receiving public assistance is closely related to
23 the increase in births to unmarried women. Be-
24 tween 1970 and 1991, the percentage of live

1 births to unmarried women increased nearly
2 threefold, from 10.7 percent to 29.5 percent.

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

5 (A) It is estimated that the rate of non-
6 marital teen pregnancy rose 23 percent from 54
7 pregnancies per 1,000 unmarried teenagers in
8 1976 to 66.7 pregnancies in 1991. The overall
9 rate of nonmarital pregnancy rose 14 percent
10 from 90.8 pregnancies per 1,000 unmarried
11 women in 1980 to 103 in both 1991 and 1992.
12 In contrast, the overall pregnancy rate for mar-
13 ried couples decreased 7.3 percent between
14 1980 and 1991, from 126.9 pregnancies per
15 1,000 married women in 1980 to 117.6 preg-
16 nancies in 1991.

17 (B) The total of all out-of-wedlock births
18 between 1970 and 1991 has risen from 10.7
19 percent to 29.5 percent and if the current trend
20 continues, 50 percent of all births by the year
21 2015 will be out-of-wedlock.

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

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

8 (B) Children born out-of-wedlock have a
9 substantially higher risk of being born at a very
10 low or moderately low birth weight.

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

14 (D) Children born out-of-wedlock were
15 more likely to have lower cognitive scores, lower
16 educational aspirations, and a greater likelihood
17 of becoming teenage parents themselves.

18 (E) Being born out-of-wedlock significantly
19 reduces the chances of the child growing up to
20 have an intact marriage.

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

24 (8) Currently 35 percent of children in single-
25 parent homes were born out-of-wedlock, nearly the

1 same percentage as that of children in single-parent
2 homes whose parents are divorced (37 percent).
3 While many parents find themselves, through divorce
4 or tragic circumstances beyond their control, facing
5 the difficult task of raising children alone, neverthe-
6 less, the negative consequences of raising children in
7 single-parent homes are well documented as follows:

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

14 (B) Among single-parent families, nearly
15 $\frac{1}{2}$ of the mothers who never married received
16 AFDC while only $\frac{1}{5}$ of divorced mothers re-
17 ceived AFDC.

18 (C) Children born into families receiving
19 welfare assistance are 3 times more likely to be
20 on welfare when they reach adulthood than chil-
21 dren not born into families receiving welfare.

22 (D) Mothers under 20 years of age are at
23 the greatest risk of bearing low-birth-weight ba-
24 bies.

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

3 (F) Young women who have children be-
4 fore finishing high school are more likely to re-
5 ceive welfare assistance for a longer period of
6 time.

7 (G) Between 1985 and 1990, the public
8 cost of births to teenage mothers under the aid
9 to families with dependent children program,
10 the food stamp program, and the medicaid pro-
11 gram has been estimated at \$120,000,000,000.

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

15 (I) Children of teenage single parents have
16 lower cognitive scores, lower educational aspira-
17 tions, and a greater likelihood of becoming teen-
18 age parents themselves.

19 (J) Children of single-parent homes are 3
20 times more likely to fail and repeat a year in
21 grade school than are children from intact 2-
22 parent families.

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

1 (L) Neighborhoods with larger percentages
2 of youth aged 12 through 20 and areas with
3 higher percentages of single-parent households
4 have higher rates of violent crime.

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

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

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

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

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

2 (a) IN GENERAL.—Part A of title IV (42 U.S.C. 601
3 et seq.) is amended to read as follows:

4 **“PART A—BLOCK GRANTS TO STATES FOR**
5 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

6 **“SEC. 401. PURPOSE.**

7 “(a) IN GENERAL.—The purpose of this part is to
8 increase the flexibility of States in operating a program
9 designed to—

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

13 “(2) end the dependence of needy parents on
14 government benefits by promoting job preparation,
15 work, and marriage;

16 “(3) prevent and reduce the incidence of out-of-
17 wedlock pregnancies and establish annual numerical
18 goals for preventing and reducing the incidence of
19 these pregnancies; and

20 “(4) encourage the formation and maintenance
21 of two-parent families.

22 “(b) NO INDIVIDUAL ENTITLEMENT.—This part
23 shall not be interpreted to entitle any individual or family
24 to assistance under any State program funded under this
25 part.

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

2 “(a) IN GENERAL.—As used in this part, the term
3 ‘eligible State’ means, with respect to a fiscal year, a State
4 that, during the 2-year period immediately preceding the
5 fiscal year, has submitted to the Secretary a plan that in-
6 cludes the following:

7 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
8 GRAM.—

9 “(A) GENERAL PROVISIONS.—A written
10 document that outlines how the State intends to
11 do the following:

12 “(i) Conduct a program, designed to
13 serve all political subdivisions in the State
14 (not necessarily in a uniform manner),
15 that provides assistance to needy families
16 with (or expecting) children and provides
17 parents with job preparation, work, and
18 support services to enable them to leave
19 the program and become self-sufficient.

20 “(ii) Require a parent or caretaker re-
21 ceiving assistance under the program to
22 engage in work (as defined by the State)
23 once the State determines the parent or
24 caretaker is ready to engage in work, or
25 once the parent or caretaker has received
26 assistance under the program for 24

1 months (whether or not consecutive),
2 whichever is earlier.

3 “(iii) Ensure that parents and care-
4 takers receiving assistance under the pro-
5 gram engage in work activities in accord-
6 ance with section 407.

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

13 “(v) Establish goals and take action
14 to prevent and reduce the incidence of out-
15 of-wedlock pregnancies, with special em-
16 phasis on teenage pregnancies, and estab-
17 lish numerical goals for reducing the ille-
18 gitimacy ratio of the State (as defined in
19 section 403(a)(2)(B)) for calendar years
20 1996 through 2005.

21 “(B) SPECIAL PROVISIONS.—

22 “(i) The document shall indicate
23 whether the State intends to treat families
24 moving into the State from another State
25 differently than other families under the

1 program, and if so, how the State intends
2 to treat such families under the program.

3 “(ii) The document shall indicate
4 whether the State intends to provide as-
5 sistance under the program to individuals
6 who are not citizens of the United States,
7 and if so, shall include an overview of such
8 assistance.

9 “(iii) The document shall set forth ob-
10 jective criteria for the delivery of benefits
11 and the determination of eligibility and for
12 fair and equitable treatment, including an
13 explanation of how the State will provide
14 opportunities for recipients who have been
15 adversely affected to be heard in a State
16 administrative or appeal process.

17 “(2) CERTIFICATION THAT THE STATE WILL
18 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
19 GRAM.—A certification by the chief executive officer
20 of the State that, during the fiscal year, the State
21 will operate a child support enforcement program
22 under the State plan approved under part D.

23 “(3) CERTIFICATION THAT THE STATE WILL
24 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
25 tification by the chief executive officer of the State

1 that, during the fiscal year, the State will operate a
2 child protection program under the State plan ap-
3 proved under part B.

4 “(4) CERTIFICATION OF THE ADMINISTRATION
5 OF THE PROGRAM.—A certification by the chief ex-
6 ecutive officer of the State specifying which State
7 agency or agencies will administer and supervise the
8 program referred to in paragraph (1) for the fiscal
9 year, which shall include assurances that local gov-
10 ernments and private sector organizations—

11 “(A) have been consulted regarding the
12 plan and design of welfare services in the State
13 so that services are provided in a manner ap-
14 propriate to local populations; and

15 “(B) have had at least 45 days to submit
16 comments on the plan and the design of such
17 services.

18 “(5) CERTIFICATION THAT THE STATE WILL
19 PROVIDE INDIANS WITH EQUITABLE ACCESS TO AS-
20 SISTANCE.—A certification by the chief executive of-
21 ficer of the State that, during the fiscal year, the
22 State will provide each Indian who is a member of
23 an Indian tribe in the State that does not have a
24 tribal family assistance plan approved under section
25 412 with equitable access to assistance under the

1 State program funded under this part attributable to
2 funds provided by the Federal Government.

3 “(b) PUBLIC AVAILABILITY OF STATE PLAN SUM-
4 MARY.—The State shall make available to the public a
5 summary of any plan submitted by the State under this
6 section.

7 **“SEC. 403. GRANTS TO STATES.**

8 “(a) GRANTS.—

9 “(1) FAMILY ASSISTANCE GRANT.—

10 “(A) IN GENERAL.—Each eligible State
11 shall be entitled to receive from the Secretary,
12 for each of fiscal years 1996, 1997, 1998,
13 1999, 2000, and 2001 a grant in an amount
14 equal to the State family assistance grant.

15 “(B) STATE FAMILY ASSISTANCE GRANT
16 DEFINED.—As used in this part, the term
17 ‘State family assistance grant’ means the great-
18 est of—

19 “(i) $\frac{1}{3}$ of the total amount required
20 to be paid to the State under former sec-
21 tion 403 (as in effect on September 30,
22 1995) for fiscal years 1992, 1993, and
23 1994 (other than with respect to amounts
24 expended by the State for child care under

1 subsection (g) or (i) of former section 402
2 (as so in effect));

3 “(ii)(I) the total amount required to
4 be paid to the State under former section
5 403 for fiscal year 1994 (other than with
6 respect to amounts expended by the State
7 for child care under subsection (g) or (i) of
8 former section 402 (as so in effect)); plus

9 “(II) an amount equal to 85 percent
10 of the amount (if any) by which the total
11 amount required to be paid to the State
12 under former section 403(a)(5) for emer-
13 gency assistance for fiscal year 1995 ex-
14 ceeds the total amount required to be paid
15 to the State under former section
16 403(a)(5) for fiscal year 1994, if, during
17 fiscal year 1994 or 1995, the Secretary ap-
18 proved under former section 402 an
19 amendment to the former State plan with
20 respect to the provision of emergency as-
21 sistance in the context of family preserva-
22 tion; or

23 “(iii) $\frac{4}{3}$ of the total amount required
24 to be paid to the State under former sec-
25 tion 403 (as in effect on September 30,

1 1995) for the 1st 3 quarters of fiscal year
2 1995 (other than with respect to amounts
3 expended by the State under the State
4 plan approved under part F (as so in ef-
5 fect) or for child care under subsection (g)
6 or (i) of former section 402 (as so in ef-
7 fect)), plus the total amount required to be
8 paid to the State for fiscal year 1995
9 under former section 403(l) (as so in ef-
10 fect).

11 “(C) TOTAL AMOUNT REQUIRED TO BE
12 PAID TO THE STATE UNDER FORMER SECTION
13 403 DEFINED.—As used in this part, the term
14 ‘total amount required to be paid to the State
15 under former section 403’ means, with respect
16 to a fiscal year—

17 “(i) in the case of a State to which
18 section 1108 does not apply, the sum of—

19 “(I) the Federal share of mainte-
20 nance assistance expenditures for the
21 fiscal year, before reduction pursuant
22 to subparagraph (B) or (C) of section
23 403(b)(2) (as in effect on September
24 30, 1995), as reported by the State on
25 ACF Form 231;

1 “(II) the Federal share of admin-
2 istrative expenditures (including ad-
3 ministrative expenditures for the de-
4 velopment of management information
5 systems) for the fiscal year, as re-
6 ported by the State on ACF Form
7 231;

8 “(III) the Federal share of emer-
9 gency assistance expenditures for the
10 fiscal year, as reported by the State
11 on ACF Form 231;

12 “(IV) the Federal share of ex-
13 penditures for the fiscal year with re-
14 spect to child care pursuant to sub-
15 sections (g) and (i) of former section
16 402 (as in effect on September 30,
17 1995), as reported by the State on
18 ACF Form 231; and

19 “(V) the aggregate amount re-
20 quired to be paid to the State for the
21 fiscal year with respect to the State
22 program operated under part F (as in
23 effect on September 30, 1995), as de-
24 termined by the Secretary, including
25 additional obligations or reductions in

1 obligations made after the close of the
2 fiscal year; and

3 “(ii) in the case of a State to which
4 section 1108 applies, the lesser of—

5 “(I) the sum described in clause
6 (i); or

7 “(II) the total amount certified
8 by the Secretary under former section
9 403 (as in effect during the fiscal
10 year) with respect to the territory.

11 “(D) INFORMATION TO BE USED IN DE-
12 TERMINING AMOUNTS.—

13 “(i) FOR FISCAL YEARS 1992 AND
14 1993.—

15 “(I) In determining the amounts
16 described in subclauses (I) through
17 (IV) of subparagraph (C)(i) for any
18 State for each of fiscal years 1992
19 and 1993, the Secretary shall use in-
20 formation available as of April 28,
21 1995.

22 “(II) In determining the amount
23 described in subparagraph (C)(i)(V)
24 for any State for each of fiscal years
25 1992 and 1993, the Secretary shall

1 use information available as of Janu-
2 ary 6, 1995.

3 “(ii) FOR FISCAL YEAR 1994.—In de-
4 termining the amounts described in sub-
5 paragraph (C)(i) for any State for fiscal
6 year 1994, the Secretary shall use informa-
7 tion available as of April 28, 1995.

8 “(iii) FOR FISCAL YEAR 1995.—

9 “(I) In determining the amount
10 described in subparagraph (B)(ii)(II)
11 for any State for fiscal year 1995, the
12 Secretary shall use the information
13 which was reported by the States and
14 estimates made by the States with re-
15 spect to emergency assistance expend-
16 itures and was available as of August
17 11, 1995.

18 “(II) In determining the amounts
19 described in subclauses (I) through
20 (III) of subparagraph (C)(i) for any
21 State for fiscal year 1995, the Sec-
22 retary shall use information available
23 as of October 2, 1995.

24 “(III) In determining the amount
25 described in subparagraph (C)(i)(IV)

1 for any State for fiscal year 1995, the
2 Secretary shall use information avail-
3 able as of February 28, 1996.

4 “(IV) In determining the amount
5 described in subparagraph (C)(i)(V)
6 for any State for fiscal year 1995, the
7 Secretary shall use information avail-
8 able as of October 5, 1995.

9 “(E) APPROPRIATION.—Out of any money
10 in the Treasury of the United States not other-
11 wise appropriated, there are appropriated for
12 fiscal years 1996, 1997, 1998, 1999, 2000, and
13 2001 such sums as are necessary for grants
14 under this paragraph.

15 “(2) GRANT TO REWARD STATES THAT REDUCE
16 OUT-OF-WEDLOCK BIRTHS.—

17 “(A) IN GENERAL.—Each eligible State
18 shall be entitled to receive from the Secretary
19 for fiscal year 1998 or any succeeding fiscal
20 year, a grant in an amount equal to the State
21 family assistance grant multiplied by—

22 “(i) 5 percent if—

23 “(I) the illegitimacy ratio of the
24 State for the fiscal year is at least 1
25 percentage point lower than the ille-

1 gitimacy ratio of the State for fiscal
2 year 1995; and

3 “(II) the rate of induced preg-
4 nancy terminations in the State for
5 the fiscal year is less than the rate of
6 induced pregnancy terminations in the
7 State for fiscal year 1995; or

8 “(ii) 10 percent if—

9 “(I) the illegitimacy ratio of the
10 State for the fiscal year is at least 2
11 percentage points lower than the ille-
12 gitimacy ratio of the State for fiscal
13 year 1995; and

14 “(II) the rate of induced preg-
15 nancy terminations in the State for
16 the fiscal year is less than the rate of
17 induced pregnancy terminations in the
18 State for fiscal year 1995.

19 “(B) ILLEGITIMACY RATIO.—As used in
20 this paragraph, the term ‘illegitimacy ratio’
21 means, with respect to a State and a fiscal
22 year—

23 “(i) the number of out-of-wedlock
24 births that occurred in the State during

1 the most recent fiscal year for which such
2 information is available; divided by

3 “(ii) the number of births that oc-
4 curred in the State during the most recent
5 fiscal year for which such information is
6 available.

7 “(C) DISREGARD OF CHANGES IN DATA
8 DUE TO CHANGED REPORTING METHODS.—For
9 purposes of subparagraph (A), the Secretary
10 shall disregard—

11 “(i) any difference between the illegit-
12 imacy ratio of a State for a fiscal year and
13 the illegitimacy ratio of the State for fiscal
14 year 1995 which is attributable to a
15 change in State methods of reporting data
16 used to calculate the illegitimacy ratio; and

17 “(ii) any difference between the rate
18 of induced pregnancy terminations in a
19 State for a fiscal year and such rate for
20 fiscal year 1995 which is attributable to a
21 change in State methods of reporting data
22 used to calculate such rate.

23 “(D) APPROPRIATION.—Out of any money
24 in the Treasury of the United States not other-
25 wise appropriated, there are appropriated for

1 fiscal year 1998 and for each succeeding fiscal
2 year such sums as are necessary for grants
3 under this paragraph.

4 “(3) SUPPLEMENTAL GRANT FOR POPULATION
5 INCREASES IN CERTAIN STATES.—

6 “(A) IN GENERAL.—Each qualifying State
7 shall, subject to subparagraph (F), be entitled
8 to receive from the Secretary—

9 “(i) for fiscal year 1997 a grant in an
10 amount equal to 2.5 percent of the total
11 amount required to be paid to the State
12 under former section 403 (as in effect dur-
13 ing fiscal year 1994) for fiscal year 1994;
14 and

15 “(ii) for each of fiscal years 1998,
16 1999, and 2000, a grant in an amount
17 equal to the sum of—

18 “(I) the amount (if any) required
19 to be paid to the State under this
20 paragraph for the immediately preced-
21 ing fiscal year; and

22 “(II) 2.5 percent of the sum of—

23 “(aa) the total amount re-
24 quired to be paid to the State
25 under former section 403 (as in

1 effect during fiscal year 1994)
2 for fiscal year 1994; and

3 “(bb) the amount (if any)
4 required to be paid to the State
5 under this paragraph for the fis-
6 cal year preceding the fiscal year
7 for which the grant is to be
8 made.

9 “(B) PRESERVATION OF GRANT WITHOUT
10 INCREASES FOR STATES FAILING TO REMAIN
11 QUALIFYING STATES.—Each State that is not a
12 qualifying State for a fiscal year specified in
13 subparagraph (A)(ii) but was a qualifying State
14 for a prior fiscal year shall, subject to subpara-
15 graph (F), be entitled to receive from the Sec-
16 retary for the specified fiscal year, a grant in
17 an amount equal to the amount required to be
18 paid to the State under this paragraph for the
19 most recent fiscal year for which the State was
20 a qualifying State.

21 “(C) QUALIFYING STATE.—

22 “(i) IN GENERAL.—For purposes of
23 this paragraph, a State is a qualifying
24 State for a fiscal year if—

1 “(I) the level of welfare spending
2 per poor person by the State for the
3 immediately preceding fiscal year is
4 less than the national average level of
5 State welfare spending per poor per-
6 son for such preceding fiscal year; and

7 “(II) the population growth rate
8 of the State (as determined by the
9 Bureau of the Census) for the most
10 recent fiscal year for which informa-
11 tion is available exceeds the average
12 population growth rate for all States
13 (as so determined) for such most re-
14 cent fiscal year.

15 “(ii) STATE MUST QUALIFY IN FISCAL
16 YEAR 1997.—Notwithstanding clause (i), a
17 State shall not be a qualifying State for
18 any fiscal year after 1997 by reason of
19 clause (i) if the State is not a qualifying
20 State for fiscal year 1997 by reason of
21 clause (i).

22 “(iii) CERTAIN STATES DEEMED
23 QUALIFYING STATES.—For purposes of
24 this paragraph, a State is deemed to be a

1 qualifying State for fiscal years 1997,
2 1998, 1999, and 2000 if—

3 “(I) the level of welfare spending
4 per poor person by the State for fiscal
5 year 1996 is less than 35 percent of
6 the national average level of State
7 welfare spending per poor person for
8 fiscal year 1996; or

9 “(II) the population of the State
10 increased by more than 10 percent
11 from April 1, 1990 to July 1, 1994,
12 according to the population estimates
13 in publication CB94-204 of the Bu-
14 reau of the Census.

15 “(D) DEFINITIONS.—As used in this para-
16 graph:

17 “(i) LEVEL OF WELFARE SPENDING
18 PER POOR PERSON.—The term ‘level of
19 State welfare spending per poor person’
20 means, with respect to a State and a fiscal
21 year—

22 “(I) the sum of—

23 “(aa) the total amount re-
24 quired to be paid to the State
25 under former section 403 (as in

1 effect during fiscal year 1994)
2 for fiscal year 1994; and

3 “(bb) the amount (if any)
4 paid to the State under this
5 paragraph for the immediately
6 preceding fiscal year; divided by

7 “(II) the number of individuals,
8 according to the 1990 decennial cen-
9 sus, who were residents of the State
10 and whose income was below the pov-
11 erty line.

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

18 “(I) the total amount required to
19 be paid to the States under former
20 section 403 (as in effect during fiscal
21 year 1994) for fiscal year 1994; di-
22 vided by

23 “(II) the number of individuals,
24 according to the 1990 decennial cen-
25 sus, who were residents of any State

1 and whose income was below the pov-
2 erty line.

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

6 “(E) APPROPRIATION.—Out of any money
7 in the Treasury of the United States not other-
8 wise appropriated, there are appropriated for
9 fiscal years 1997, 1998, 1999, and 2000 such
10 sums as are necessary for grants under this
11 paragraph, in a total amount not to exceed
12 \$800,000,000.

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

23 “(G) BUDGET SCORING.—Notwithstanding
24 section 257(b)(2) of the Balanced Budget and
25 Emergency Deficit Control Act of 1985, the

1 baseline shall assume that no grant shall be
2 made under this paragraph after fiscal year
3 2000.

4 “(4) BONUS TO REWARD HIGH PERFORMANCE
5 STATES.—

6 “(A) IN GENERAL.—The Secretary shall
7 make a grant pursuant to this paragraph to
8 each State for each bonus year for which the
9 State is a high performing State.

10 “(B) AMOUNT OF GRANT.—

11 “(i) IN GENERAL.—Subject to clause
12 (ii) of this subparagraph, the Secretary
13 shall determine the amount of the grant
14 payable under this paragraph to a high
15 performing State for a bonus year, which
16 shall be based on the score assigned to the
17 State under subparagraph (D)(i) for the
18 fiscal year that immediately precedes the
19 bonus year.

20 “(ii) LIMITATION.—The amount pay-
21 able to a State under this paragraph for a
22 bonus year shall not exceed 5 percent of
23 the State family assistance grant.

24 “(C) FORMULA FOR MEASURING STATE
25 PERFORMANCE.—Not later than 1 year after

1 the date of the enactment of the Personal Re-
2 sponsibility and Work Opportunity Act of 1996,
3 the Secretary, in consultation with the National
4 Governors' Association and the American Pub-
5 lic Welfare Association, shall develop a formula
6 for measuring State performance in operating
7 the State program funded under this part so as
8 to achieve the goals set forth in section 401(a),
9 based on employment-related criteria which may
10 include such factors as the number of families
11 that become ineligible for assistance under the
12 State program funded under this part as a re-
13 sult of unsubsidized employment and the extent
14 to which the State exceeds the work participa-
15 tion rates required by section 407(a) and may
16 take into account the unemployment conditions
17 of the State.

18 “(D) SCORING OF STATE PERFORMANCE;
19 SETTING OF PERFORMANCE THRESHOLDS.—
20 For each bonus year, the Secretary shall—

21 “(i) use the formula developed under
22 subparagraph (C) to assign a score to each
23 eligible State for the fiscal year that imme-
24 diately precedes the bonus year; and

1 “(ii) prescribe a performance thresh-
2 old in such a manner so as to ensure
3 that—

4 “(I) the average annual total
5 amount of grants to be made under
6 this paragraph for each bonus year
7 equals \$200,000,000; and

8 “(II) the total amount of grants
9 to be made under this paragraph for
10 all bonus years equals
11 \$1,000,000,000.

12 “(E) DEFINITIONS.—As used in this para-
13 graph:

14 “(i) BONUS YEAR.—The term ‘bonus
15 year’ means fiscal years 1999, 2000, 2001,
16 2002, and 2003.

17 “(ii) HIGH PERFORMING STATE.—The
18 term ‘high performing State’ means, with
19 respect to a bonus year, an eligible State
20 whose score assigned pursuant to subpara-
21 graph (D)(i) for the fiscal year imme-
22 diately preceding the bonus year equals or
23 exceeds the performance threshold pre-
24 scribed under subparagraph (D)(ii) for
25 such preceding fiscal year.

1 “(F) APPROPRIATION.—Out of any money
2 in the Treasury of the United States not other-
3 wise appropriated, there are appropriated for
4 fiscal years 1999 through 2003 \$1,000,000,000
5 for grants under this paragraph.

6 “(b) CONTINGENCY FUND.—

7 “(1) ESTABLISHMENT.—There is hereby estab-
8 lished in the Treasury of the United States a fund
9 which shall be known as the ‘Contingency Fund for
10 State Welfare Programs’ (in this section referred to
11 as the ‘Fund’).

12 “(2) DEPOSITS INTO FUND.—Out of any money
13 in the Treasury of the United States not otherwise
14 appropriated, there are appropriated for fiscal years
15 1997, 1998, 1999, 2000, and 2001 such sums as are
16 necessary for payment to the Fund in a total
17 amount not to exceed \$2,000,000,000.

18 “(3) GRANTS.—

19 “(A) PROVISIONAL PAYMENTS.—If an eli-
20 gible State submits to the Secretary a request
21 for funds under this paragraph during an eligi-
22 ble month, the Secretary shall, subject to this
23 paragraph, pay to the State, from amounts ap-
24 propriated pursuant to paragraph (2), an

1 amount equal to the amount of funds so re-
2 requested.

3 “(B) PAYMENT PRIORITY.—The Secretary
4 shall make payments under subparagraph (A)
5 in the order in which the Secretary receives re-
6 quests for such payments.

7 “(C) LIMITATIONS.—

8 “(i) MONTHLY PAYMENT TO A
9 STATE.—The total amount paid to a single
10 State under subparagraph (A) during a
11 month shall not exceed $\frac{1}{12}$ of 20 percent
12 of the State family assistance grant.

13 “(ii) PAYMENTS TO ALL STATES.—
14 The total amount paid to all States under
15 subparagraph (A) during fiscal years 1997
16 through 2001 shall not exceed the total
17 amount appropriated pursuant to para-
18 graph (2).

19 “(4) ANNUAL RECONCILIATION.—Notwithstand-
20 ing paragraph (3), at the end of each fiscal year,
21 each State shall remit to the Secretary an amount
22 equal to the amount (if any) by which the total
23 amount paid to the State under paragraph (3) dur-
24 ing the fiscal year exceeds—

1 “(A) the Federal medical assistance per-
2 centage for the State for the fiscal year (as de-
3 fined in section 1905(b), as in effect on Sep-
4 tember 30, 1995) of the amount (if any) by
5 which the expenditures under the State pro-
6 gram funded under this part for the fiscal year
7 exceed historic State expenditures (as defined in
8 section 409(a)(7)(B)(iii)); multiplied by

9 “(B) $\frac{1}{12}$ times the number of months dur-
10 ing the fiscal year for which the Secretary
11 makes a payment to the State under this sub-
12 section.

13 “(5) ELIGIBLE MONTH.—As used in paragraph
14 (3)(A), the term ‘eligible month’ means, with respect
15 to a State, a month in the 2-month period that be-
16 gins with any month for which the State is a needy
17 State.

18 “(6) NEEDY STATE.—For purposes of para-
19 graph (5), a State is a needy State for a month if—

20 “(A) the average rate of—

21 “(i) total unemployment in such State
22 (seasonally adjusted) for the period con-
23 sisting of the most recent 3 months for
24 which data for all States are published
25 equals or exceeds 6.5 percent; and

1 “(ii) total unemployment in such
2 State (seasonally adjusted) for the 3-
3 month period equals or exceeds 110 per-
4 cent of such average rate for either (or
5 both) of the corresponding 3-month periods
6 ending in the 2 preceding calendar years;
7 or

8 “(B) as determined by the Secretary of
9 Agriculture (in the discretion of the Secretary
10 of Agriculture), the monthly average number of
11 individuals (as of the last day of each month)
12 participating in the food stamp program in the
13 State in the then most recently concluded 3-
14 month period for which data are available ex-
15 ceeds by not less than 10 percent the lesser
16 of—

17 “(i) the monthly average number of
18 individuals (as of the last day of each
19 month) in the State that would have par-
20 ticipated in the food stamp program in the
21 corresponding 3-month period in fiscal
22 year 1994 if the amendments made by ti-
23 tles IV and X of the Personal Responsibil-
24 ity and Work Opportunity Act of 1996 had

1 been in effect throughout fiscal year 1994;
2 or

3 “(ii) the monthly average number of
4 individuals (as of the last day of each
5 month) in the State that would have par-
6 ticipated in the food stamp program in the
7 corresponding 3-month period in fiscal
8 year 1995 if the amendments made by ti-
9 tles IV and X of the Personal Responsibil-
10 ity and Work Opportunity Act of 1996 had
11 been in effect throughout fiscal year 1995.

12 “(7) OTHER TERMS DEFINED.—As used in this
13 subsection:

14 “(A) STATE.—The term ‘State’ means
15 each of the 50 States of the United States and
16 the District of Columbia.

17 “(B) SECRETARY.—The term ‘Secretary’
18 means the Secretary of the Treasury.

19 “(8) ANNUAL REPORTS.—The Secretary shall
20 annually report to the Congress on the status of the
21 Fund.

22 “(9) BUDGET SCORING.—Notwithstanding sec-
23 tion 257(b)(2) of the Balanced Budget and Emer-
24 gency Deficit Control Act of 1985, the baseline shall

1 assume that no grant shall be made under this sub-
2 section after fiscal year 2001.

3 **“SEC. 404. USE OF GRANTS.**

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

7 “(1) in any manner that is reasonably cal-
8 culated to accomplish the purpose of this part, in-
9 cluding to provide low income households with as-
10 sistance in meeting home heating and cooling costs;
11 or

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

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

17 “(1) LIMITATION.—A State to which a grant is
18 made under section 403 shall not expend more than
19 15 percent of the grant for administrative purposes.

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

24 “(c) AUTHORITY TO TREAT INTERSTATE IMMI-
25 GRANTS UNDER RULES OF FORMER STATE.—A State op-

1 erating a program funded under this part may apply to
2 a family the rules (including benefit amounts) of the pro-
3 gram funded under this part of another State if the family
4 has moved to the State from the other State and has re-
5 sided in the State for less than 12 months.

6 “(d) AUTHORITY TO USE PORTION OF GRANT FOR
7 OTHER PURPOSES.—

8 “(1) IN GENERAL.—A State may use not more
9 than 30 percent of the amount of the grant made to
10 the State under section 403 for a fiscal year to carry
11 out a State program pursuant to any or all of the
12 following provisions of law:

13 “(A) Part B or E of this title.

14 “(B) Title XX of this Act.

15 “(C) The Child Care and Development
16 Block Grant Act of 1990.

17 “(2) APPLICABLE RULES.—Any amount paid to
18 the State under this part that is used to carry out
19 a State program pursuant to a provision of law spec-
20 ified or described in paragraph (1) shall not be sub-
21 ject to the requirements of this part, but shall be
22 subject to the requirements that apply to Federal
23 funds provided directly under the provision of law to
24 carry out the program.

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

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

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

19 **“SEC. 405. ADMINISTRATIVE PROVISIONS.**

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

23 “(b) NOTIFICATION.—Not later than 3 months before
24 the payment of any such quarterly installment to a State,
25 the Secretary shall notify the State of the amount of any

1 reduction determined under section 412(a)(1)(B) with re-
2 spect to the State.

3 “(c) COMPUTATION AND CERTIFICATION OF PAY-
4 MENTS TO STATES.—

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

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

22 “(d) PAYMENT METHOD.—Upon receipt of a certifi-
23 cation under subsection (c)(2) with respect to a State, the
24 Secretary of the Treasury shall, through the Fiscal Service
25 of the Department of the Treasury and before audit or

1 settlement by the General Accounting Office, pay to the
2 State, at the time or times fixed by the Secretary of
3 Health and Human Services, the amount so certified.

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

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

21 “(2) REGULATIONS.—The Secretary of the
22 Treasury shall issue regulations, after review by the
23 Secretary of Health and Human services, that pro-
24 vide—

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

4 “(i) who are no longer receiving as-
5 sistance under the State program funded
6 under this part;

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

13 “(iii) to whom the State agency has
14 given notice of its intent to request with-
15 holding by the Secretary of the Treasury
16 from the income tax refunds of such indi-
17 viduals;

18 “(B) that the Secretary of the Treasury
19 will give a timely and appropriate notice to any
20 other person filing a joint return with the indi-
21 vidual whose refund is subject to withholding
22 under paragraph (1); and

23 “(C) the procedures that the State and the
24 Secretary of the Treasury will follow in carrying
25 out this subsection which, to the maximum ex-

1 tent feasible and consistent with the provisions
2 of this subsection, will be the same as those is-
3 sued pursuant to section 464(b) applicable to
4 collection of past-due child support.

5 **“SEC. 406. FEDERAL LOANS FOR STATE WELFARE PRO-**
6 **GRAMS.**

7 “(a) LOAN AUTHORITY.—

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

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

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

21 “(c) USE OF LOAN.—A State shall use a loan made
22 to the State under this section only for any purpose for
23 which grant amounts received by the State under section
24 403(a) may be used, including—

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

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

5 “(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO
6 A STATE.—The cumulative dollar amount of all loans
7 made to a State under this section during fiscal years
8 1997 through 2001 shall not exceed 10 percent of the
9 State family assistance grant.

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

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

17 **“SEC. 407. MANDATORY WORK REQUIREMENTS.**

18 “(a) PARTICIPATION RATE REQUIREMENTS.—

19 “(1) ALL FAMILIES.—A State to which a grant
20 is made under section 403 for a fiscal year shall
21 achieve the minimum participation rate specified in
22 the following table for the fiscal year with respect to
23 all families receiving assistance under the State pro-
24 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.

1 “(2) 2-PARENT FAMILIES.—A State to which a
 2 grant is made under section 403 for a fiscal year
 3 shall achieve the minimum participation rate speci-
 4 fied in the following table for the fiscal year with re-
 5 spect to 2-parent families receiving assistance under
 6 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.

7 “(b) CALCULATION OF PARTICIPATION RATES.—

8 “(1) ALL FAMILIES.—

9 “(A) AVERAGE MONTHLY RATE.—For pur-
 10 poses of subsection (a)(1), the participation
 11 rate for all families of a State for a fiscal year
 12 is the average of the participation rates for all
 13 families of the State for each month in the fis-
 14 cal year.

15 “(B) MONTHLY PARTICIPATION RATES.—

16 The participation rate of a State for all families

1 of the State for a month, expressed as a per-
2 centage, is—

3 “(i) the number of families receiving
4 assistance under the State program funded
5 under this part that include an adult who
6 is engaged in work for the month; divided
7 by

8 “(ii) the amount by which—

9 “(I) the number of families re-
10 ceiving such assistance during the
11 month that include an adult receiving
12 such assistance; exceeds

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

21 “(2) 2-PARENT FAMILIES.—

22 “(A) AVERAGE MONTHLY RATE.—For pur-
23 poses of subsection (a)(2), the participation
24 rate for 2-parent families of a State for a fiscal
25 year is the average of the participation rates for

1 2-parent families of the State for each month in
2 the fiscal year.

3 “(B) MONTHLY PARTICIPATION RATES.—

4 The participation rate of a State for 2-parent
5 families of the State for a month shall be cal-
6 culated by use of the formula set forth in para-
7 graph (1)(B), except that in the formula the
8 term ‘number of 2-parent families’ shall be sub-
9 stituted for the term ‘number of families’ each
10 place such latter term appears.

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

14 “(A) IN GENERAL.—The Secretary shall
15 prescribe regulations for reducing the minimum
16 participation rate otherwise required by this
17 section for a fiscal year by the number of per-
18 centage points equal to the number of percent-
19 age points (if any) by which—

20 “(i) the number of families receiving
21 assistance during the fiscal year under the
22 State program funded under this part is
23 less than

24 “(ii) the number of families that re-
25 ceived aid under the State plan approved

1 under part A (as in effect on September
2 30, 1995) during fiscal year 1995.

3 The minimum participation rate shall not be re-
4 duced to the extent that the Secretary deter-
5 mines that the reduction in the number of fami-
6 lies receiving such assistance is required by
7 Federal law.

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

22 “(4) STATE OPTION TO INCLUDE INDIVIDUALS
23 RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY
24 ASSISTANCE PLAN.—For purposes of paragraphs
25 (1)(B) and (2)(B), a State may, at its option, in-

1 include families receiving assistance under a tribal
 2 family assistance plan approved under section 412.

3 “(5) STATE OPTION FOR PARTICIPATION RE-
 4 QUIREMENT EXEMPTIONS.—For any fiscal year, a
 5 State may, at its option, not require an individual
 6 who is a single custodial parent caring for a child
 7 who has not attained 12 months of age to engage in
 8 work and may disregard such an individual in deter-
 9 mining the participation rates under subsection (a).

10 “(c) ENGAGED IN WORK.—

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

“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.

20 “(2) 2-PARENT FAMILIES.—For purposes of
 21 subsection (b)(2)(B)(i), an adult is engaged in work
 22 for a month in a fiscal year if the adult is making

1 progress in work activities for at least 35 hours per
2 week during the month, not fewer than 30 hours per
3 week of which are attributable to an activity de-
4 scribed in paragraph (1), (2), (3), (4), (5), (6), (7),
5 or (8) of subsection (d).

6 “(3) LIMITATION ON NUMBER OF WEEKS FOR
7 WHICH JOB SEARCH COUNTS AS WORK.—Notwith-
8 standing paragraphs (1) and (2), an individual shall
9 not be considered to be engaged in work by virtue
10 of participation in an activity described in subsection
11 (d)(6), after the individual has participated in such
12 an activity for 12 weeks in a fiscal year. An individ-
13 ual shall be considered to be participating in such an
14 activity for a week if the individual participates in
15 such an activity at any time during the week.

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

1 “(5) SINGLE PARENT WITH CHILD UNDER AGE
2 6 DEEMED TO BE MEETING WORK PARTICIPATION
3 REQUIREMENTS IF PARENT IS ENGAGED IN WORK
4 FOR 20 HOURS PER WEEK.—For purposes of deter-
5 mining monthly participation rates under subsection
6 (b)(1)(B)(i), a recipient in a 1-parent family who is
7 the parent of a child who has not attained 6 years
8 of age is deemed to be engaged in work for a month
9 if the recipient is engaged in work for an average of
10 at least 20 hours per week during the month.

11 “(6) TEEN HEAD OF HOUSEHOLD WHO MAIN-
12 TAINS SATISFACTORY SCHOOL ATTENDANCE
13 DEEMED TO BE MEETING WORK PARTICIPATION RE-
14 QUIREMENTS.—For purposes of determining month-
15 ly participation rates under subsection (b)(1)(B)(i),
16 a recipient who is a single head of household and
17 has not attained 20 years of age is deemed to be en-
18 gaged in work for a month in a fiscal year if the re-
19 cipient—

20 “(A) maintains satisfactory attendance at
21 secondary school or the equivalent during the
22 month; or

23 “(B) participates in education directly re-
24 lated to employment for at least the minimum

1 average number of hours per week specified in
2 the table set forth in paragraph (1).

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

5 “(1) unsubsidized employment;

6 “(2) subsidized private sector employment;

7 “(3) subsidized public sector employment;

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

11 “(5) on-the-job training;

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

13 “(7) community service programs;

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

16 “(9) job skills training directly related to em-
17 ployment;

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

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

24 “(A) has not completed secondary school;

25 and

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

3 “(e) PENALTIES AGAINST INDIVIDUALS.—

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

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

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

17 “(2) EXCEPTION.—Notwithstanding paragraph
18 (1), a State may not reduce or terminate assistance
19 under the State program funded under this part
20 based on a refusal of an adult to work if the adult
21 is a single custodial parent caring for a child who
22 has not attained 6 years of age, and the adult proves
23 that the adult has a demonstrated inability (as de-
24 termined by the State) to obtain needed child care,
25 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) SENSE OF THE CONGRESS.—It is the sense of
9 the Congress that in complying with this section, each
10 State that operates a program funded under this part is
11 encouraged to assign the highest priority to requiring
12 adults in 2-parent families and adults in single-parent
13 families that include older preschool or school-age children
14 to be engaged in work activities.

15 “(h) SENSE OF THE CONGRESS THAT STATES
16 SHOULD IMPOSE CERTAIN REQUIREMENTS ON NON-
17 CUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the
18 sense of the Congress that the States should require non-
19 custodial, nonsupporting parents who have not attained 18
20 years of age to fulfill community work obligations and at-
21 tend appropriate parenting or money management classes
22 after school.

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

24 “(a) IN GENERAL.—

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

6 “(A) a minor child who resides with a cus-
7 todial parent or other adult caretaker relative of
8 the child; or

9 “(B) a pregnant individual.

10 “(2) REDUCTION OR ELIMINATION OF ASSIST-
11 ANCE FOR NONCOOPERATION IN ESTABLISHING PA-
12 TERNITY OR OBTAINING CHILD SUPPORT.—If the
13 agency responsible for administering the State plan
14 approved under part D determines that an individual
15 is not cooperating with the State in establishing pa-
16 ternity or in establishing, modifying, or enforcing a
17 support order with respect to a child of the individ-
18 ual, and the individual does not qualify for any good
19 cause or other exception established by the State
20 pursuant to section 454(29), then the State—

21 “(A) shall deduct from the assistance that
22 would otherwise be provided to the family of the
23 individual under the State program funded
24 under this part the share of such assistance at-
25 tributable to the individual; and

1 “(B) may deny the family any assistance
2 under the State program.

3 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-
4 SIGNING CERTAIN SUPPORT RIGHTS TO THE
5 STATE.—

6 “(A) IN GENERAL.—A State to which a
7 grant is made under section 403 shall require,
8 as a condition of providing assistance to a fam-
9 ily under the State program funded under this
10 part, that a member of the family assign to the
11 State any rights the family member may have
12 (on behalf of the family member or of any other
13 person for whom the family member has applied
14 for or is receiving such assistance) to support
15 from any other person, not exceeding the total
16 amount of assistance so provided to the family,
17 which accrue (or have accrued) before the date
18 the family leaves the program, which assign-
19 ment, on and after the date the family leaves
20 the program, shall not apply with respect to any
21 support (other than support collected pursuant
22 to section 464) which accrued before the family
23 received such assistance and which the State
24 has not collected by—

1 “(i) September 30, 2000, if the as-
2 signment is executed on or after October 1,
3 1997, and before October 1, 2000; or

4 “(ii) the date the family leaves the
5 program, if the assignment is executed on
6 or after October 1, 2000.

7 “(B) LIMITATION.—A State to which a
8 grant is made under section 403 shall not re-
9 quire, as a condition of providing assistance to
10 any family under the State program funded
11 under this part, that a member of the family
12 assign to the State any rights to support de-
13 scribed in subparagraph (A) which accrue after
14 the date the family leaves the program, except
15 to the extent necessary to enable the State to
16 comply with section 457.

17 “(4) NO ASSISTANCE FOR TEENAGE PARENTS
18 WHO DO NOT ATTEND HIGH SCHOOL OR OTHER
19 EQUIVALENT TRAINING PROGRAM.—A State to
20 which a grant is made under section 403 shall not
21 use any part of the grant to provide assistance to an
22 individual who has not attained 18 years of age, is
23 not married, has a minor child at least 12 weeks of
24 age in his or her care, and has not successfully com-

1 pleted a high-school education (or its equivalent), if
2 the individual does not participate in—

3 “(A) educational activities directed toward
4 the attainment of a high school diploma or its
5 equivalent; or

6 “(B) an alternative educational or training
7 program that has been approved by the State.

8 “(5) NO ASSISTANCE FOR TEENAGE PARENTS
9 NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

10 “(A) IN GENERAL.—

11 “(i) REQUIREMENT.—Except as pro-
12 vided in subparagraph (B), a State to
13 which a grant is made under section 403
14 shall not use any part of the grant to pro-
15 vide assistance to an individual described
16 in clause (ii) of this subparagraph if the
17 individual and the minor child referred to
18 in clause (ii)(II) do not reside in a place of
19 residence maintained by a parent, legal
20 guardian, or other adult relative of the in-
21 dividual as such parent’s, guardian’s, or
22 adult relative’s own home.

23 “(ii) INDIVIDUAL DESCRIBED.—For
24 purposes of clause (i), an individual de-

1 scribed in this clause is an individual
2 who—

3 “(I) has not attained 18 years of
4 age; and

5 “(II) is not married, and has a
6 minor child in his or her care.

7 “(B) EXCEPTION.—

8 “(i) PROVISION OF, OR ASSISTANCE IN
9 LOCATING, ADULT-SUPERVISED LIVING AR-
10 RANGEMENT.—In the case of an individual
11 who is described in clause (ii), the State
12 agency referred to in section 402(a)(4)
13 shall provide, or assist the individual in lo-
14 cating, a second chance home, maternity
15 home, or other appropriate adult-super-
16 vised supportive living arrangement, taking
17 into consideration the needs and concerns
18 of the individual, unless the State agency
19 determines that the individual’s current
20 living arrangement is appropriate, and
21 thereafter shall require that the individual
22 and the minor child referred to in subpara-
23 graph (A)(ii)(II) reside in such living ar-
24 rangement as a condition of the continued
25 receipt of assistance under the State pro-

1 gram funded under this part attributable
2 to funds provided by the Federal Govern-
3 ment (or in an alternative appropriate ar-
4 rangement, should circumstances change
5 and the current arrangement cease to be
6 appropriate).

7 “(ii) INDIVIDUAL DESCRIBED.—For
8 purposes of clause (i), an individual is de-
9 scribed in this clause if the individual is
10 described in subparagraph (A)(ii), and—

11 “(I) the individual has no parent,
12 legal guardian or other appropriate
13 adult relative described in subclause
14 (II) of his or her own who is living or
15 whose whereabouts are known;

16 “(II) no living parent, legal
17 guardian, or other appropriate adult
18 relative, who would otherwise meet
19 applicable State criteria to act as the
20 individual’s legal guardian, of such in-
21 dividual allows the individual to live in
22 the home of such parent, guardian, or
23 relative;

24 “(III) the State agency deter-
25 mines that—

1 “(aa) the individual or the
2 minor child referred to in sub-
3 paragraph (A)(ii)(II) is being or
4 has been subjected to serious
5 physical or emotional harm, sex-
6 ual abuse, or exploitation in the
7 residence of the individual’s own
8 parent or legal guardian; or

9 “(bb) substantial evidence
10 exists of an act or failure to act
11 that presents an imminent or se-
12 rious harm if the individual and
13 the minor child lived in the same
14 residence with the individual’s
15 own parent or legal guardian; or

16 “(IV) the State agency otherwise
17 determines that it is in the best inter-
18 est of the minor child to waive the re-
19 quirement of subparagraph (A) with
20 respect to the individual or the minor
21 child.

22 “(iii) SECOND-CHANCE HOME.—For
23 purposes of this subparagraph, the term
24 ‘second-chance home’ means an entity that
25 provides individuals described in clause (ii)

1 with a supportive and supervised living ar-
2 rangement in which such individuals are
3 required to learn parenting skills, including
4 child development, family budgeting, health
5 and nutrition, and other skills to promote
6 their long-term economic independence and
7 the well-being of their children.

8 “(6) NO MEDICAL SERVICES.—

9 “(A) IN GENERAL.—Except as provided in
10 subparagraph (B), a State to which a grant is
11 made under section 403 shall not use any part
12 of the grant to provide medical services.

13 “(B) EXCEPTION FOR FAMILY PLANNING
14 SERVICES.—As used in subparagraph (A), the
15 term ‘medical services’ does not include family
16 planning services.

17 “(7) NO ASSISTANCE FOR MORE THAN 5
18 YEARS.—

19 “(A) IN GENERAL.—Except as provided in
20 subparagraphs (B) and (C), a State to which a
21 grant is made under section 403 shall not use
22 any part of the grant to provide assistance to
23 a family that includes an adult who has re-
24 ceived assistance under any State program
25 funded under this part attributable to funds

1 provided by the Federal Government, for 60
2 months (whether or not consecutive) after the
3 date the State program funded under this part
4 commences.

5 “(B) MINOR CHILD EXCEPTION.—In deter-
6 mining the number of months for which an in-
7 dividual who is a parent or pregnant has re-
8 ceived assistance under the State program
9 funded under this part, the State shall dis-
10 regard any month for which such assistance
11 was provided with respect to the individual and
12 during which the individual was—

13 “(i) a minor child; and

14 “(ii) not the head of a household or
15 married to the head of a household.

16 “(C) HARDSHIP EXCEPTION.—

17 “(i) IN GENERAL.—The State may ex-
18 empt a family from the application of sub-
19 paragraph (A) by reason of hardship or if
20 the family includes an individual who has
21 been battered or subjected to extreme cru-
22 elty.

23 “(ii) LIMITATION.—The number of
24 families with respect to which an exemp-
25 tion made by a State under clause (i) is in

1 effect for a fiscal year shall not exceed 20
2 percent of the average monthly number of
3 families to which assistance is provided
4 under the State program funded under this
5 part.

6 “(iii) BATTERED OR SUBJECT TO EX-
7 TREME CRUELTY DEFINED.—For purposes
8 of clause (i), an individual has been bat-
9 tered or subjected to extreme cruelty if the
10 individual has been subjected to—

11 “(I) physical acts that resulted
12 in, or threatened to result in, physical
13 injury to the individual;

14 “(II) sexual abuse;

15 “(III) sexual activity involving a
16 dependent child;

17 “(IV) being forced as the care-
18 taker relative of a dependent child to
19 engage in nonconsensual sexual acts
20 or activities;

21 “(V) threats of, or attempts at,
22 physical or sexual abuse;

23 “(VI) mental abuse; or

24 “(VII) neglect or deprivation of
25 medical care.

1 “(D) RULE OF INTERPRETATION.—Sub-
2 paragraph (A) shall not be interpreted to re-
3 quire any State to provide assistance to any in-
4 dividual for any period of time under the State
5 program funded under this part.

6 “(8) DENIAL OF ASSISTANCE FOR 10 YEARS TO
7 A PERSON FOUND TO HAVE FRAUDULENTLY MIS-
8 REPRESENTED RESIDENCE IN ORDER TO OBTAIN AS-
9 SISTANCE IN 2 OR MORE STATES.—A State to which
10 a grant is made under section 403 shall not use any
11 part of the grant to provide cash assistance to an in-
12 dividual during the 10-year period that begins on
13 the date the individual is convicted in Federal or
14 State court of having made a fraudulent statement
15 or representation with respect to the place of resi-
16 dence of the individual in order to receive assistance
17 simultaneously from 2 or more States under pro-
18 grams that are funded under this title, title XV or
19 XIX, or the Food Stamp Act of 1977, or benefits in
20 2 or more States under the supplemental security in-
21 come program under title XVI. The preceding sen-
22 tence shall not apply with respect to a conviction of
23 an individual, for any month beginning after the
24 President of the United States grants a pardon with

1 respect to the conduct which was the subject of the
2 conviction.

3 “(9) DENIAL OF ASSISTANCE FOR FUGITIVE
4 FELONS AND PROBATION AND PAROLE VIOLA-
5 TORS.—

6 “(A) IN GENERAL.—A State to which a
7 grant is made under section 403 shall not use
8 any part of the grant to provide assistance to
9 any individual who is—

10 “(i) fleeing to avoid prosecution, or
11 custody or confinement after conviction,
12 under the laws of the place from which the
13 individual flees, for a crime, or an attempt
14 to commit a crime, which is a felony under
15 the laws of the place from which the indi-
16 vidual flees, or which, in the case of the
17 State of New Jersey, is a high mis-
18 demeanor under the laws of such State; or

19 “(ii) violating a condition of probation
20 or parole imposed under Federal or State
21 law.

22 The preceding sentence shall not apply with re-
23 spect to conduct of an individual, for any month
24 beginning after the President of the United

1 States grants a pardon with respect to the con-
2 duct.

3 “(B) EXCHANGE OF INFORMATION WITH
4 LAW ENFORCEMENT AGENCIES.—If a State to
5 which a grant is made under section 403 estab-
6 lishes safeguards against the use or disclosure
7 of information about applicants or recipients of
8 assistance under the State program funded
9 under this part, the safeguards shall not pre-
10 vent the State agency administering the pro-
11 gram from furnishing a Federal, State, or local
12 law enforcement officer, upon the request of the
13 officer, with the current address of any recipi-
14 ent if the officer furnishes the agency with the
15 name of the recipient and notifies the agency
16 that—

17 “(i) the recipient—

18 “(I) is described in subparagraph
19 (A); or

20 “(II) has information that is nec-
21 essary for the officer to conduct the
22 official duties of the officer; and

23 “(ii) the location or apprehension of
24 the recipient is within such official duties.

1 “(10) DENIAL OF ASSISTANCE FOR MINOR
2 CHILDREN WHO ARE ABSENT FROM THE HOME FOR
3 A SIGNIFICANT PERIOD.—

4 “(A) IN GENERAL.—A State to which a
5 grant is made under section 403 shall not use
6 any part of the grant to provide assistance for
7 a minor child who has been, or is expected by
8 a parent (or other caretaker relative) of the
9 child to be, absent from the home for a period
10 of 45 consecutive days or, at the option of the
11 State, such period of not less than 30 and not
12 more than 180 consecutive days as the State
13 may provide for in the State plan submitted
14 pursuant to section 402.

15 “(B) STATE AUTHORITY TO ESTABLISH
16 GOOD CAUSE EXCEPTIONS.—The State may es-
17 tablish such good cause exceptions to subpara-
18 graph (A) as the State considers appropriate if
19 such exceptions are provided for in the State
20 plan submitted pursuant to section 402.

21 “(C) DENIAL OF ASSISTANCE FOR REL-
22 ATIVE WHO FAILS TO NOTIFY STATE AGENCY
23 OF ABSENCE OF CHILD.—A State to which a
24 grant is made under section 403 shall not use
25 any part of the grant to provide assistance for

1 an individual who is a parent (or other care-
2 taker relative) of a minor child and who fails to
3 notify the agency administering the State pro-
4 gram funded under this part of the absence of
5 the minor child from the home for the period
6 specified in or provided for pursuant to sub-
7 paragraph (A), by the end of the 5-day period
8 that begins with the date that it becomes clear
9 to the parent (or relative) that the minor child
10 will be absent for such period so specified or
11 provided for.

12 “(11) INCOME SECURITY PAYMENTS NOT TO BE
13 DISREGARDED IN DETERMINING THE AMOUNT OF
14 ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a
15 State to which a grant is made under section 403
16 uses any part of the grant to provide assistance for
17 any individual who is receiving benefits, or on behalf
18 of whom benefits are paid, under a State plan for
19 old-age assistance approved under section 2, under
20 section 202, 205(j)(1), 223, or 228, under a State
21 program funded under part E that provides cash
22 payments for foster care, or under the supplemental
23 security income program under title XVI, then the
24 State shall not disregard the payment in determin-
25 ing the amount of assistance to be provided under

1 the State program funded under this part, from
2 funds provided by the Federal Government, to the
3 family of which the individual is a member.

4 “(b) ALIENS.—For special rules relating to the treat-
5 ment of aliens, see section 402 of the Personal Respon-
6 sibility and Work Opportunity Act of 1996.

7 **“SEC. 409. PENALTIES.**

8 “(a) IN GENERAL.—Subject to this section:

9 “(1) USE OF GRANT IN VIOLATION OF THIS
10 PART.—

11 “(A) GENERAL PENALTY.—If an audit
12 conducted under chapter 75 of title 31, United
13 States Code, finds that an amount paid to a
14 State under section 403 for a fiscal year has
15 been used in violation of this part, the Sec-
16 retary shall reduce the grant payable to the
17 State under section 403(a)(1) for the imme-
18 diately succeeding fiscal year quarter by the
19 amount so used.

20 “(B) ENHANCED PENALTY FOR INTEN-
21 TIONAL VIOLATIONS.—If the State does not
22 prove to the satisfaction of the Secretary that
23 the State did not intend to use the amount in
24 violation of this part, the Secretary shall fur-
25 ther reduce the grant payable to the State

1 under section 403(a)(1) for the immediately
2 succeeding fiscal year quarter by an amount
3 equal to 5 percent of the State family assist-
4 ance grant.

5 “(2) FAILURE TO SUBMIT REQUIRED RE-
6 PORT.—

7 “(A) IN GENERAL.—If the Secretary deter-
8 mines that a State has not, within 1 month
9 after the end of a fiscal quarter, submitted the
10 report required by section 411(a) for the quar-
11 ter, the Secretary shall reduce the grant pay-
12 able to the State under section 403(a)(1) for
13 the immediately succeeding fiscal year by an
14 amount equal to 4 percent of the State family
15 assistance grant.

16 “(B) RESCISSION OF PENALTY.—The Sec-
17 retary shall rescind a penalty imposed on a
18 State under subparagraph (A) with respect to a
19 report if the State submits the report before the
20 end of the fiscal quarter that immediately suc-
21 ceeds the fiscal quarter for which the report
22 was required.

23 “(3) FAILURE TO SATISFY MINIMUM PARTICIPA-
24 TION RATES.—

1 “(A) IN GENERAL.—If the Secretary deter-
2 mines that a State to which a grant is made
3 under section 403 for a fiscal year has failed to
4 comply with section 407(a) for the fiscal year,
5 the Secretary shall reduce the grant payable to
6 the State under section 403(a)(1) for the imme-
7 diately succeeding fiscal year by an amount
8 equal to not more than 5 percent of the State
9 family assistance grant.

10 “(B) PENALTY BASED ON SEVERITY OF
11 FAILURE.—The Secretary shall impose reduc-
12 tions under subparagraph (A) based on the de-
13 gree of noncompliance.

14 “(4) FAILURE TO PARTICIPATE IN THE INCOME
15 AND ELIGIBILITY VERIFICATION SYSTEM.—If the
16 Secretary determines that a State program funded
17 under this part is not participating during a fiscal
18 year in the income and eligibility verification system
19 required by section 1137, the Secretary shall reduce
20 the grant payable to the State under section
21 403(a)(1) for the immediately succeeding fiscal year
22 by an amount equal to not more than 2 percent of
23 the State family assistance grant.

24 “(5) FAILURE TO COMPLY WITH PATERNITY ES-
25 TABLISHMENT AND CHILD SUPPORT ENFORCEMENT

1 REQUIREMENTS UNDER PART D.—Notwithstanding
2 any other provision of this Act, if the Secretary de-
3 termines that the State agency that administers a
4 program funded under this part does not enforce the
5 penalties requested by the agency administering part
6 D against recipients of assistance under the State
7 program who fail to cooperate in establishing pater-
8 nity or in establishing, modifying, or enforcing a
9 child support order in accordance with such part,
10 the Secretary shall reduce the grant payable to the
11 State under section 403(a)(1) for the immediately
12 succeeding fiscal year (without regard to this sec-
13 tion) by not more than 5 percent.

14 “(6) FAILURE TO TIMELY REPAY A FEDERAL
15 LOAN FUND FOR STATE WELFARE PROGRAMS.—If
16 the Secretary determines that a State has failed to
17 repay any amount borrowed from the Federal Loan
18 Fund for State Welfare Programs established under
19 section 406 within the period of maturity applicable
20 to the loan, plus any interest owed on the loan, the
21 Secretary shall reduce the grant payable to the State
22 under section 403(a)(1) for the immediately succeed-
23 ing fiscal year quarter (without regard to this sec-
24 tion) by the outstanding loan amount, plus the inter-
25 est owed on the outstanding amount. The Secretary

1 shall not forgive any outstanding loan amount or in-
2 terest owed on the outstanding amount.

3 “(7) FAILURE OF ANY STATE TO MAINTAIN
4 CERTAIN LEVEL OF HISTORIC EFFORT.—

5 “(A) IN GENERAL.—The Secretary shall
6 reduce the grant payable to the State under
7 section 403(a)(1) for fiscal year 1998, 1999,
8 2000, 2001, or 2002 by the amount (if any) by
9 which qualified State expenditures for the then
10 immediately preceding fiscal year are less than
11 the applicable percentage of historic State ex-
12 penditures with respect to such preceding fiscal
13 year.

14 “(B) DEFINITIONS.—As used in this para-
15 graph:

16 “(i) QUALIFIED STATE EXPENDI-
17 TURES.—

18 “(I) IN GENERAL.—The term
19 ‘qualified State expenditures’ means,
20 with respect to a State and a fiscal
21 year, the total expenditures by the
22 State during the fiscal year, under all
23 State programs, for any of the follow-
24 ing with respect to eligible families:

25 “(aa) Cash assistance.

1 “(bb) Child care assistance.

2 “(cc) Educational activities
3 designed to increase self-suffi-
4 ciency, job training, and work.

5 “(dd) Administrative costs.

6 “(ee) Any other use of funds
7 allowable under section
8 404(a)(1).

9 “(II) EXCLUSION OF TRANSFERS
10 FROM OTHER STATE AND LOCAL PRO-
11 GRAMS.—Such term does not include
12 funding supplanted by transfers from
13 other State and local programs.

14 “(III) ELIGIBLE FAMILIES.—As
15 used in subclause (I), the term ‘eligi-
16 ble families’ means families eligible
17 for assistance under the State pro-
18 gram funded under this part, and
19 families that would be eligible for such
20 assistance but for the application of
21 section 408(a)(7) of this Act or sec-
22 tion 402 of the Personal Responsibil-
23 ity and Work Opportunity Act of
24 1996.

1 “(ii) APPLICABLE PERCENTAGE.—The
2 term ‘applicable percentage’ means for fis-
3 cal years 1997 through 2001, 75 percent
4 reduced (if appropriate) in accordance with
5 subparagraph (C)(ii).

6 “(iii) HISTORIC STATE EXPENDI-
7 TURES.—The term ‘historic State expendi-
8 tures’ means, with respect to a State, the
9 lesser of—

10 “(I) the expenditures by the
11 State under parts A and F (as in ef-
12 fect during fiscal year 1994) for fiscal
13 year 1994; or

14 “(II) the amount which bears the
15 same ratio to the amount described in
16 subclause (I) as—

17 “(aa) the State family as-
18 sistance grant, plus the total
19 amount required to be paid to
20 the State under former section
21 403 for fiscal year 1994 with re-
22 spect to amounts expended by
23 the State for child care under
24 subsection (g) or (i) of section

1 402 (as in effect during fiscal
2 year 1994); bears to

3 “(bb) the total amount re-
4 quired to be paid to the State
5 under former section 403 (as in
6 effect during fiscal year 1994)
7 for fiscal year 1994.

8 Such term does not include any expendi-
9 tures under the State plan approved under
10 part A (as so in effect) on behalf of indi-
11 viduals covered by a tribal family assist-
12 ance plan approved under section 412, as
13 determined by the Secretary.

14 “(iv) EXPENDITURES BY THE
15 STATE.—The term ‘expenditures by the
16 State’ does not include—

17 “(I) any expenditures from
18 amounts made available by the Fed-
19 eral Government;

20 “(II) State funds expended for
21 the medicaid program under title XV
22 or XIX; or

23 “(III) any State funds which are
24 used to match Federal funds or are
25 expended as a condition of receiving

1 Federal funds under Federal pro-
2 grams other than under this part.

3 “(C) APPLICABLE PERCENTAGE REDUCED
4 FOR HIGH PERFORMANCE STATES.—

5 “(i) DETERMINATION OF HIGH PER-
6 FORMANCE STATES.—The Secretary shall
7 use the formula developed under section
8 403(a)(4)(C) to assign a score to each eli-
9 gible State that represents the perform-
10 ance of the State program funded under
11 this part for each fiscal year, and shall
12 prescribe a performance threshold which
13 the Secretary shall use to determine
14 whether to reduce the applicable percent-
15 age with respect to any eligible State for a
16 fiscal year.

17 “(ii) REDUCTION PROPORTIONAL TO
18 PERFORMANCE.—The Secretary shall re-
19 duce the applicable percentage for a fiscal
20 year with respect to each eligible State by
21 an amount which is directly proportional to
22 the amount (if any) by which the score as-
23 signed to the State under clause (i) for the
24 immediately preceding fiscal year exceeds
25 the performance threshold prescribed

1 under clause (i) for such preceding fiscal
2 year, subject to clause (iii).

3 “(iii) LIMITATION ON REDUCTION.—

4 The applicable percentage for a fiscal year
5 with respect to a State may not be reduced
6 by more than 8 percentage points under
7 this subparagraph.

8 “(8) SUBSTANTIAL NONCOMPLIANCE OF STATE
9 CHILD SUPPORT ENFORCEMENT PROGRAM WITH RE-
10 QUIREMENTS OF PART D.—

11 “(A) IN GENERAL.—If a State program
12 operated under part D is found as a result of
13 a review conducted under section 452(a)(4) not
14 to have complied substantially with the require-
15 ments of such part for any quarter, and the
16 Secretary determines that the program is not
17 complying substantially with such requirements
18 at the time the finding is made, the Secretary
19 shall reduce the grant payable to the State
20 under section 403(a)(1) for the quarter and
21 each subsequent quarter that ends before the
22 1st quarter throughout which the program is
23 found to be in substantial compliance with such
24 requirements by—

1 “(i) not less than 1 nor more than 2
2 percent;

3 “(ii) not less than 2 nor more than 3
4 percent, if the finding is the 2nd consecu-
5 tive such finding made as a result of such
6 a review; or

7 “(iii) not less than 3 nor more than 5
8 percent, if the finding is the 3rd or a sub-
9 sequent consecutive such finding made as a
10 result of such a review.

11 “(B) DISREGARD OF NONCOMPLIANCE
12 WHICH IS OF A TECHNICAL NATURE.—For pur-
13 poses of subparagraph (A) and section
14 452(a)(4), a State which is not in full compli-
15 ance with the requirements of this part shall be
16 determined to be in substantial compliance with
17 such requirements only if the Secretary deter-
18 mines that any noncompliance with such re-
19 quirements is of a technical nature which does
20 not adversely affect the performance of the
21 State’s program operated under part D.

22 “(9) FAILURE OF STATE RECEIVING AMOUNTS
23 FROM CONTINGENCY FUND TO MAINTAIN 100 PER-
24 CENT OF HISTORIC EFFORT.—If, at the end of any
25 fiscal year during which amounts from the Contin-

1 agency Fund for State Welfare Programs have been
2 paid to a State, the Secretary finds that the expendi-
3 tures under the State program funded under this
4 part for the fiscal year are less than 100 percent of
5 historic State expenditures (as defined in paragraph
6 (7)(B)(iii) of this subsection), the Secretary shall re-
7 duce the grant payable to the State under section
8 403(a)(1) for the immediately succeeding fiscal year
9 by the total of the amounts so paid to the State.

10 “(10) FAILURE TO EXPEND ADDITIONAL STATE
11 FUNDS TO REPLACE GRANT REDUCTIONS.—If the
12 grant payable to a State under section 403(a)(1) for
13 a fiscal year is reduced by reason of this subsection,
14 the State shall, during the immediately succeeding
15 fiscal year, expend under the State program funded
16 under this part an amount equal to the total amount
17 of such reductions.

18 “(b) REASONABLE CAUSE EXCEPTION.—

19 “(1) IN GENERAL.—The Secretary may not im-
20 pose a penalty on a State under subsection (a) with
21 respect to a requirement if the Secretary determines
22 that the State has reasonable cause for failing to
23 comply with the requirement.

1 “(2) EXCEPTION.—Paragraph (1) of this sub-
2 section shall not apply to any penalty under para-
3 graph (6) or (7) of subsection (a).

4 “(c) CORRECTIVE COMPLIANCE PLAN.—

5 “(1) IN GENERAL.—

6 “(A) NOTIFICATION OF VIOLATION.—Be-
7 fore imposing a penalty against a State under
8 subsection (a) with respect to a violation of this
9 part, the Secretary shall notify the State of the
10 violation and allow the State the opportunity to
11 enter into a corrective compliance plan in ac-
12 cordance with this subsection which outlines
13 how the State will correct the violation and how
14 the State will insure continuing compliance with
15 this part.

16 “(B) 60-DAY PERIOD TO PROPOSE A COR-
17 RECTIVE COMPLIANCE PLAN.—During the 60-
18 day period that begins on the date the State re-
19 ceives a notice provided under subparagraph
20 (A) with respect to a violation, the State may
21 submit to the Federal Government a corrective
22 compliance plan to correct the violation.

23 “(C) CONSULTATION ABOUT MODIFICA-
24 TIONS.—During the 60-day period that begins
25 with the date the Secretary receives a corrective

1 compliance plan submitted by a State in accord-
2 ance with subparagraph (B), the Secretary may
3 consult with the State on modifications to the
4 plan.

5 “(D) ACCEPTANCE OF PLAN.—A corrective
6 compliance plan submitted by a State in accord-
7 ance with subparagraph (B) is deemed to be ac-
8 cepted by the Secretary if the Secretary does
9 not accept or reject the plan during 60-day pe-
10 riod that begins on the date the plan is submit-
11 ted.

12 “(2) EFFECT OF CORRECTING VIOLATION.—
13 The Secretary may not impose any penalty under
14 subsection (a) with respect to any violation covered
15 by a State corrective compliance plan accepted by
16 the Secretary if the State corrects the violation pur-
17 suant to the plan.

18 “(3) EFFECT OF FAILING TO CORRECT VIOLA-
19 TION.—The Secretary shall assess some or all of a
20 penalty imposed on a State under subsection (a)
21 with respect to a violation if the State does not, in
22 a timely manner, correct the violation pursuant to a
23 State corrective compliance plan accepted by the
24 Secretary.

1 “(4) INAPPLICABILITY TO FAILURE TO TIMELY
2 REPAY A FEDERAL LOAN FUND FOR A STATE WEL-
3 FARE PROGRAM.—This subsection shall not apply to
4 the imposition of a penalty against a State under
5 subsection (a)(6).

6 “(d) LIMITATION ON AMOUNT OF PENALTY.—

7 “(1) IN GENERAL.—In imposing the penalties
8 described in subsection (a), the Secretary shall not
9 reduce any quarterly payment to a State by more
10 than 25 percent.

11 “(2) CARRYFORWARD OF UNRECOVERED PEN-
12 ALTIES.—To the extent that paragraph (1) of this
13 subsection prevents the Secretary from recovering
14 during a fiscal year the full amount of penalties im-
15 posed on a State under subsection (a) of this section
16 for a prior fiscal year, the Secretary shall apply any
17 remaining amount of such penalties to the grant
18 payable to the State under section 403(a)(1) for the
19 immediately succeeding fiscal year.

20 **“SEC. 410. APPEAL OF ADVERSE DECISION.**

21 “(a) IN GENERAL.—Within 5 days after the date the
22 Secretary takes any adverse action under this part with
23 respect to a State, the Secretary shall notify the chief ex-
24 ecutive officer of the State of the adverse action, including
25 any action with respect to the State plan submitted under

1 section 402 or the imposition of a penalty under section
2 409.

3 “(b) ADMINISTRATIVE REVIEW.—

4 “(1) IN GENERAL.—Within 60 days after the
5 date a State receives notice under subsection (a) of
6 an adverse action, the State may appeal the action,
7 in whole or in part, to the Departmental Appeals
8 Board established in the Department of Health and
9 Human Services (in this section referred to as the
10 ‘Board’) by filing an appeal with the Board.

11 “(2) PROCEDURAL RULES.—The Board shall
12 consider an appeal filed by a State under paragraph
13 (1) on the basis of such documentation as the State
14 may submit and as the Board may require to sup-
15 port the final decision of the Board. In deciding
16 whether to uphold an adverse action or any portion
17 of such an action, the Board shall conduct a thor-
18 ough review of the issues and take into account all
19 relevant evidence. The Board shall make a final de-
20 termination with respect to an appeal filed under
21 paragraph (1) not less than 60 days after the date
22 the appeal is filed.

23 “(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

24 “(1) IN GENERAL.—Within 90 days after the
25 date of a final decision by the Board under this sec-

1 tion with respect to an adverse action taken against
2 a State, the State may obtain judicial review of the
3 final decision (and the findings incorporated into the
4 final decision) by filing an action in—

5 “(A) the district court of the United States
6 for the judicial district in which the principal or
7 headquarters office of the State agency is lo-
8 cated; or

9 “(B) the United States District Court for
10 the District of Columbia.

11 “(2) PROCEDURAL RULES.—The district court
12 in which an action is filed under paragraph (1) shall
13 review the final decision of the Board on the record
14 established in the administrative proceeding, in ac-
15 cordance with the standards of review prescribed by
16 subparagraphs (A) through (E) of section 706(2) of
17 title 5, United States Code. The review shall be on
18 the basis of the documents and supporting data sub-
19 mitted to the Board.

20 **“SEC. 411. DATA COLLECTION AND REPORTING.**

21 “(a) QUARTERLY REPORTS BY STATES.—

22 “(1) GENERAL REPORTING REQUIREMENT.—

23 “(A) CONTENTS OF REPORT.—Each eligi-
24 ble State shall collect on a monthly basis, and
25 report to the Secretary on a quarterly basis, the

1 following disaggregated case record information
2 on the families receiving assistance under the
3 State program funded under this part:

4 “(i) The county of residence of the
5 family.

6 “(ii) Whether a child receiving such
7 assistance or an adult in the family is dis-
8 abled.

9 “(iii) The ages of the members of
10 such families.

11 “(iv) The number of individuals in the
12 family, and the relation of each family
13 member to the youngest child in the fam-
14 ily.

15 “(v) The employment status and earn-
16 ings of the employed adult in the family.

17 “(vi) The marital status of the adults
18 in the family, including whether such
19 adults have never married, are widowed, or
20 are divorced.

21 “(vii) The race and educational status
22 of each adult in the family.

23 “(viii) The race and educational sta-
24 tus of each child in the family.

1 “(ix) Whether the family received sub-
2 sidized housing, medical assistance under
3 the State plan under title XV or the State
4 plan approved under title XIX, food
5 stamps, or subsidized child care, and if the
6 latter 2, the amount received.

7 “(x) The number of months that the
8 family has received each type of assistance
9 under the program.

10 “(xi) If the adults participated in, and
11 the number of hours per week of participa-
12 tion in, the following activities:

13 “(I) Education.

14 “(II) Subsidized private sector
15 employment.

16 “(III) Unsubsidized employment.

17 “(IV) Public sector employment,
18 work experience, or community serv-
19 ice.

20 “(V) Job search.

21 “(VI) Job skills training or on-
22 the-job training.

23 “(VII) Vocational education.

1 “(xii) Information necessary to cal-
2 culate participation rates under section
3 407.

4 “(xiii) The type and amount of assist-
5 ance received under the program, including
6 the amount of and reason for any reduc-
7 tion of assistance (including sanctions).

8 “(xiv) Any amount of unearned in-
9 come received by any member of the fam-
10 ily.

11 “(xv) The citizenship of the members
12 of the family.

13 “(xvi) From a sample of closed cases,
14 whether the family left the program, and if
15 so, whether the family left due to—

16 “(I) employment;

17 “(II) marriage;

18 “(III) the prohibition set forth in
19 section 408(a)(7);

20 “(IV) sanction; or

21 “(V) State policy.

22 “(B) USE OF ESTIMATES.—

23 “(i) AUTHORITY.—A State may com-
24 ply with subparagraph (A) by submitting
25 an estimate which is obtained through the

1 use of scientifically acceptable sampling
2 methods approved by the Secretary.

3 “(ii) SAMPLING AND OTHER METH-
4 ODS.—The Secretary shall provide the
5 States with such case sampling plans and
6 data collection procedures as the Secretary
7 deems necessary to produce statistically
8 valid estimates of the performance of State
9 programs funded under this part. The Sec-
10 retary may develop and implement proce-
11 dures for verifying the quality of data sub-
12 mitted by the States.

13 “(2) REPORT ON USE OF FEDERAL FUNDS TO
14 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—
15 The report required by paragraph (1) for a fiscal
16 quarter shall include a statement of the percentage
17 of the funds paid to the State under this part for
18 the quarter that are used to cover administrative
19 costs or overhead.

20 “(3) REPORT ON STATE EXPENDITURES ON
21 PROGRAMS FOR NEEDY FAMILIES.—The report re-
22 quired by paragraph (1) for a fiscal quarter shall in-
23 clude a statement of the total amount expended by
24 the State during the quarter on programs for needy
25 families.

1 “(4) REPORT ON NONCUSTODIAL PARENTS PAR-
2 TICIPATING IN WORK ACTIVITIES.—The report re-
3 quired by paragraph (1) for a fiscal quarter shall in-
4 clude the number of noncustodial parents in the
5 State who participated in work activities (as defined
6 in section 407(d)) during the quarter.

7 “(5) REPORT ON TRANSITIONAL SERVICES.—
8 The report required by paragraph (1) for a fiscal
9 quarter shall include the total amount expended by
10 the State during the quarter to provide transitional
11 services to a family that has ceased to receive assist-
12 ance under this part because of employment, along
13 with a description of such services.

14 “(6) REPORT ON THOSE WHO HAVE LEFT THE
15 PROGRAM BECAUSE OF EMPLOYMENT.—The report
16 required by paragraph (1) for a fiscal quarter shall
17 include such information as the Secretary may re-
18 quire to enable the Secretary to verify that those
19 who have become ineligible to receive assistance
20 under the State program because of employment
21 have not received cash assistance under the program
22 in the fiscal year in which the quarter occurs.

23 “(7) REGULATIONS.—The Secretary shall pre-
24 scribe such regulations as may be necessary to de-

1 fine the data elements with respect to which reports
2 are required by this subsection.

3 “(b) ANNUAL REPORTS TO THE CONGRESS BY THE
4 SECRETARY.—Not later than 6 months after the end of
5 fiscal year 1997, and each fiscal year thereafter, the Sec-
6 retary shall transmit to the Congress a report describ-
7 ing—

8 “(1) whether the States are meeting—

9 “(A) the participation rates described in
10 section 407(a); and

11 “(B) the objectives of—

12 “(i) increasing employment and earn-
13 ings of needy families, and child support
14 collections; and

15 “(ii) decreasing out-of-wedlock preg-
16 nancies and child poverty;

17 “(2) the demographic and financial characteris-
18 tics of families applying for assistance, families re-
19 ceiving assistance, and families that become ineli-
20 gible to receive assistance;

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

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

1 **“SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY IN-**
2 **DIAN TRIBES.**

3 “(a) GRANTS FOR INDIAN TRIBES.—

4 “(1) TRIBAL FAMILY ASSISTANCE GRANT.—

5 “(A) IN GENERAL.—For each of fiscal
6 years 1997, 1998, 1999, and 2000, the Sec-
7 retary shall pay to each Indian tribe that has
8 an approved tribal family assistance plan a trib-
9 al family assistance grant for the fiscal year in
10 an amount equal to the amount determined
11 under subparagraph (B), and shall reduce the
12 grant payable under section 403(a)(1) to any
13 State in which lies the service area or areas of
14 the Indian tribe by that portion of the amount
15 so determined that is attributable to expendi-
16 tures by the State.

17 “(B) AMOUNT DETERMINED.—

18 “(i) IN GENERAL.—The amount de-
19 termined under this subparagraph is an
20 amount equal to the total amount of the
21 Federal payments to a State or States
22 under section 403 (as in effect during such
23 fiscal year) for fiscal year 1994 attrib-
24 utable to expenditures (other than child
25 care expenditures) by the State or States
26 under parts A and F (as so in effect) for

1 fiscal year 1994 for Indian families resid-
2 ing in the service area or areas identified
3 by the Indian tribe pursuant to subsection
4 (b)(1)(C) of this section.

5 “(ii) USE OF STATE SUBMITTED
6 DATA.—

7 “(I) IN GENERAL.—The Sec-
8 retary shall use State submitted data
9 to make each determination under
10 clause (i).

11 “(II) DISAGREEMENT WITH DE-
12 TERMINATION.—If an Indian tribe or
13 tribal organization disagrees with
14 State submitted data described under
15 subclause (I), the Indian tribe or trib-
16 al organization may submit to the
17 Secretary such additional information
18 as may be relevant to making the de-
19 termination under clause (i) and the
20 Secretary may consider such informa-
21 tion before making such determina-
22 tion.

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

1 “(A) IN GENERAL.—The Secretary shall
2 pay to each eligible Indian tribe for each of fis-
3 cal years 1996, 1997, 1998, 1999, and 2000 a
4 grant in an amount equal to the amount re-
5 ceived by the Indian tribe in fiscal year 1994
6 under section 482(i) (as in effect during fiscal
7 year 1994).

8 “(B) ELIGIBLE INDIAN TRIBE.—For pur-
9 poses of subparagraph (A), the term ‘eligible
10 Indian tribe’ means an Indian tribe or Alaska
11 Native organization that conducted a job oppor-
12 tunities and basic skills training program in fis-
13 cal year 1995 under section 482(i) (as in effect
14 during fiscal year 1995).

15 “(C) USE OF GRANT.—Each Indian tribe
16 to which a grant is made under this paragraph
17 shall use the grant for the purpose of operating
18 a program to make work activities available to
19 members of the Indian tribe.

20 “(D) APPROPRIATION.—Out of any money
21 in the Treasury of the United States not other-
22 wise appropriated, there are appropriated
23 \$7,638,474 for each fiscal year specified in sub-
24 paragraph (A) for grants under subparagraph
25 (A).

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

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

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

9 “(B) specifies whether the welfare-related
10 services provided under the plan will be pro-
11 vided by the Indian tribe or through agree-
12 ments, contracts, or compacts with intertribal
13 consortia, States, or other entities;

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

16 “(D) provides that a family receiving as-
17 sistance under the plan may not receive duplica-
18 tive assistance from other State or tribal pro-
19 grams funded under this part;

20 “(E) identifies the employment opportuni-
21 ties in or near the service area or areas of the
22 Indian tribe and the manner in which the In-
23 dian tribe will cooperate and participate in en-
24 hancing such opportunities for recipients of as-

1 assistance under the plan consistent with any ap-
2 plicable State standards; and

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

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

12 “(3) CONSORTIUM OF TRIBES.—Nothing in this
13 section shall preclude the development and submis-
14 sion of a single tribal family assistance plan by the
15 participating Indian tribes of an intertribal consor-
16 tium.

17 “(c) MINIMUM WORK PARTICIPATION REQUIRE-
18 MENTS AND TIME LIMITS.—The Secretary, with the par-
19 ticipation of Indian tribes, shall establish for each Indian
20 tribe receiving a grant under this section minimum work
21 participation requirements, appropriate time limits for re-
22 ceipt of welfare-related services under the grant, and pen-
23 alties against individuals—

24 “(1) consistent with the purposes of this sec-
25 tion;

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

3 “(3) similar to comparable provisions in section
4 407(d).

5 “(d) EMERGENCY ASSISTANCE.—Nothing in this sec-
6 tion shall preclude an Indian tribe from seeking emergency
7 assistance from any Federal loan program or emergency
8 fund.

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

12 “(1) generally accepted accounting principles;
13 and

14 “(2) the requirements of the Indian Self-Deter-
15 mination and Education Assistance Act (25 U.S.C.
16 450 et seq.).

17 “(f) PENALTIES.—

18 “(1) Subsections (a)(1), (a)(6), and (b) of sec-
19 tion 409, shall apply to an Indian tribe with an ap-
20 proved tribal assistance plan in the same manner as
21 such subsections apply to a State.

22 “(2) Section 409(a)(3) shall apply to an Indian
23 tribe with an approved tribal assistance plan by sub-
24 stituting ‘meet minimum work participation require-

1 ments established under section 412(c)' for 'comply
2 with section 407(a)'.

3 “(g) DATA COLLECTION AND REPORTING.—Section
4 411 shall apply to an Indian tribe with an approved tribal
5 family assistance plan.

6 “(h) SPECIAL RULE FOR INDIAN TRIBES IN ALAS-
7 KA.—

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

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

1 **“SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
2 **IES.**

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

14 “(b) DEVELOPMENT AND EVALUATION OF INNOVA-
15 TIVE APPROACHES TO REDUCING WELFARE DEPEND-
16 ENCY AND INCREASING CHILD WELL-BEING.—

17 “(1) IN GENERAL.—The Secretary may assist
18 States in developing, and shall evaluate, innovative
19 approaches for reducing welfare dependency and in-
20 creasing the well-being of minor children living at
21 home with respect to recipients of assistance under
22 programs funded under this part. The Secretary
23 may provide funds for training and technical assist-
24 ance to carry out the approaches developed pursuant
25 to this paragraph.

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

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

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

14 “(1) ANNUAL RANKING OF STATES.—The Sec-
15 retary shall rank annually the States to which
16 grants are paid under section 403 in the order of
17 their success in placing recipients of assistance
18 under the State program funded under this part into
19 long-term private sector jobs, reducing the overall
20 welfare caseload, and, when a practicable method for
21 calculating this information becomes available, di-
22 verting individuals from formally applying to the
23 State program and receiving assistance. In ranking
24 States under this subsection, the Secretary shall
25 take into account the average number of minor chil-

1 dren living at home in families in the State that
 2 have incomes below the poverty line and the amount
 3 of funding provided each State for such families.

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

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

16 “(1) ANNUAL RANKING OF STATES.—

17 “(A) IN GENERAL.—The Secretary shall
 18 annually rank States to which grants are made
 19 under section 403 based on the following rank-
 20 ing factors:

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

23 “(I) the total number of out-of-
 24 wedlock births in families receiving as-
 25 sistance under the State program

1 under this part in the State for the
2 most recent fiscal year for which in-
3 formation is available; over

4 “(II) the total number of births
5 in families receiving assistance under
6 the State program under this part in
7 the State for such year.

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

15 “(2) ANNUAL REVIEW.—The Secretary shall re-
16 view the programs of the 5 States most recently
17 ranked highest under paragraph (1) and the 5
18 States most recently ranked the lowest under para-
19 graph (1).

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

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

1 “(2) the Secretary determines that the design
2 and approach of the evaluation is rigorous and is
3 likely to yield information that is credible and will
4 be useful to other States, and

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

9 “(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—
10 TIONS.—

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

16 “(A) the cost of conducting the research
17 described in subsection (a);

18 “(B) the cost of developing and evaluating
19 innovative approaches for reducing welfare de-
20 pendency and increasing the well-being of minor
21 children under subsection (b);

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

24 “(D) an amount determined by the Sec-
25 retary to be necessary to operate and evaluate

1 demonstration projects, relating to this part,
2 that are in effect or approved under section
3 1115 as of September 30, 1995, and are contin-
4 ued after such date.

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

7 “(A) 50 percent shall be allocated for the
8 purposes described in subparagraphs (A) and
9 (B) of paragraph (1), and

10 “(B) 50 percent shall be allocated for the
11 purposes described in subparagraphs (C) and
12 (D) of paragraph (1).

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

14 “(a) IN GENERAL.—The Bureau of the Census shall
15 expand the Survey of Income and Program Participation
16 as necessary to obtain such information as will enable in-
17 terested persons to evaluate the impact of the amendments
18 made by title I of the Personal Responsibility and Work
19 Opportunity Act of 1996 on a random national sample of
20 recipients of assistance under State programs funded
21 under this part and (as appropriate) other low income
22 families, and in doing so, shall pay particular attention
23 to the issues of out-of-wedlock birth, welfare dependency,
24 the beginning and end of welfare spells, and the causes
25 of repeat welfare spells.

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

7 **“SEC. 415. WAIVERS.**

8 “(a) CONTINUATION OF WAIVERS.—

9 “(1) WAIVERS IN EFFECT ON DATE OF ENACT-
10 MENT OF WELFARE REFORM.—Except as provided
11 in paragraph (3), if any waiver granted to a State
12 under section 1115 or otherwise which relates to the
13 provision of assistance under a State plan under this
14 part (as in effect on September 30, 1995) is in ef-
15 fect as of the date of the enactment of the Personal
16 Responsibility and Work Opportunity Act of 1996,
17 the amendments made by such Act shall not apply
18 with respect to the State before the expiration (de-
19 termined without regard to any extensions) of the
20 waiver to the extent such amendments are inconsis-
21 tent with the waiver.

22 “(2) WAIVERS GRANTED SUBSEQUENTLY.—Ex-
23 cept as provided in paragraph (3), if any waiver
24 granted to a State under section 1115 or otherwise
25 which relates to the provision of assistance under a

1 State plan under this part (as in effect on Septem-
2 ber 30, 1995) is submitted to the Secretary before
3 the date of the enactment of the Personal Respon-
4 sibility and Work Opportunity Act of 1996 and ap-
5 proved by the Secretary on or before July 1, 1997,
6 and the State demonstrates to the satisfaction of the
7 Secretary that the waiver will not result in Federal
8 expenditures under title IV of this Act (as in effect
9 without regard to the amendments made by the Per-
10 sonal Responsibility and Work Opportunity Act of
11 1996) that are greater than would occur in the ab-
12 sence of the waiver, the amendments made by the
13 Personal Responsibility and Work Opportunity Act
14 of 1996 shall not apply with respect to the State be-
15 fore the expiration (determined without regard to
16 any extensions) of the waiver to the extent the
17 amendments made by the Personal Responsibility
18 and Work Opportunity Act of 1996 are inconsistent
19 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 90 days follow-
20 ing the adjournment of the first regular session
21 of the State legislature that begins after the
22 date of the enactment of the Personal Respon-
23 sibility and Work Opportunity Act of 1996.

24 “(c) SECRETARIAL ENCOURAGEMENT OF CURRENT
25 WAIVERS.—The Secretary shall encourage any State oper-

1 ating a waiver described in subsection (a) to continue the
2 waiver and to evaluate, using random sampling and other
3 characteristics of accepted scientific evaluations, the result
4 or effect of the waiver.

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

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

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

16 **“SEC. 417. LIMITATION ON FEDERAL AUTHORITY.**

17 “No officer or employee of the Federal Government
18 may regulate the conduct of States under this part or en-
19 force any provision of this part, except to the extent ex-
20 pressly provided in this part.

21 **“SEC. 418. DEFINITIONS.**

22 “As used in this part:

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

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

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

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

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

11 “(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGA-
12 NIZATION.—

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

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

25 “(i) Arctic Slope Native Association.

- 1 “(ii) Kawerak, Inc.
2 “(iii) Maniilaq Association.
3 “(iv) Association of Village Council
4 Presidents.
5 “(v) Tanana Chiefs Conference.
6 “(vi) Cook Inlet Tribal Council.
7 “(vii) Bristol Bay Native Association.
8 “(viii) Aleutian and Pribilof Island
9 Association.
10 “(ix) Chugachmuit.
11 “(x) Tlingit Haida Central Council.
12 “(xi) Kodiak Area Native Association.
13 “(xii) Copper River Native Associa-
14 tion.

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

20 (b) GRANTS TO OUTLYING AREAS.—Section 1108
21 (42 U.S.C. 1308) is amended—

22 (1) by redesignating subsection (c) as sub-
23 section (g);

24 (2) by striking all that precedes subsection (c)
25 and inserting the following:

1 **“SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE**
2 **VIRGIN ISLANDS, GUAM, AND AMERICAN**
3 **SAMOA; LIMITATION ON TOTAL PAYMENTS.**

4 “(a) LIMITATION ON TOTAL PAYMENTS TO EACH
5 TERRITORY.—Notwithstanding any other provision of this
6 Act, the total amount certified by the Secretary of Health
7 and Human Services under titles I, X, XIV, and XVI,
8 under parts A, B, and E of title IV, and under subsection
9 (b) of this section, for payment to any territory for a fiscal
10 year shall not exceed the ceiling amount for the territory
11 for the fiscal year.

12 “(b) ENTITLEMENT TO MATCHING GRANT.—

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

17 “(A) the total expenditures of the territory
18 during the fiscal year under the territory pro-
19 grams funded under parts A, B, and E of title
20 IV; exceeds

21 “(B) the sum of—

22 “(i) the total amount required to be
23 paid to the territory (other than with re-
24 spect to child care) under former section
25 403 (as in effect on September 30, 1995)
26 for fiscal year 1995, which shall be deter-

1 mined by applying subparagraphs (C) and
2 (D) of section 403(a)(1) to the territory;

3 “(ii) the total amount required to be
4 paid to the territory under former section
5 434 (as so in effect) for fiscal year 1995;
6 and

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

11 “(2) USE OF GRANT.—Any territory to which a
12 grant is made under paragraph (1) may expend the
13 amount under any program operated or funded
14 under any provision of law specified in subsection
15 (a).

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

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

20 “(2) CEILING AMOUNT.—The term ‘ceiling
21 amount’ means, with respect to a territory and a fis-
22 cal year, the mandatory ceiling amount with respect
23 to the territory plus the discretionary ceiling amount
24 with respect to the territory, reduced for the fiscal
25 year in accordance with subsection (f).

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

3 “(A) \$105,538,000 with respect to for
4 Puerto Rico;

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

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

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

10 “(4) DISCRETIONARY CEILING AMOUNT.—The
11 term ‘discretionary ceiling amount’ means, with re-
12 spect to a territory and a fiscal year, the total
13 amount appropriated pursuant to subsection (d)(3)
14 for the fiscal year for payment to the territory.

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

18 “(A) does not include expenditures during
19 the fiscal year from amounts made available by
20 the Federal Government; and

21 “(B) when used with respect to fiscal year
22 1995, also does not include—

23 “(i) expenditures during fiscal year
24 1995 under subsection (g) or (i) of section

1 402 (as in effect on September 30, 1995);

2 or

3 “(ii) any expenditures during fiscal
4 year 1995 for which the territory (but for
5 section 1108, as in effect on September 30,
6 1995) would have received reimbursement
7 from the Federal Government.

8 “(d) DISCRETIONARY GRANTS.—

9 “(1) IN GENERAL.—The Secretary shall make a
10 grant to each territory for any fiscal year in the
11 amount appropriated pursuant to paragraph (3) for
12 the fiscal year for payment to the territory.

13 “(2) USE OF GRANT.—Any territory to which a
14 grant is made under paragraph (1) may expend the
15 amount under any program operated or funded
16 under any provision of law specified in subsection
17 (a).

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

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

24 “(B) \$345,000 for payment to Guam;

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

3 “(D) \$190,000 for payment to American
4 Samoa.

5 “(e) AUTHORITY TO TRANSFER FUNDS AMONG PRO-
6 GRAMS.—Notwithstanding any other provision of this Act,
7 any territory to which an amount is paid under any provi-
8 sion of law specified in subsection (a) may use part or
9 all of the amount to carry out any program operated by
10 the territory, or funded, under any other such provision
11 of law.

12 “(f) MAINTENANCE OF EFFORT.—The ceiling
13 amount with respect to a territory shall be reduced for
14 a fiscal year by an amount equal to the amount (if any)
15 by which—

16 “(1) the total amount expended by the territory
17 under all programs of the territory operated pursu-
18 ant to the provisions of law specified in subsection
19 (a) (as such provisions were in effect for fiscal year
20 1995) for fiscal year 1995; exceeds

21 “(2) the total amount expended by the territory
22 under all programs of the territory that are funded
23 under the provisions of law specified in subsection
24 (a) for the fiscal year that immediately precedes the

1 fiscal year referred to in the matter preceding para-
2 graph (1).”; and

3 (3) by striking subsections (d) and (e).

4 (c) REPEAL OF PROVISIONS REQUIRING REDUCTION
5 OF MEDICAID PAYMENTS TO STATES THAT REDUCE
6 WELFARE PAYMENT LEVELS.—

7 (1) Section 1903(i) (42 U.S.C. 1396b(i)) is
8 amended by striking paragraph (9).

9 (2) Section 1902 (42 U.S.C. 1396a) is amended
10 by striking subsection (c).

11 **SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELI-**
12 **GIUS, OR PRIVATE ORGANIZATIONS.**

13 (a) IN GENERAL.—

14 (1) STATE OPTIONS.—A State may—

15 (A) administer and provide services under
16 the programs described in subparagraphs (A)
17 and (B)(i) of paragraph (2) through contracts
18 with charitable, religious, or private organiza-
19 tions; and

20 (B) provide beneficiaries of assistance
21 under the programs described in subparagraphs
22 (A) and (B)(ii) of paragraph (2) with certifi-
23 cates, vouchers, or other forms of disbursement
24 which are redeemable with such organizations.

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

4 (A) A State program funded under part A
5 of title IV of the Social Security Act (as amend-
6 ed by section 103(a) of this Act).

7 (B) Any other program established or
8 modified under title I, II, or VI of this Act,
9 that—

10 (i) permits contracts with organiza-
11 tions; or

12 (ii) permits certificates, vouchers, or
13 other forms of disbursement to be provided
14 to beneficiaries, as a means of providing
15 assistance.

16 (b) RELIGIOUS ORGANIZATIONS.—The purpose of
17 this section is to allow States to contract with religious
18 organizations, or to allow religious organizations to accept
19 certificates, vouchers, or other forms of disbursement
20 under any program described in subsection (a)(2), on the
21 same basis as any other nongovernmental provider without
22 impairing the religious character of such organizations,
23 and without diminishing the religious freedom of bene-
24 ficiaries of assistance funded under such program.

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

16 (d) RELIGIOUS CHARACTER AND FREEDOM.—

17 (1) RELIGIOUS ORGANIZATIONS.—A religious
18 organization with a contract described in subsection
19 (a)(1)(A), or which accepts certificates, vouchers, or
20 other forms of disbursement under subsection
21 (a)(1)(B), shall retain its independence from Fed-
22 eral, State, and local governments, including such
23 organization's control over the definition, develop-
24 ment, practice, and expression of its religious beliefs.

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

4 (A) alter its form of internal governance;

5 or

6 (B) remove religious art, icons, scripture,

7 or other symbols;

8 in order to be eligible to contract to provide assist-
9 ance, or to accept certificates, vouchers, or other
10 forms of disbursement, funded under a program de-
11 scribed in subsection (a)(2).

12 (e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

13 (1) IN GENERAL.—If an individual described in
14 paragraph (2) has an objection to the religious char-
15 acter of the organization or institution from which
16 the individual receives, or would receive, assistance
17 funded under any program described in subsection
18 (a)(2), the State in which the individual resides shall
19 provide such individual (if otherwise eligible for such
20 assistance) within a reasonable period of time after
21 the date of such objection with assistance from an
22 alternative provider that is accessible to the individ-
23 ual and the value of which is not less than the value
24 of the assistance which the individual would have re-
25 ceived from such organization.

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

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

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

18 (h) FISCAL ACCOUNTABILITY.—

19 (1) IN GENERAL.—Except as provided in para-
20 graph (2), any religious organization contracting to
21 provide assistance funded under any program de-
22 scribed in subsection (a)(2) shall be subject to the
23 same regulations as other contractors to account in
24 accord with generally accepted auditing principles

1 for the use of such funds provided under such pro-
2 grams.

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

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

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

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

22 **SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY**
23 **CAREGIVERS FOR THEIR GRANDCHILDREN.**

24 (a) IN GENERAL.—Not later than 90 days after the
25 date of the enactment of this Act, the Secretary of Com-

1 merce, in carrying out section 141 of title 13, United
2 States Code, shall expand the data collection efforts of the
3 Bureau of the Census (in this section referred to as the
4 “Bureau”) to enable the Bureau to collect statistically sig-
5 nificant data, in connection with its decennial census and
6 its mid-decade census, concerning the growing trend of
7 grandparents who are the primary caregivers for their
8 grandchildren.

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

15 (1) A household in which a grandparent tempo-
16 rarily provides a home for a grandchild for a period
17 of weeks or months during periods of parental dis-
18 tress.

19 (2) A household in which a grandparent pro-
20 vides a home for a grandchild and serves as the pri-
21 mary caregiver for the grandchild.

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

23 (a) IN GENERAL.—Within 6 months after the date
24 of the enactment of this Act, the Secretary of Health and

1 Human Services shall prepare and submit to the Congress
2 a report on—

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

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

10 (A) tracking participants in public pro-
11 grams over time; and

12 (B) checking case records of the States to
13 determine whether individuals are participating
14 in public programs of 2 or more States.

15 (b) PREFERRED CONTENTS.—The report required by
16 subsection (a) should include—

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

21 (2) an estimate of the amount of time required
22 to establish such a system and of the cost of estab-
23 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)(7)(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) AMENDMENTS TO PART D OF TITLE IV.—

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

13 (2) Section 452(a)(10)(C) (42 U.S.C.
14 652(a)(10)(C)) is amended—

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

18 (B) by striking “such aid” and inserting
19 “such assistance”; and

20 (C) by striking “under section 402(a)(26)
21 or” and inserting “pursuant to section
22 408(a)(3) or under section”.

23 (3) Section 452(a)(10)(F) (42 U.S.C.
24 652(a)(10)(F)) is amended—

1 (A) by striking “aid under a State plan ap-
2 proved” and inserting “assistance under a State
3 program funded”; and

4 (B) by striking “in accordance with the
5 standards referred to in section
6 402(a)(26)(B)(ii)” and inserting “by the
7 State”.

8 (4) Section 452(b) (42 U.S.C. 652(b)) is
9 amended in the first sentence by striking “aid under
10 the State plan approved under part A” and inserting
11 “assistance under the State program funded under
12 part A”.

13 (5) Section 452(d)(3)(B)(i) (42 U.S.C.
14 652(d)(3)(B)(i)) is amended by striking “1115(c)”
15 and inserting “1115(b)”.

16 (6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C.
17 652(g)(2)(A)(ii)(I)) is amended by striking “aid is
18 being paid under the State’s plan approved under
19 part A or E” and inserting “assistance is being pro-
20 vided under the State program funded under part
21 A”.

22 (7) Section 452(g)(2)(A) (42 U.S.C.
23 652(g)(2)(A)) is amended in the matter following
24 clause (iii) by striking “aid was being paid under the
25 State’s plan approved under part A or E” and in-

1 serting “assistance was being provided under the
2 State program funded under part A”.

3 (8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
4 amended in the matter following subparagraph
5 (B)—

6 (A) by striking “who is a dependent child”
7 and inserting “with respect to whom assistance
8 is being provided under the State program
9 funded under part A”;

10 (B) by inserting “by the State agency”
11 after “found”; and

12 (C) by striking “to have good cause for re-
13 fusing to cooperate under section 402(a)(26)”
14 and inserting “to qualify for a good cause or
15 other exception to cooperate pursuant to section
16 454(29)”.

17 (9) Section 452(h) (42 U.S.C. 652(h)) is
18 amended by striking “under section 402(a)(26)” and
19 inserting “pursuant to section 408(a)(3)”.

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

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

1 (A) by striking “under section 402(a)(26)”
2 and inserting “pursuant to section 408(a)(3)”;
3 and

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

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

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

17 (14) Section 466(a)(3)(B) (42 U.S.C.
18 666(a)(3)(B)) is amended by striking “402(a)(26)”
19 and inserting “408(a)(3)”.

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

23 (16) Section 469(a) (42 U.S.C. 669(a)) is
24 amended—

1 (A) by striking “aid under plans approved”
2 and inserting “assistance under State programs
3 funded”; and

4 (B) by striking “such aid” and inserting
5 “such assistance”.

6 (c) REPEAL OF PART F OF TITLE IV.—Part F of
7 title IV (42 U.S.C. 681–687) is repealed.

8 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)
9 (42 U.S.C. 1202(a)(7)) is amended by striking “aid to
10 families with dependent children under the State plan ap-
11 proved under section 402 of this Act” and inserting “as-
12 sistance under a State program funded under part A of
13 title IV”.

14 (e) AMENDMENTS TO TITLE XI.—

15 (1) Section 1109 (42 U.S.C. 1309) is amended
16 by striking “or part A of title IV,”.

17 (2) Section 1115 (42 U.S.C. 1315) is amend-
18 ed—

19 (A) in subsection (a)(2)—

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

21 (ii) by striking “403,”;

22 (iii) by striking the period at the end
23 and inserting “, and”; and

24 (iv) by adding at the end the following
25 new subparagraph:

1 “(B) costs of such project which would not oth-
2 erwise be a permissible use of funds under part A
3 of title IV and which are not included as part of the
4 costs of projects under section 1110, shall to the ex-
5 tent and for the period prescribed by the Secretary,
6 be regarded as a permissible use of funds under
7 such part.”; and

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

12 (3) Section 1116 (42 U.S.C. 1316) is amend-
13 ed—

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

16 (B) in subsection (a)(3), by striking
17 “404,”.

18 (4) Section 1118 (42 U.S.C. 1318) is amend-
19 ed—

20 (A) by striking “403(a),”;

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

22 and

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

1 (5) Section 1119 (42 U.S.C. 1319) is amend-
2 ed—

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

4 (B) by striking “403(a),”.

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

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

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

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

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

15 (B) in subsection (d)(1)(B)—

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

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

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

24 (f) AMENDMENT TO TITLE XIV.—Section
25 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking

1 “aid to families with dependent children under the State
 2 plan approved under section 402 of this Act” and insert-
 3 ing “assistance under a State program funded under part
 4 A of title IV”.

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

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

16 (i) AMENDMENT TO TITLE XIX.—Section 1902(j)
 17 (42 U.S.C. 1396a(j)) is amended by striking “1108(c)”
 18 and inserting “1108(g)”.

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

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

24 (1) in the second sentence of subsection (a), by
 25 striking “plan approved” and all that follows

1 through “title IV of the Social Security Act” and in-
2 sserting “program funded under part A of title IV of
3 the Social Security Act (42 U.S.C. 601 et seq.)”;

4 (2) in subsection (d)—

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

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

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

17 (4) by striking subsection (m).

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

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

23 (2) in subsection (e)(6), by striking “aid to
24 families with dependent children” and inserting
25 “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 June 1, 1995”; 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 June 1, 1995”; 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 June 1, 1995”; 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(e) (29 U.S.C. 1734(e)), 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(e)(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 “**DEMONSTRA-**
9 **TION**”;

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 PRO-**
20 **POSAL FOR TECHNICAL AND CONFORMING**
21 **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) EFFECTIVE DATES.—

7 (1) IN GENERAL.—Except as otherwise pro-
8 vided in this title, this title and the amendments
9 made by this title shall take effect on July 1, 1997.

10 (2) DELAYED EFFECTIVE DATE FOR CERTAIN
11 PROVISIONS.—Notwithstanding any other provision
12 of this section, paragraphs (2), (3), (4), (5), (8), and
13 (10) of section 409(a) and section 411(a) of the So-
14 cial Security Act (as added by the amendment made
15 by section 103(a) of this Act) shall not take effect
16 with respect to a State until, and shall apply only
17 with respect to conduct that occurs on or after, the
18 later of—

19 (A) July 1, 1997; or

20 (B) the date that is 6 months after the
21 date the Secretary of Health and Human Serv-
22 ices receives from the State a plan described in
23 section 402(a) of the Social Security Act (as
24 added by such amendment).

1 (b) TRANSITION RULES.—Effective on the date of
2 the enactment of this Act:

3 (1) STATE OPTION TO ACCELERATE EFFECTIVE
4 DATE.—

5 (A) IN GENERAL.—If the Secretary of
6 Health and Human Services receives from a
7 State a plan described in section 402(a) of the
8 Social Security Act (as added by the amend-
9 ment made by section 103(a) of this Act),
10 then—

11 (i) on and after the date of such re-
12 ceipt—

13 (I) except as provided in clause
14 (ii), this title and the amendments
15 made by this title shall apply with re-
16 spect to the State; and

17 (II) the State shall be considered
18 an eligible State for purposes of part
19 A of title IV of the Social Security
20 Act (as in effect pursuant to the
21 amendment made by such section
22 103(a)); and

23 (ii) during the period that begins on
24 the date of such receipt and ends on June

1 30, 1997, there shall remain in effect with
2 respect to the State—

3 (I) section 403(h) of the Social
4 Security Act (as in effect on Septem-
5 ber 30, 1995); and

6 (II) all State reporting require-
7 ments under parts A and F of title IV
8 of the Social Security Act (as in effect
9 on September 30, 1995), modified by
10 the Secretary as appropriate, taking
11 into account the State program under
12 part A of title IV of the Social Secu-
13 rity Act (as in effect pursuant to the
14 amendment made by such section
15 103(a)).

16 (B) LIMITATIONS ON FEDERAL OBLIGA-
17 TIONS.—

18 (i) UNDER AFDC PROGRAM.—The
19 total obligations of the Federal Govern-
20 ment to a State under part A of title IV
21 of the Social Security Act (as in effect on
22 September 30, 1995) with respect to ex-
23 penditures in fiscal year 1997 shall not ex-
24 ceed an amount equal to the State family
25 assistance grant.

1 (ii) UNDER TEMPORARY FAMILY AS-
2 SISTANCE PROGRAM.—Notwithstanding
3 section 403(a)(1) of the Social Security
4 Act (as in effect pursuant to the amend-
5 ment made by section 103(a) of this Act),
6 the total obligations of the Federal Govern-
7 ment to a State under such section
8 403(a)(1)—

9 (I) for fiscal year 1996, shall be
10 an amount equal to—

11 (aa) the State family assist-
12 ance grant; multiplied by

13 (bb) $\frac{1}{366}$ of the number of
14 days during the period that be-
15 gins on the date the Secretary of
16 Health and Human Services first
17 receives from the State a plan
18 described in section 402(a) of the
19 Social Security Act (as added by
20 the amendment made by section
21 103(a) of this Act) and ends on
22 September 30, 1996; and

23 (II) for fiscal year 1997, shall be
24 an amount equal to the lesser of—

1 (aa) the amount (if any) by
2 which the State family assistance
3 grant exceeds the total obliga-
4 tions of the Federal Government
5 to the State under part A of title
6 IV of the Social Security Act (as
7 in effect on September 30, 1995)
8 with respect to expenditures in
9 fiscal year 1997; or

10 (bb) the State family assist-
11 ance grant, multiplied by $\frac{1}{365}$ of
12 the number of days during the
13 period that begins on October 1,
14 1996, or the date the Secretary
15 of Health and Human Services
16 first receives from the State a
17 plan described in section 402(a)
18 of the Social Security Act (as
19 added by the amendment made
20 by section 103(a) of this Act),
21 whichever is later, and ends on
22 September 30, 1997.

23 (iii) CHILD CARE OBLIGATIONS EX-
24 CLUDED IN DETERMINING FEDERAL AFDC
25 OBLIGATIONS.—As used in this subpara-

1 graph, the term “obligations of the Federal
2 Government to the State under part A of
3 title IV of the Social Security Act” does
4 not include any obligation of the Federal
5 Government with respect to child care ex-
6 penditures by the State.

7 (C) SUBMISSION OF STATE PLAN FOR FIS-
8 CAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE
9 OF GRANT LIMITATIONS AND FORMULA AND
10 TERMINATION OF AFDC ENTITLEMENT.—The
11 submission of a plan by a State pursuant to
12 subparagraph (A) is deemed to constitute—

13 (i) the State’s acceptance of the grant
14 reductions under subparagraph (B) (in-
15 cluding the formula for computing the
16 amount of the reduction); and

17 (ii) the termination of any entitlement
18 of any individual or family to benefits or
19 services under the State AFDC program.

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

22 (i) STATE AFDC PROGRAM.—The term
23 “State AFDC program” means the State
24 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 (iii) STATE FAMILY ASSISTANCE
7 GRANT.—The term “State family assist-
8 ance grant” means the State family assist-
9 ance grant (as defined in section
10 403(a)(1)(B) of the Social Security Act, as
11 added by the amendment made by section
12 103(a) of this Act).

13 (2) CLAIMS, ACTIONS, AND PROCEEDINGS.—
14 The amendments made by this title shall not apply
15 with respect to—

16 (A) powers, duties, functions, rights,
17 claims, penalties, or obligations applicable to
18 aid, assistance, or services provided before the
19 effective date of this title under the provisions
20 amended; and

21 (B) administrative actions and proceedings
22 commenced before such date, or authorized be-
23 fore such date to be commenced, under such
24 provisions.

1 (3) CLOSING OUT ACCOUNT FOR THOSE PRO-
2 GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED
3 BY THIS TITLE.—In closing out accounts, Federal
4 and State officials may use scientifically acceptable
5 statistical sampling techniques. Claims made with
6 respect to State expenditures under a State plan ap-
7 proved under part A of title IV of the Social Secu-
8 rity Act (as in effect on September 30, 1995) with
9 respect to assistance or services provided on or be-
10 fore September 30, 1995, shall be treated as claims
11 with respect to expenditures during fiscal year 1995
12 for purposes of reimbursement even if payment was
13 made by a State on or after October 1, 1995. Each
14 State shall complete the filing of all claims under the
15 State plan (as so in effect) within 2 years after the
16 date of the enactment of this Act. The head of each
17 Federal department shall—

18 (A) use the single audit procedure to re-
19 view and resolve any claims in connection with
20 the close out of programs under such State
21 plans; and

22 (B) reimburse States for any payments
23 made for assistance or services provided during
24 a prior fiscal year from funds for fiscal year

1 1995, rather than from funds authorized by
2 this title.

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

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

11 (B) except as otherwise provided by law—

12 (i) continue to perform the functions
13 of the Assistant Secretary for Family Sup-
14 port under section 417 of the Social Secu-
15 rity Act (as in effect before such effective
16 date); and

17 (ii) have the powers and duties of the
18 Assistant Secretary for Family Support
19 under section 416 of the Social Security
20 Act (as in effect pursuant to the amend-
21 ment made by section 103(a) of this Act).

22 (c) TERMINATION OF ENTITLEMENT UNDER AFDC
23 PROGRAM.—Effective October 1, 1996, no individual or
24 family shall be entitled to any benefits or services under
25 any State plan approved under part A or F of title IV

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

3 **TITLE II—SUPPLEMENTAL**
4 **SECURITY INCOME**

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

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

11 **Subtitle A—Eligibility Restrictions**

12 **SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-**
13 **VIDUALS FOUND TO HAVE FRAUDULENTLY**
14 **MISREPRESENTED RESIDENCE IN ORDER TO**
15 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
16 **MORE STATES.**

17 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.
18 1382(e)), as amended by section 105(b)(4) of the Contract
19 with America Advancement Act of 1996, is amended by
20 redesignating paragraph (5) as paragraph (3) and by add-
21 ing at the end the following new paragraph:

22 “(4)(A) No person shall be considered an eligible in-
23 dividual or eligible spouse for purposes of this title during
24 the 10-year period that begins on the date the person is
25 convicted in Federal or State court of having made a

1 fraudulent statement or representation with respect to the
 2 place of residence of the person in order to receive assist-
 3 ance simultaneously from 2 or more States under pro-
 4 grams that are funded under title IV, title XV, title XIX,
 5 or the Food Stamp Act of 1977, or benefits in 2 or more
 6 States under the supplemental security income program
 7 under this title.

8 “(B) As soon as practicable after the conviction of
 9 a person in a Federal or State court as described in sub-
 10 paragraph (A), an official of such court shall notify the
 11 Commissioner of such conviction.”.

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

15 **SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
 16 **AND PROBATION AND PAROLE VIOLATORS.**

17 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.
 18 1382(e)), as amended by section 201(a), is amended by
 19 adding at the end the following new paragraph:

20 “(5) No person shall be considered an eligible individ-
 21 ual or eligible spouse for purposes of this title with respect
 22 to any month if during such month the person is—

23 “(A) fleeing to avoid prosecution, or custody or
 24 confinement after conviction, under the laws of the
 25 place from which the person flees, for a crime, or an

1 attempt to commit a crime, which is a felony under
2 the laws of the place from which the person flees, or
3 which, in the case of the State of New Jersey, is a
4 high misdemeanor under the laws of such State; or
5 “(B) violating a condition of probation or pa-
6 role imposed under Federal or State law.”.

7 (b) EXCHANGE OF INFORMATION.—Section 1611(e)
8 (42 U.S.C. 1382(e)), as amended by section 201(a) and
9 subsection (a), is amended by adding at the end the follow-
10 ing new paragraph:

11 “(6) Notwithstanding any other provision of law
12 (other than section 6103 of the Internal Revenue Code
13 of 1986), the Commissioner shall furnish any Federal,
14 State, or local law enforcement officer, upon the written
15 request of the officer, with the current address, Social Se-
16 curity number, and photograph (if applicable) of any re-
17 cipient of benefits under this title, if the officer furnishes
18 the Commissioner with the name of the recipient, and
19 other identifying information as reasonably required by
20 the Commissioner to establish the unique identity of the
21 recipient, and notifies the Commissioner that—

22 “(A) the recipient—

23 “(i) is described in subparagraph (A) or
24 (B) of paragraph (5); or

1 “(ii) has information that is necessary for
2 the officer to conduct the officer’s official du-
3 ties; and

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

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall take effect on the date of the enactment
8 of this Act.

9 **SEC. 203. TREATMENT OF PRISONERS.**

10 (a) IMPLEMENTATION OF PROHIBITION AGAINST
11 PAYMENT OF BENEFITS TO PRISONERS.—

12 (1) IN GENERAL.—Section 1611(e)(1) (42
13 U.S.C. 1382(e)(1)) is amended by adding at the end
14 the following new subparagraph:

15 “(I)(i) The Commissioner shall enter into a contract,
16 with any interested State or local institution referred to
17 in subparagraph (A), under which—

18 “(I) the institution shall provide to the Com-
19 missioner, on a monthly basis, the names, social se-
20 curity account numbers, dates of birth, and such
21 other identifying information concerning the inmates
22 of the institution as the Commissioner may require
23 for the purpose of carrying out paragraph (1); and

24 “(II) the Commissioner shall pay to any such
25 institution, with respect to each inmate of the insti-

1 tution who is eligible for a benefit under this title for
2 the month preceding the first month throughout
3 which such inmate is in such institution and be-
4 comes ineligible for such benefit (or becomes eligible
5 only for a benefit payable at a reduced rate) as a re-
6 sult of the application of this paragraph, an amount
7 not to exceed \$400 if the institution furnishes the
8 information described in subclause (I) to the Com-
9 missioner within 30 days after such individual be-
10 comes an inmate of such institution, or an amount
11 not to exceed \$200 if the institution furnishes such
12 information after 30 days after such date but within
13 90 days after such date.

14 “(ii) The provisions of section 552a of title 5, United
15 States Code, shall not apply to any contract entered into
16 under clause (i) or to information exchanged pursuant to
17 such contract.”.

18 (2) CONFORMING OASDI AMENDMENTS.—Sec-
19 tion 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

20 (A) by inserting “(A)” after “(3)”; and

21 (B) by adding at the end the following new
22 subparagraph:

23 “(B)(i) The Commissioner shall enter into a contract,
24 with any interested State or local institution described in
25 clause (i) or (ii) of paragraph (1)(A) the primary purpose

1 of which is to confine individuals as described in para-
2 graph (1)(A), under which—

3 “(I) the institution shall provide to the Com-
4 missioner, on a monthly basis, the names, social se-
5 curity account numbers, dates of birth, and such
6 other identifying information concerning the individ-
7 uals confined in the institution as the Commissioner
8 may require for the purpose of carrying out para-
9 graph (1); and

10 “(II) the Commissioner shall pay to any such
11 institution, with respect to each individual who is en-
12 titled to a benefit under this title for the month pre-
13 ceding the first month throughout which such indi-
14 vidual is confined in such institution as described in
15 paragraph (1)(A), an amount not to exceed \$400 if
16 the institution furnishes the information described in
17 subclause (I) to the Commissioner within 30 days
18 after the date such individual’s confinement in such
19 institution begins, or an amount not to exceed \$200
20 if the institution furnishes such information after 30
21 days after such date but within 90 days after such
22 date.

23 “(ii) The provisions of section 552a of title 5, United
24 States Code, shall not apply to any contract entered into

1 under clause (i) or to information exchanged pursuant to
2 such contract.”.

3 (b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A
4 PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED
5 SSI BENEFITS WHILE IN PRISON.—

6 (1) IN GENERAL.—Section 1611(e)(1) (42
7 U.S.C. 1382(e)(1)), as amended by subsection
8 (a)(1), is amended by adding at the end the follow-
9 ing new subparagraph:

10 “(J) In any case in which the Commissioner of Social
11 Security finds that a person has made a fraudulent state-
12 ment or representation in order to obtain or to continue
13 to receive benefits under this title while being an inmate
14 in a penal institution, such person shall not be considered
15 an eligible individual or eligible spouse for any month end-
16 ing during the 10-year period beginning on the date on
17 which such person ceases being such an inmate.”.

18 (2) EFFECTIVE DATE.—The amendment made
19 by this subsection shall apply with respect to state-
20 ments or representations made on or after the date
21 of the enactment of this Act.

22 (c) ELIMINATION OF OASDI REQUIREMENT THAT
23 CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-
24 PRISONMENT FOR MORE THAN 1 YEAR.—

1 (1) IN GENERAL.—Section 202(x)(1)(A) (42
2 U.S.C. 402(x)(1)(A)) is amended—

3 (A) in the matter preceding clause (i), by
4 striking “during” and inserting “throughout”;

5 (B) in clause (i), by striking “pursuant”
6 and all that follows through “imposed”; and

7 (C) in clause (ii)(I), by striking “an of-
8 fense punishable by imprisonment for more
9 than 1 year” and inserting “a criminal of-
10 fense”.

11 (2) EFFECTIVE DATE.—The amendments made
12 by this subsection shall be effective with respect to
13 benefits payable for months beginning more than
14 180 days after the date of the enactment of this Act.

15 (d) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN
16 THE COLLECTION OF INFORMATION RESPECTING PUBLIC
17 INMATES.—

18 (1) STUDY.—The Commissioner of Social Secu-
19 rity shall conduct a study of the desirability, feasibil-
20 ity, and cost of—

21 (A) establishing a system under which
22 Federal, State, and local courts would furnish
23 to the Commissioner such information respect-
24 ing court orders by which individuals are con-
25 fined in jails, prisons, or other public penal,

1 correctional, or medical facilities as the Com-
2 missioner may require for the purpose of carry-
3 ing out sections 202(x) and 1611(e)(1) of the
4 Social Security Act; and

5 (B) requiring that State and local jails,
6 prisons, and other institutions that enter into
7 contracts with the Commissioner under section
8 202(x)(3)(B) or 1611(e)(1)(I) of the Social Se-
9 curity Act furnish the information required by
10 such contracts to the Commissioner by means
11 of an electronic or other sophisticated data ex-
12 change system.

13 (2) REPORT.—Not later than 1 year after the
14 date of the enactment of this Act, the Commissioner
15 of Social Security shall submit a report on the re-
16 sults of the study conducted pursuant to this sub-
17 section to the Committee on Finance of the Senate
18 and the Committee on Ways and Means of the
19 House of Representatives.

20 **SEC. 204. EFFECTIVE DATE OF APPLICATION FOR BENE-**
21 **FITS.**

22 (a) IN GENERAL.—Subparagraph (A) of section
23 1611(c)(7) (42 U.S.C. 1382(c)(7)) is amended to read as
24 follows:

1 “(A) the first day of the month following the
2 date such application is filed, or”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 1614(b) (42 U.S.C. 1382c(b)) is
5 amended by striking “at the time the application or
6 request is filed” and inserting “on the first day of
7 the month following the date the application or re-
8 quest is filed”.

9 (2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3))
10 is amended by inserting “following the month” after
11 “beginning with the month”.

12 (c) EFFECTIVE DATE.—

13 (1) IN GENERAL.—The amendments made by
14 this section shall apply to applications for benefits
15 under title XVI of the Social Security Act filed on
16 or after the date of the enactment of this Act, with-
17 out regard to whether regulations have been issued
18 to implement such amendments.

19 (2) BENEFITS UNDER TITLE XVI.—For pur-
20 poses of this subsection, the term “benefits under
21 title XVI of the Social Security Act” includes sup-
22 plementary payments pursuant to an agreement for
23 Federal administration under section 1616(a) of the
24 Social Security Act, and payments pursuant to an

1 agreement entered into under section 212(b) of Pub-
2 lic Law 93–66.

3 **Subtitle B—Benefits for Disabled**
4 **Children**

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

6 (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-
7 tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by
8 section 105(b)(1) of the Contract with America Advance-
9 ment Act of 1996, is amended—

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

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

17 (3) by redesignating subparagraphs (C) through
18 (I) as subparagraphs (D) through (J), respectively;

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

21 “(C) An individual under the age of 18 shall be con-
22 sidered disabled for the purposes of this title if that indi-
23 vidual has a medically determinable physical or mental im-
24 pairment, which results in marked and severe functional
25 limitations, and which can be expected to result in death

1 or which has lasted or can be expected to last for a contin-
2 uous period of not less than 12 months. Notwithstanding
3 the preceding sentence, no individual under the age of 18
4 who engages in substantial gainful activity (determined in
5 accordance with regulations prescribed pursuant to sub-
6 paragraph (E)) may be considered to be disabled.”; and

7 (5) in subparagraph (F), as redesignated by
8 paragraph (3), by striking “(D)” and inserting
9 “(E)”.

10 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

11 (1) MODIFICATION TO MEDICAL CRITERIA FOR
12 EVALUATION OF MENTAL AND EMOTIONAL DIS-
13 ORDERS.—The Commissioner of Social Security
14 shall modify sections 112.00C.2. and
15 112.02B.2.c.(2) of appendix 1 to subpart P of part
16 404 of title 20, Code of Federal Regulations, to
17 eliminate references to maladaptive behavior in the
18 domain of personal/behavioral function.

19 (2) DISCONTINUANCE OF INDIVIDUALIZED
20 FUNCTIONAL ASSESSMENT.—The Commissioner of
21 Social Security shall discontinue the individualized
22 functional assessment for children set forth in sec-
23 tions 416.924d and 416.924e of title 20, Code of
24 Federal Regulations.

1 (c) MEDICAL IMPROVEMENT REVIEW STANDARD AS
2 IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—
3 Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

4 (1) by redesignating subclauses (I) and (II) of
5 clauses (i) and (ii) of subparagraph (B) as items
6 (aa) and (bb), respectively;

7 (2) by redesignating clauses (i) and (ii) of sub-
8 paragraphs (A) and (B) as subclauses (I) and (II),
9 respectively;

10 (3) by redesignating subparagraphs (A) through
11 (C) as clauses (i) through (iii), respectively, and by
12 moving their left hand margin 2 ems to the right;

13 (4) by inserting before clause (i) (as redesign-
14 nated by paragraph (3)) the following new subpara-
15 graph:

16 “(A) in the case of an individual who is
17 age 18 or older—”;

18 (5) at the end of subparagraph (A)(iii) (as re-
19 designated by paragraphs (3) and (4)), by striking
20 the period and inserting “; or”;

21 (6) by inserting after and below subparagraph
22 (A)(iii) (as so redesignated) the following new sub-
23 paragraph:

24 “(B) in the case of an individual who is
25 under the age of 18—

1 “(i) substantial evidence which dem-
2 onstrates that there has been medical im-
3 provement in the individual’s impairment
4 or combination of impairments, and that
5 such impairment or combination of impair-
6 ments no longer results in marked and se-
7 vere functional limitations; or

8 “(ii) substantial evidence which dem-
9 onstrates that, as determined on the basis
10 of new or improved diagnostic techniques
11 or evaluations, the individual’s impairment
12 or combination of impairments, is not as
13 disabling as it was considered to be at the
14 time of the most recent prior decision that
15 the individual was under a disability or
16 continued to be under a disability, and
17 such impairment or combination of impair-
18 ments does not result in marked or severe
19 functional limitations; or”;

20 (7) by redesignating subparagraph (D) as sub-
21 paragraph (C) and by inserting in such subpara-
22 graph “in the case of any individual,” before “sub-
23 stantial evidence”; and

24 (8) in the first sentence following subparagraph
25 (C) (as redesignated by paragraph (7)), by—

1 (A) inserting “(i)” before “to restore”; and

2 (B) inserting “, or (ii) in the case of an in-
3 dividual under the age of 18, to eliminate or
4 improve the individual’s impairment or com-
5 bination of impairments so that it no longer re-
6 sults in marked and severe functional limita-
7 tions” immediately before the period.

8 (d) EFFECTIVE DATES, ETC.—

9 (1) EFFECTIVE DATES.—

10 (A) IN GENERAL.—The provisions of, and
11 amendments made by, subsections (a) and
12 (b)(2) shall apply to applications for benefits
13 under title XVI of the Social Security Act pend-
14 ing on, or filed on or after, the date of the en-
15 actment of this Act, without regard to whether
16 regulations have been issued to implement such
17 provisions and amendments.

18 (B) MEDICAL CRITERIA MODIFICATION.—
19 The provisions of, and amendments made by,
20 subsections (b)(1) and (c) shall apply to bene-
21 fits under title XVI of the Social Security Act
22 for months beginning on or after the date of
23 the enactment of this Act, without regard to
24 whether regulations have been issued to imple-
25 ment such subsection.

1 (2) APPLICATION TO CURRENT RECIPIENTS.—

2 (A) ELIGIBILITY DETERMINATIONS.—Dur-
3 ing the period beginning on the date of the en-
4 actment of this Act and ending on the date
5 which is 1 year after such date of enactment,
6 the Commissioner of Social Security shall rede-
7 termine the eligibility of any individual under
8 age 18 who is receiving supplemental security
9 income benefits by reason of disability under
10 title XVI of the Social Security Act as of the
11 date of the enactment of this Act and whose eli-
12 gibility for such benefits may terminate by rea-
13 son of the provisions of, or amendments made
14 by, subsections (a) and (b)(2). With respect to
15 any redetermination under this subparagraph—

16 (i) section 1614(a)(4) of the Social
17 Security Act (42 U.S.C. 1382c(a)(4)) shall
18 not apply;

19 (ii) the Commissioner of Social Secu-
20 rity shall apply the eligibility criteria for
21 new applicants for benefits under title XVI
22 of such Act;

23 (iii) the Commissioner shall give such
24 redetermination priority over all continuing

1 eligibility reviews and other reviews under
2 such title; and

3 (iv) such redetermination shall be
4 counted as a review or redetermination
5 otherwise required to be made under sec-
6 tion 208 of the Social Security Independ-
7 ence and Program Improvements Act of
8 1994 or any other provision of title XVI of
9 the Social Security Act.

10 (B) GRANDFATHER PROVISION.—The pro-
11 visions of, and amendments made by, sub-
12 sections (a) and (b)(2), and the redetermination
13 under subparagraph (A), shall only apply with
14 respect to the benefits of an individual de-
15 scribed in subparagraph (A) for months begin-
16 ning on or after the date of the redetermination
17 with respect to such individual.

18 (C) NOTICE.—Not later than January 1,
19 1997, the Commissioner of Social Security shall
20 notify an individual described in subparagraph
21 (A) of the provisions of this paragraph.

22 (3) REPORT.—The Commissioner of Social Se-
23 curity shall report to the Congress regarding the
24 progress made in implementing the provisions of,
25 and amendments made by, this section on child dis-

1 ability evaluations not later than 180 days after the
2 date of the enactment of this Act.

3 (4) REGULATIONS.—Notwithstanding any other
4 provision of law, the Commissioner of Social Secu-
5 rity shall submit for review to the committees of ju-
6 risdiction in the Congress any final regulation per-
7 taining to the eligibility of individuals under age 18
8 for benefits under title XVI of the Social Security
9 Act at least 45 days before the effective date of such
10 regulation. The submission under this paragraph
11 shall include supporting documentation providing a
12 cost analysis, workload impact, and projections as to
13 how the regulation will effect the future number of
14 recipients under such title.

15 (5) BENEFITS UNDER TITLE XVI.—For pur-
16 poses of this subsection, the term “benefits under
17 title XVI of the Social Security Act” includes sup-
18plementary payments pursuant to an agreement for
19 Federal administration under section 1616(a) of the
20 Social Security Act, and payments pursuant to an
21 agreement entered into under section 212(b) of Pub-
22 lic Law 93–66.

1 **SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINU-**
2 **ING DISABILITY REVIEWS.**

3 (a) CONTINUING DISABILITY REVIEWS RELATING TO
4 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.
5 1382c(a)(3)(H)), as redesignated by section 211(a)(3), is
6 amended—

7 (1) by inserting “(i)” after “(H)”; and

8 (2) by adding at the end the following new
9 clause:

10 “(ii)(I) Not less frequently than once every 3 years,
11 the Commissioner shall review in accordance with para-
12 graph (4) the continued eligibility for benefits under this
13 title of each individual who has not attained 18 years of
14 age and is eligible for such benefits by reason of an im-
15 pairment (or combination of impairments) which is likely
16 to improve (or, at the option of the Commissioner, which
17 is unlikely to improve).

18 “(II) A representative payee of a recipient whose case
19 is reviewed under this clause shall present, at the time
20 of review, evidence demonstrating that the recipient is,
21 and has been, receiving treatment, to the extent consid-
22 ered medically necessary and available, of the condition
23 which was the basis for providing benefits under this title.

24 “(III) If the representative payee refuses to comply
25 without good cause with the requirements of subclause
26 (II), the Commissioner of Social Security shall, if the

1 Commissioner determines it is in the best interest of the
 2 individual, promptly terminate payment of benefits to the
 3 representative payee, and provide for payment of benefits
 4 to an alternative representative payee of the individual or,
 5 if the interest of the individual under this title would be
 6 served thereby, to the individual.

7 “(IV) Subclause (II) shall not apply to the represent-
 8 ative payee of any individual with respect to whom the
 9 Commissioner determines such application would be inap-
 10 propriate or unnecessary. In making such determination,
 11 the Commissioner shall take into consideration the nature
 12 of the individual’s impairment (or combination of impair-
 13 ments). Section 1631(c) shall not apply to a finding by
 14 the Commissioner that the requirements of subclause (II)
 15 should not apply to an individual’s representative payee.”.

16 (b) DISABILITY ELIGIBILITY REDETERMINATIONS
 17 REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS
 18 OF AGE.—

19 (1) IN GENERAL.—Section 1614(a)(3)(H) (42
 20 U.S.C. 1382c(a)(3)(H)), as amended by subsection
 21 (a), is amended by adding at the end the following
 22 new clause:

23 “(iii) If an individual is eligible for benefits under this
 24 title by reason of disability for the month preceding the

1 month in which the individual attains the age of 18 years,
2 the Commissioner shall redetermine such eligibility—

3 “(I) during the 1-year period beginning on the
4 individual’s 18th birthday; and

5 “(II) by applying the criteria used in determin-
6 ing the initial eligibility for applicants who are age
7 18 or older.

8 With respect to a redetermination under this clause, para-
9 graph (4) shall not apply and such redetermination shall
10 be considered a substitute for a review or redetermination
11 otherwise required under any other provision of this sub-
12 paragraph during that 1-year period.”.

13 (2) CONFORMING REPEAL.—Section 207 of the
14 Social Security Independence and Program Improve-
15 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.
16 1516) is hereby repealed.

17 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR
18 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)
19 (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections
20 (a) and (b), is amended by adding at the end the following
21 new clause:

22 “(iv)(I) Not later than 12 months after the birth of
23 an individual, the Commissioner shall review in accordance
24 with paragraph (4) the continuing eligibility for benefits
25 under this title by reason of disability of such individual

1 whose low birth weight is a contributing factor material
2 to the Commissioner's determination that the individual
3 is disabled.

4 “(II) A review under subclause (I) shall be considered
5 a substitute for a review otherwise required under any
6 other provision of this subparagraph during that 12-
7 month period.

8 “(III) A representative payee of a recipient whose
9 case is reviewed under this clause shall present, at the
10 time of review, evidence demonstrating that the recipient
11 is, and has been, receiving treatment, to the extent consid-
12 ered medically necessary and available, of the condition
13 which was the basis for providing benefits under this title.

14 “(IV) If the representative payee refuses to comply
15 without good cause with the requirements of subclause
16 (III), the Commissioner of Social Security shall, if the
17 Commissioner determines it is in the best interest of the
18 individual, promptly terminate payment of benefits to the
19 representative payee, and provide for payment of benefits
20 to an alternative representative payee of the individual or,
21 if the interest of the individual under this title would be
22 served thereby, to the individual.

23 “(V) Subclause (III) shall not apply to the represent-
24 ative payee of any individual with respect to whom the
25 Commissioner determines such application would be inap-

1 appropriate or unnecessary. In making such determination,
2 the Commissioner shall take into consideration the nature
3 of the individual's impairment (or combination of impair-
4 ments). Section 1631(c) shall not apply to a finding by
5 the Commissioner that the requirements of subclause (III)
6 should not apply to an individual's representative payee.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to benefits for months beginning
9 on or after the date of the enactment of this Act, without
10 regard to whether regulations have been issued to imple-
11 ment such amendments.

12 **SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

13 (a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR
14 MARKET VALUE.—

15 (1) IN GENERAL.—Section 1613(c) (42 U.S.C.
16 1382b(c)) is amended to read as follows:

17 “Disposal of Resources for Less Than Fair Market Value

18 “(c)(1)(A)(i) If an individual who has not attained
19 18 years of age (or any person acting on such individual's
20 behalf) disposes of resources of the individual for less than
21 fair market value on or after the look-back date specified
22 in clause (ii)(I), the individual is ineligible for benefits
23 under this title for months during the period beginning
24 on the date specified in clause (iii) and equal to the num-
25 ber of months specified in clause (iv).

1 “(ii)(I) The look-back date specified in this subclause
2 is a date that is 36 months before the date specified in
3 subclause (II).

4 “(II) The date specified in this subclause is the date
5 on which the individual applies for benefits under this title
6 or, if later, the date on which the disposal of the individ-
7 ual’s resources for less than fair market value occurs.

8 “(iii) The date specified in this clause is the first day
9 of the first month that follows the month in which the
10 individual’s resources were disposed of for less than fair
11 market value and that does not occur in any other period
12 of ineligibility under this paragraph.

13 “(iv) The number of months of ineligibility under this
14 clause for an individual shall be equal to—

15 “(I) the total, cumulative uncompensated value
16 of all the individual’s resources so disposed of on or
17 after the look-back date specified in clause (ii)(I), di-
18 vided by

19 “(II) the amount of the maximum monthly ben-
20 efit payable under section 1611(b) to an eligible in-
21 dividual for the month in which the date specified in
22 clause (ii)(II) occurs.

23 “(B) An individual shall not be ineligible for benefits
24 under this title by reason of subparagraph (A) if the Com-
25 missioner determines that—

1 “(i) the individual intended to dispose of the re-
2 sources at fair market value;

3 “(ii) the resources were transferred exclusively
4 for a purpose other than to qualify for benefits
5 under this title;

6 “(iii) all resources transferred for less than fair
7 market value have been returned to the individual;
8 or

9 “(iv) the denial of eligibility would work an
10 undue hardship on the individual (as determined on
11 the basis of criteria established by the Commissioner
12 in regulations).

13 “(C) For purposes of this paragraph, in the case of
14 a resource held by an individual in common with another
15 person or persons in a joint tenancy, tenancy in common,
16 or similar arrangement, the resource (or the affected por-
17 tion of such resource) shall be considered to be disposed
18 of by such individual when any action is taken, either by
19 such individual or by any other person, that reduces or
20 eliminates such individual’s ownership or control of such
21 resource.

22 “(D)(i) Notwithstanding subparagraph (A), this sub-
23 section shall not apply to a transfer of a resource to a
24 trust if the portion of the trust attributable to such re-
25 source is considered a resource available to the individual

1 pursuant to subsection (e)(3) (or would be so considered,
2 but for the application of subsection (e)(4)).

3 “(ii) In the case of a trust established by an individ-
4 ual (within the meaning of subsection (e)(2)(A)), if from
5 such portion of the trust (if any) that is considered a re-
6 source available to the individual pursuant to subsection
7 (e)(3) (or would be so considered but for the application
8 of subsection (e)(2)) or the residue of such portion upon
9 the termination of the trust—

10 “(I) there is made a payment other than to or
11 for the benefit of the individual, or

12 “(II) no payment could under any circumstance
13 be made to the individual,

14 then the payment described in subclause (I) or the fore-
15 closure of payment described in subclause (II) shall be
16 considered a disposal of resources by the individual subject
17 to this subsection, as of the date of such payment or fore-
18 closure, respectively.

19 “(2)(A) At the time an individual (and the individ-
20 ual’s eligible spouse, if any) applies for benefits under this
21 title, and at the time the eligibility of an individual (and
22 such spouse, if any) for such benefits is redetermined, the
23 Commissioner of Social Security shall—

24 “(i) inform such individual of the provisions of
25 paragraph (1) providing for a period of ineligibility

1 for benefits under this title for individuals who make
2 certain dispositions of resources for less than fair
3 market value, and inform such individual that infor-
4 mation obtained pursuant to clause (ii) will be made
5 available to the State agency administering a State
6 plan approved under title XV or XIX (as provided
7 in subparagraph (B)); and

8 “(ii) obtain from such individual information
9 which may be used in determining whether or not a
10 period of ineligibility for such benefits would be re-
11 quired by reason of paragraph (1).

12 “(B) The Commissioner of Social Security shall make
13 the information obtained under subparagraph (A)(ii)
14 available, on request, to any State agency administering
15 a State plan approved under title XV or XIX.

16 “(3) For purposes of this subsection—

17 “(A) the term ‘trust’ includes any legal instru-
18 ment or device that is similar to a trust; and

19 “(B) the term ‘benefits under this title’ includes
20 supplementary payments pursuant to an agreement
21 for Federal administration under section 1616(a),
22 and payments pursuant to an agreement entered
23 into under section 212(b) of Public Law 93–66.”.

24 (2) EFFECTIVE DATE.—The amendment made
25 by this subsection shall be effective with respect to

1 transfers that occur at least 90 days after the date
2 of the enactment of this Act.

3 (b) TREATMENT OF ASSETS HELD IN TRUST.—

4 (1) TREATMENT AS RESOURCE.—Section 1613
5 (42 U.S.C. 1382) is amended by adding at the end
6 the following new subsection:

7 “Trusts

8 “(e)(1) In determining the resources of an individual
9 who has not attained 18 years of age, the provisions of
10 paragraph (3) shall apply to a trust established by such
11 individual.

12 “(2)(A) For purposes of this subsection, an individual
13 shall be considered to have established a trust if any assets
14 of the individual were transferred to the trust.

15 “(B) In the case of an irrevocable trust to which the
16 assets of an individual and the assets of any other person
17 or persons were transferred, the provisions of this sub-
18 section shall apply to the portion of the trust attributable
19 to the assets of the individual.

20 “(C) This subsection shall apply without regard to—

21 “(i) the purposes for which the trust is estab-
22 lished;

23 “(ii) whether the trustees have or exercise any
24 discretion under the trust;

1 “(iii) any restrictions on when or whether dis-
2 tributions may be made from the trust; or

3 “(iv) any restrictions on the use of distributions
4 from the trust.

5 “(3)(A) In the case of a revocable trust, the corpus
6 of the trust shall be considered a resource available to the
7 individual.

8 “(B) In the case of an irrevocable trust, if there are
9 any circumstances under which payment from the trust
10 could be made to or for the benefit of the individual, the
11 portion of the corpus from which payment to or for the
12 benefit of the individual could be made shall be considered
13 a resource available to the individual.

14 “(4) The Commissioner may waive the application of
15 this subsection with respect to any individual if the Com-
16 missioner determines, on the basis of criteria prescribed
17 in regulations, that such application would work an undue
18 hardship on such individual.

19 “(5) For purposes of this subsection—

20 “(A) the term ‘trust’ includes any legal instru-
21 ment or device that is similar to a trust;

22 “(B) the term ‘corpus’ means all property and
23 other interests held by the trust, including accumu-
24 lated earnings and any other addition to such trust
25 after its establishment (except that such term does

1 not include any such earnings or addition in the
2 month in which such earnings or addition is credited
3 or otherwise transferred to the trust);

4 “(C) the term ‘asset’ includes any income or re-
5 source of the individual, including—

6 “(i) any income otherwise excluded by sec-
7 tion 1612(b);

8 “(ii) any resource otherwise excluded by
9 this section; and

10 “(iii) any other payment or property that
11 the individual is entitled to but does not receive
12 or have access to because of action by—

13 “(I) such individual;

14 “(II) a person or entity (including a
15 court) with legal authority to act in place
16 of, or on behalf of, such individual; or

17 “(III) a person or entity (including a
18 court) acting at the direction of, or upon
19 the request of, such individual; and

20 “(D) the term ‘benefits under this title’ in-
21 cludes supplementary payments pursuant to an
22 agreement for Federal administration under section
23 1616(a), and payments pursuant to an agreement
24 entered into under section 212(b) of Public Law 93-
25 66.”.

1 (2) TREATMENT AS INCOME.—Section
2 1612(a)(2) (42 U.S.C. 1382a(a)(2)) is amended—

3 (A) by striking “and” at the end of sub-
4 paragraph (E);

5 (B) by striking the period at the end of
6 subparagraph (F) and inserting “; and”; and

7 (C) by adding at the end the following new
8 subparagraph:

9 “(G) any earnings of, and additions to, the
10 corpus of a trust (as defined in section 1613(f))
11 established by an individual (within the mean-
12 ing of section 1613(e)(2)(A)) and of which such
13 individual is a beneficiary (other than a trust to
14 which section 1613(e)(4) applies), except that
15 in the case of an irrevocable trust, there shall
16 exist circumstances under which payment from
17 such earnings or additions could be made to, or
18 for the benefit of, such individual.”.

19 (3) EFFECTIVE DATE.—The amendments made
20 by this subsection shall take effect on January 1,
21 1996, and shall apply to trusts established on or
22 after such date.

23 (c) REQUIREMENT TO ESTABLISH ACCOUNT.—

24 (1) IN GENERAL.—Section 1631(a)(2) (42
25 U.S.C. 1383(a)(2)) is amended—

1 (A) by redesignating subparagraphs (F)
2 and (G) as subparagraphs (G) and (H), respec-
3 tively; and

4 (B) by inserting after subparagraph (E)
5 the following new subparagraph:

6 “(F)(i)(I) Each representative payee of an eligible in-
7 dividual under the age of 18 who is eligible for the pay-
8 ment of benefits described in subclause (II) shall establish
9 on behalf of such individual an account in a financial insti-
10 tution into which such benefits shall be paid, and shall
11 thereafter maintain such account for use in accordance
12 with clause (ii).

13 “(II) Benefits described in this subclause are past-
14 due monthly benefits under this title (which, for purposes
15 of this subclause, include State supplementary payments
16 made by the Commissioner pursuant to an agreement
17 under section 1616 or section 212(b) of Public Law 93-
18 66) in an amount (after any withholding by the Commis-
19 sioner for reimbursement to a State for interim assistance
20 under subsection (g)) that exceeds the product of—

21 “(aa) 6, and

22 “(bb) the maximum monthly benefit payable
23 under this title to an eligible individual.

1 “(ii)(I) A representative payee may use funds in the
2 account established under clause (i) to pay for allowable
3 expenses described in subclause (II).

4 “(II) An allowable expense described in this subclause
5 is an expense for—

6 “(aa) education or job skills training;

7 “(bb) personal needs assistance;

8 “(cc) special equipment;

9 “(dd) housing modification;

10 “(ee) medical treatment;

11 “(ff) therapy or rehabilitation; or

12 “(gg) any other item or service that the Com-
13 missioner determines to be appropriate;

14 provided that such expense benefits such individual and,
15 in the case of an expense described in item (cc), (dd), (ff),
16 or (gg), is related to the impairment (or combination of
17 impairments) of such individual.

18 “(III) The use of funds from an account established
19 under clause (i) in any manner not authorized by this
20 clause—

21 “(aa) by a representative payee shall constitute
22 misuse of benefits for all purposes of this paragraph,
23 and any representative payee who knowingly misuses
24 benefits from such an account shall be liable to the

1 Commissioner in an amount equal to the total
2 amount of such misused benefits; and

3 “(bb) by an eligible individual who is his or her
4 own representative payee shall be considered an
5 overpayment subject to recovery under subsection
6 (b).

7 “(IV) This clause shall continue to apply to funds in
8 the account after the child has reached age 18, regardless
9 of whether benefits are paid directly to the beneficiary or
10 through a representative payee.

11 “(iii) The representative payee may deposit into the
12 account established pursuant to clause (i)—

13 “(I) past-due benefits payable to the eligible in-
14 dividual in an amount less than that specified in
15 clause (i)(II), and

16 “(II) any other funds representing an under-
17 payment under this title to such individual, provided
18 that the amount of such underpayment is equal to
19 or exceeds the maximum monthly benefit payable
20 under this title to an eligible individual.

21 “(iv) The Commissioner of Social Security shall es-
22 tablish a system for accountability monitoring whereby
23 such representative payee shall report, at such time and
24 in such manner as the Commissioner shall require, on ac-

1 tivity respecting funds in the account established pursuant
2 to clause (i).”.

3 (2) EXCLUSION FROM RESOURCES.—Section
4 1613(a) (42 U.S.C. 1382b(a)) is amended—

5 (A) in paragraph (9), by striking “; and”
6 and inserting a semicolon;

7 (B) in the first paragraph (10), by striking
8 the period and inserting a semicolon;

9 (C) by redesignating the second paragraph
10 (10) as paragraph (11), and by striking the pe-
11 riod and inserting “; and”; and

12 (D) by adding at the end the following new
13 paragraph:

14 “(12) the assets and accrued interest or other
15 earnings of any account established and maintained
16 in accordance with section 1631(a)(2)(F).”.

17 (3) EXCLUSION FROM INCOME.—Section
18 1612(b) (42 U.S.C. 1382a(b)) is amended—

19 (A) by striking “and” at the end of para-
20 graph (19);

21 (B) by striking the period at the end of
22 paragraph (20) and inserting “; and”; and

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

1 “(21) the interest or other earnings on any ac-
2 count established and maintained in accordance with
3 section 1631(a)(2)(F).”.

4 (4) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply to payments made
6 after the date of the enactment of this Act.

7 **SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO IN-**
8 **STITUTIONALIZED INDIVIDUALS WHOSE MED-**
9 **ICAL COSTS ARE COVERED BY PRIVATE IN-**
10 **SURANCE.**

11 (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.
12 1382(e)(1)(B)) is amended—

13 (1) by striking “title XIX, or” and inserting
14 “title XV or XIX,”; and

15 (2) by inserting “or, in the case of an eligible
16 individual under the age of 18 receiving payments
17 (with respect to such individual) under any health
18 insurance policy issued by a private provider of such
19 insurance” after “section 1614(f)(2)(B),”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to benefits for months beginning
22 90 or more days after the date of the enactment of this
23 Act, without regard to whether regulations have been is-
24 sued to implement such amendments.

1 **SEC. 215. INSTALLMENT PAYMENT OF LARGE PAST-DUE**
2 **SUPPLEMENTAL SECURITY INCOME BENE-**
3 **FITS.**

4 (a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383)
5 is amended by adding at the end the following new para-
6 graph:

7 “(10)(A) If an individual is eligible for past-due
8 monthly benefits under this title in an amount that (after
9 any withholding for reimbursement to a State for interim
10 assistance under subsection (g)) equals or exceeds the
11 product of—

12 “(i) 12, and

13 “(ii) the maximum monthly benefit payable
14 under this title to an eligible individual (or, if appro-
15 priate, to an eligible individual and eligible spouse),
16 then the payment of such past-due benefits (after any such
17 reimbursement to a State) shall be made in installments
18 as provided in subparagraph (B).

19 “(B)(i) The payment of past-due benefits subject to
20 this subparagraph shall be made in not to exceed 3 install-
21 ments that are made at 6-month intervals.

22 “(ii) Except as provided in clause (iii), the amount
23 of each of the first and second installments may not exceed
24 an amount equal to the product of clauses (i) and (ii) of
25 subparagraph (A).

26 “(iii) In the case of an individual who has—

1 “(I) outstanding debt attributable to—
2 “(aa) food,
3 “(bb) clothing,
4 “(cc) shelter, or
5 “(dd) medically necessary services, supplies
6 or equipment, or medicine; or
7 “(II) current expenses or expenses anticipated
8 in the near term attributable to—
9 “(aa) medically necessary services, supplies
10 or equipment, or medicine, or
11 “(bb) the purchase of a home, and
12 such debt or expenses are not subject to reimbursement
13 by a public assistance program, the Secretary under title
14 XVIII, a State plan approved under title XV or XIX, or
15 any private entity legally liable to provide payment pursu-
16 ant to an insurance policy, pre-paid plan, or other ar-
17 rangement, the limitation specified in clause (ii) may be
18 exceeded by an amount equal to the total of such debt
19 and expenses.
20 “(C) This paragraph shall not apply to any individual
21 who, at the time of the Commissioner’s determination that
22 such individual is eligible for the payment of past-due
23 monthly benefits under this title—

1 “(i) is afflicted with a medically determinable
2 impairment that is expected to result in death within
3 12 months; or

4 “(ii) is ineligible for benefits under this title
5 and the Commissioner determines that such individ-
6 ual is likely to remain ineligible for the next 12
7 months.

8 “(D) For purposes of this paragraph, the term ‘bene-
9 fits under this title’ includes supplementary payments pur-
10 suant to an agreement for Federal administration under
11 section 1616(a), and payments pursuant to an agreement
12 entered into under section 212(b) of Public Law 93–66.”.

13 (b) CONFORMING AMENDMENT.—Section 1631(a)(1)
14 (42 U.S.C. 1383(a)(1)) is amended by inserting “(subject
15 to paragraph (10))” immediately before “in such install-
16 ments”.

17 (c) EFFECTIVE DATE.—

18 (1) IN GENERAL.—The amendments made by
19 this section are effective with respect to past-due
20 benefits payable under title XVI of the Social Secu-
21 rity Act after the third month following the month
22 in which this Act is enacted.

23 (2) BENEFITS PAYABLE UNDER TITLE XVI.—
24 For purposes of this subsection, the term “benefits
25 payable under title XVI of the Social Security Act”

1 includes supplementary payments pursuant to an
2 agreement for Federal administration under section
3 1616(a) of the Social Security Act, and payments
4 pursuant to an agreement entered into under section
5 212(b) of Public Law 93–66.

6 **SEC. 216. RECOVERY OF SUPPLEMENTAL SECURITY IN-**
7 **COME OVERPAYMENTS FROM SOCIAL SECU-**
8 **RITY BENEFITS.**

9 (a) IN GENERAL.—Part A of title XI is amended by
10 adding at the end the following new section:

11 “RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL
12 SECURITY BENEFITS

13 “SEC. 1145. (a) IN GENERAL.—Whenever the Com-
14 missioner of Social Security determines that more than
15 the correct amount of any payment has been made to any
16 person under the supplemental security income program
17 authorized by title XVI, and the Commissioner is unable
18 to make proper adjustment or recovery of the amount so
19 incorrectly paid as provided in section 1631(b), the Com-
20 missioner (notwithstanding section 207) may recover the
21 amount incorrectly paid by decreasing any amount which
22 is payable under the Federal Old-Age and Survivors Insur-
23 ance program or the Federal Disability Insurance pro-
24 gram authorized by title II to that person or that person’s
25 estate.

1 “(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR
2 AMOUNT.—Notwithstanding subsections (a) and (b) of
3 section 1611, in any case in which the Commissioner takes
4 action in accordance with subsection (a) to recover an
5 overpayment from any person, neither that person, nor
6 any individual whose eligibility or benefit amount is deter-
7 mined by considering any part of that person’s income,
8 shall, as a result of such action—

9 “(1) become eligible under the program of sup-
10 plemental security income benefits under title XVI,
11 or

12 “(2) if such person or individual is already so
13 eligible, become eligible for increased benefits there-
14 under.

15 “(c) PROGRAM UNDER TITLE XVI.—For purposes of
16 this section, the term ‘supplemental security income pro-
17 gram authorized by title XVI’ includes supplementary pay-
18 ments pursuant to an agreement for Federal administra-
19 tion under section 1616(a), and payments pursuant to an
20 agreement entered into under section 212(b) of Public
21 Law 93–66.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 204 (42 U.S.C. 404) is amended by
24 adding at the end the following new subsection:

1 “(g) For payments which are adjusted or withheld
2 to recover an overpayment of supplemental security in-
3 come benefits paid under title XVI (including State sup-
4 plementary payments which were paid under an agreement
5 pursuant to section 1616(a) or section 212(b) of Public
6 Law 93-66), see section 1145.”.

7 (2) Section 1631(b) is amended by adding at
8 the end the following new paragraph:

9 “(5) For the recovery of overpayments of benefits
10 under this title from benefits payable under title II, see
11 section 1145.”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on the date of the enactment
14 of this Act and shall apply to overpayments outstanding
15 on or after such date.

16 **SEC. 217. REGULATIONS.**

17 Within 3 months after the date of the enactment of
18 this Act, the Commissioner of Social Security shall pre-
19 scribe such regulations as may be necessary to implement
20 the amendments made by this subtitle.

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), is amended by adding at the end the fol-
 15 lowing 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 for initial determinations, reconsid-

1 eration determinations, administrative law judge
2 hearings, appeals council reviews, and Federal court
3 decisions;

4 “(3) historical and current data on characteris-
5 tics of recipients and program costs, by recipient
6 group (aged, blind, disabled adults, and disabled
7 children);

8 “(4) projections of future number of recipients
9 and program costs, through at least 25 years;

10 “(5) number of redeterminations and continu-
11 ing disability reviews, and the outcomes of such re-
12 determinations and reviews;

13 “(6) data on the utilization of work incentives;

14 “(7) detailed information on administrative and
15 other program operation costs;

16 “(8) summaries of relevant research undertaken
17 by the Social Security Administration, or by other
18 researchers;

19 “(9) State supplementation program operations;

20 “(10) a historical summary of statutory
21 changes to this title; and

22 “(11) such other information as the Commis-
23 sioner deems useful.

24 “(b) Each member of the Social Security Advisory
25 Board shall be permitted to provide an individual report,

1 or a joint report if agreed, of views of the program under
2 this title, to be included in the annual report required
3 under this section.”.

4 **SEC. 232. STUDY OF DISABILITY DETERMINATION PROC-**
5 **ESS.**

6 (a) IN GENERAL.—Not later than 90 days after the
7 date of the enactment of this Act, and from funds other-
8 wise appropriated, the Commissioner of Social Security
9 shall make arrangements with the National Academy of
10 Sciences, or other independent entity, to conduct a study
11 of the disability determination process under titles II and
12 XVI of the Social Security Act. This study shall be under-
13 taken in consultation with professionals representing ap-
14 propriate disciplines.

15 (b) STUDY COMPONENTS.—The study described in
16 subsection (a) shall include—

17 (1) an initial phase examining the appropriate-
18 ness of, and making recommendations regarding—

19 (A) the definitions of disability in effect on
20 the date of the enactment of this Act and the
21 advantages and disadvantages of alternative
22 definitions; and

23 (B) the operation of the disability deter-
24 mination process, including the appropriate
25 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, 1999, 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 disability program under title
4 XVI of 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 DEVISES.—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 **Subtitle F—Retirement Age**
6 **Eligibility**

7 **SEC. 251. ELIGIBILITY FOR SUPPLEMENTAL SECURITY IN-**
8 **COME BENEFITS BASED ON SOCIAL SECU-**
9 **RITY RETIREMENT AGE.**

10 (a) IN GENERAL.—Section 1614(a)(1)(A) (42 U.S.C.
11 1382C(a)(1)(A)) is amended by striking “is 65 years of
12 age or older,” and inserting “has attained retirement
13 age.”.

14 (b) RETIREMENT AGE DEFINED.—Section 1614 (42
15 U.S.C. 1382c) is amended by adding at the end the follow-
16 ing new subsection:

17 **“Retirement Age**

18 “(g) For purposes of this title, the term “retirement
19 age” has the meaning given such term by section 216(l)(1)
20 with respect to individuals entitled to old-age insurance.”.

21 (c) CONFORMING AMENDMENTS.—Sections 1601,
22 1612(b)(4), 1615(a)(1), and 1620(b)(2) (42 U.S.C. 1381,
23 1382a(b)(4), 1382d(a)(1), and 1382i(b)(2)) are amended
24 by striking “age 65” each place it appears and inserting
25 “retirement age”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

4 **TITLE III—CHILD SUPPORT**

5 **SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.**

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

11 **Subtitle A—Eligibility for Services; 12 **Distribution of Payments****

13 **SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUP- 14 **PORT ENFORCEMENT SERVICES.****

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

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

19 “(4) provide that the State will—

20 “(A) provide services relating to the estab-
21 lishment of paternity or the establishment,
22 modification, or enforcement of child support
23 obligations, as appropriate, under the plan with
24 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 are provided under the State pro-
6 gram funded under part E of this title,
7 (III) medical assistance is provided under
8 the State plan under title XV, or (IV)
9 medical assistance is provided under the
10 State plan approved under title XIX, un-
11 less, in accordance with paragraph (29),
12 good cause and other exceptions exist;

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

16 “(B) enforce any support obligation estab-
17 lished with respect to—

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

20 “(ii) the custodial parent of such a
21 child.”; and

22 (2) in paragraph (6)—

23 (A) by striking “provide that” and insert-
24 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.—Subject to subsection (e), an
15 amount collected on behalf of a family as support by a
16 State pursuant to a plan approved under this part shall
17 be distributed as follows:

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

21 “(A) pay to the Federal Government the
22 Federal share of the amount so collected; and

23 “(B) retain, or distribute to the family, the
24 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.—Except
19 as provided in subclause (II), the pro-
20 visions of this section (other than sub-
21 section (b)(1)) as in effect and applied
22 on the day before the date of the en-
23 actment of section 302 of the Per-
24 sonal Responsibility and Work Oppor-
25 tunity Act of 1996 shall apply with

1 respect to the distribution of support
2 arrearages that—

3 “(aa) accrued after the fam-
4 ily ceased to receive assistance,
5 and

6 “(bb) are collected before
7 October 1, 1997.

8 “(II) POST-SEPTEMBER 1997.—
9 With respect to the amount so col-
10 lected on or after October 1, 1997 (or
11 before such date, at the option of the
12 State)—

13 “(aa) IN GENERAL.—The
14 State shall first distribute the
15 amount so collected (other than
16 any amount described in clause
17 (iv)) to the family to the extent
18 necessary to satisfy any support
19 arrearages with respect to the
20 family that accrued after the
21 family ceased to receive assist-
22 ance from the State.

23 “(bb) REIMBURSEMENT OF
24 GOVERNMENTS FOR ASSISTANCE
25 PROVIDED TO THE FAMILY.—

1 After the application of division
2 (aa) and clause (ii)(II)(aa) with
3 respect to the amount so col-
4 lected, the State shall retain the
5 State share of the amount so col-
6 lected, and pay to the Federal
7 Government the Federal share
8 (as defined in subsection (c)(2))
9 of the amount so collected, but
10 only to the extent necessary to
11 reimburse amounts paid to the
12 family as assistance by the State.

13 “(cc) DISTRIBUTION OF THE
14 REMAINDER TO THE FAMILY.—
15 To the extent that neither divi-
16 sion (aa) nor division (bb) applies
17 to the amount so collected, the
18 State shall distribute the amount
19 to the family.

20 “(ii) DISTRIBUTION OF ARREARAGES
21 THAT ACCRUED BEFORE THE FAMILY RE-
22 CEIVED ASSISTANCE.—

23 “(I) PRE-OCTOBER 2000.—Except
24 as provided in subclause (II), the pro-
25 visions of this section (other than sub-

1 section (b)(1)) as in effect and applied
2 on the day before the date of the en-
3 actment of section 302 of the Per-
4 sonal Responsibility and Work Oppor-
5 tunity Act of 1996 shall apply with
6 respect to the distribution of support
7 arrearages that—

8 “(aa) accrued before the
9 family received assistance, and

10 “(bb) are collected before
11 October 1, 2000.

12 “(II) POST-SEPTEMBER 2000.—
13 Unless, based on the report required
14 by paragraph (4), the Congress deter-
15 mines otherwise, with respect to the
16 amount so collected on or after Octo-
17 ber 1, 2000 (or before such date, at
18 the option of the State)—

19 “(aa) IN GENERAL.—The
20 State shall first distribute the
21 amount so collected (other than
22 any amount described in clause
23 (iv)) to the family to the extent
24 necessary to satisfy any support
25 arrearages with respect to the

1 family that accrued before the
2 family received assistance from
3 the State.

4 “(bb) REIMBURSEMENT OF
5 GOVERNMENTS FOR ASSISTANCE
6 PROVIDED TO THE FAMILY.—

7 After the application of clause
8 (i)(II)(aa) and division (aa) with
9 respect to the amount so col-
10 lected, the State shall retain the
11 State share of the amount so col-
12 lected, and pay to the Federal
13 Government the Federal share
14 (as defined in subsection (c)(2))
15 of the amount so collected, but
16 only to the extent necessary to
17 reimburse amounts paid to the
18 family as assistance by the State.

19 “(cc) DISTRIBUTION OF THE
20 REMAINDER TO THE FAMILY.—

21 To the extent that neither divi-
22 sion (aa) nor division (bb) applies
23 to the amount so collected, the
24 State shall distribute the amount
25 to the family.

1 “(iii) DISTRIBUTION OF ARREARAGES
2 THAT ACCRUED WHILE THE FAMILY RE-
3 CEIVED ASSISTANCE.—In the case of a
4 family described in this subparagraph, the
5 provisions of paragraph (1) shall apply
6 with respect to the distribution of support
7 arrearages that accrued while the family
8 received assistance.

9 “(iv) AMOUNTS COLLECTED PURSU-
10 ANT TO SECTION 464.—Notwithstanding
11 any other provision of this section, any
12 amount of support collected pursuant to
13 section 464 shall be retained by the State
14 to the extent past-due support has been as-
15 signed to the State as a condition of re-
16 ceiving assistance from the State, up to the
17 amount necessary to reimburse the State
18 for amounts paid to the family as assist-
19 ance by the State. The State shall pay to
20 the Federal Government the Federal share
21 of the amounts so retained. To the extent
22 the amount collected pursuant to section
23 464 exceeds the amount so retained, the
24 State shall distribute the excess to the
25 family.

1 “(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected as accruing in the following order:

8 “(I) To the period after the family ceased to receive assistance.

10 “(II) To the period before the family received assistance.

12 “(III) To the period while the family was receiving assistance.

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

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

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

1 “(B) whether early implementation of a
2 pre-assistance arrearage program by some
3 States has been effective in moving people off
4 of welfare and keeping them off of welfare;

5 “(C) what the overall impact has been of
6 the amendments made by the Personal Respon-
7 sibility and Work Opportunity Act of 1996 with
8 respect to child support enforcement in moving
9 people off of welfare and keeping them off of
10 welfare; and

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

15 “(b) CONTINUATION OF ASSIGNMENTS.—Any rights
16 to support obligations, which were assigned to a State as
17 a condition of receiving assistance from the State under
18 part A and which were in effect on the day before the
19 date of the enactment of the Personal Responsibility and
20 Work Opportunity Act of 1996, shall remain assigned
21 after such date.

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

23 “(1) ASSISTANCE.—The term ‘assistance from
24 the State’ means—

1 “(A) assistance under the State program
2 funded under part A or under the State plan
3 approved under part A of this title (as in effect
4 on the day before the date of the enactment of
5 the Personal Responsibility and Work Oppor-
6 tunity Act of 1996); or

7 “(B) benefits under the State plan ap-
8 proved under part E of this title (as in effect
9 on the day before the date of the enactment of
10 the Personal Responsibility and Work Oppor-
11 tunity Act of 1996).

12 “(2) FEDERAL SHARE.—The term ‘Federal
13 share’ means that portion of the amount collected
14 resulting from the application of the Federal medical
15 assistance percentage in effect for the fiscal year in
16 which the amount is collected.

17 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
18 AGE.—The term ‘Federal medical assistance per-
19 centage’ means—

20 “(A) the Federal medical assistance per-
21 centage (as defined in section 1118), in the case
22 of Puerto Rico, the Virgin Islands, Guam, and
23 American Samoa; or

1 “(B) the Federal medical assistance per-
2 centage (as defined in section 1905(b)) in the
3 case of any other State.

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

6 “(d) HOLD HARMLESS PROVISION.—If the amounts
7 collected which could be retained by the State in the fiscal
8 year (to the extent necessary to reimburse the State for
9 amounts paid to families as assistance by the State) are
10 less than the State share of the amounts collected in fiscal
11 year 1995 (determined in accordance with section 457 as
12 in effect on the day before the date of the enactment of
13 the Personal Responsibility and Work Opportunity Act of
14 1996), the State share for the fiscal year shall be an
15 amount equal to the State share in fiscal year 1995.

16 “(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—This section shall not
17 apply to any amount collected on behalf of a family as
18 support by a State pursuant to a plan approved under this
19 part if such amount would have been distributed to the
20 family by the State under section 402(a)(28), as in effect
21 and applied on the day before the date of the enactment
22 of section 302 of the Personal Responsibility and Work
23 Opportunity Act of 1996.”.

24 (b) CONFORMING AMENDMENTS.—

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

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

5 (A) in paragraph (11)—

6 (i) by striking “(11)” and inserting
7 “(11)(A)”; and

8 (ii) by inserting after the semicolon
9 “and”; and

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

12 (c) EFFECTIVE DATES.—

13 (1) IN GENERAL.—~~E~~Except as provided in para-
14 graph (2), the amendments made by this section
15 shall be effective on July 1, 1996, or earlier at the
16 State’s option.

17 (2) CONFORMING AMENDMENTS.—The amend-
18 ments made by subsection (b)(2) shall become effec-
19 tive on the date of the enactment of this Act.

20 **SEC. 303. PRIVACY SAFEGUARDS.**

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

24 (1) by striking “and” at the end of paragraph
25 (24);

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

3 (3) by adding after paragraph (25) the follow-
4 ing new paragraph:

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

9 “(A) safeguards against unauthorized use
10 or disclosure of information relating to proceed-
11 ings or actions to establish paternity, or to es-
12 tablish or enforce support;

13 “(B) prohibitions against the release of in-
14 formation on the whereabouts of 1 party to an-
15 other party against whom a protective order
16 with respect to the former party has been en-
17 tered; and

18 “(C) prohibitions against the release of in-
19 formation on the whereabouts of 1 party to an-
20 other party if the State has reason to believe
21 that the release of the information may result
22 in physical or emotional harm to the former
23 party.”.

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

1 **SEC. 304. RIGHTS TO NOTIFICATION OF HEARINGS.**

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

6 “(12) provide for the establishment of proce-
7 dures to require the State to provide individuals who
8 are applying for or receiving services under the State
9 plan, or who are parties to cases in which services
10 are being provided under the State plan—

11 “(A) with notice of all proceedings in
12 which support obligations might be established
13 or modified; and

14 “(B) with a copy of any order establishing
15 or modifying a child support obligation, or (in
16 the case of a petition for modification) a notice
17 of determination that there should be no change
18 in the amount of the child support award, with-
19 in 14 days after issuance of such order or de-
20 termination;”.

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

1 **Subtitle B—Locate and Case**
2 **Tracking**

3 **SEC. 311. STATE CASE REGISTRY.**

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

7 “(e) STATE CASE REGISTRY.—

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

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

15 “(B) each support order established or
16 modified in the State on or after October 1,
17 1998.

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

23 “(3) USE OF STANDARDIZED DATA ELE-
24 MENTS.—Such records shall use standardized data
25 elements for both parents (such as names, social se-

1 curity numbers and other uniform identification
2 numbers, dates of birth, and case identification
3 numbers), and contain such other information (such
4 as on case status) as the Secretary may require.

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

11 “(A) the amount of monthly (or other peri-
12 odic) support owed under the order, and other
13 amounts (including arrearages, interest or late
14 payment penalties, and fees) due or overdue
15 under the order;

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

18 “(C) the distribution of such collected
19 amounts;

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

22 “(E) the amount of any lien imposed with
23 respect to the order pursuant to section
24 466(a)(4).

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

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

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

14 “(C) information on support collections
15 and distributions; and

16 “(D) any other relevant information.

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

1 other State or Federal agencies) to carry out this part,
2 subject to section 6103 of the Internal Revenue Code of
3 1986. Such information comparison activities shall include
4 the following:

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

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

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

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

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

9 **SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT**
10 **PAYMENTS.**

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

14 (1) by striking “and” at the end of paragraph
15 (25);

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

18 (3) by adding after paragraph (26) the follow-
19 ing new paragraph:

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

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

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

1 tractors reporting directly to the State agency
2 to—

3 “(i) monitor and enforce support col-
4 lections through the unit in cases being en-
5 forced by the State pursuant to section
6 454(4) (including carrying out the auto-
7 mated data processing responsibilities de-
8 scribed in section 454A(g)); and

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

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

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

17 “(a) STATE DISBURSEMENT UNIT.—

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

24 “(A) in all cases being enforced by the
25 State pursuant to section 454(4); and

1 “(B) in all cases not being enforced by the
2 State under this part in which the support
3 order is initially issued in the State on or after
4 January 1, 1994, and in which the wages of the
5 noncustodial parent are subject to withholding
6 pursuant to section 466(a)(8)(B).

7 “(2) OPERATION.—The State disbursement
8 unit shall be operated—

9 “(A) directly by the State agency (or 2 or
10 more State agencies under a regional coopera-
11 tive agreement), or (to the extent appropriate)
12 by a contractor responsible directly to the State
13 agency; and

14 “(B) except in cases described in para-
15 graph (1)(B), in coordination with the auto-
16 mated system established by the State pursuant
17 to section 454A.

18 “(3) LINKING OF LOCAL DISBURSEMENT
19 UNITS.—The State disbursement unit may be estab-
20 lished by linking local disbursement units through
21 an automated information network, subject to this
22 section, if the Secretary agrees that the system will
23 not cost more nor take more time to establish or op-
24 erate than a centralized system. In addition, employ-

1 ers shall be given 1 location to which income with-
2 holding is sent.

3 “(b) REQUIRED PROCEDURES.—The State disburse-
4 ment unit shall use automated procedures, electronic proc-
5 esses, and computer-driven technology to the maximum
6 extent feasible, efficient, and economical, for the collection
7 and disbursement of support payments, including proce-
8 dures—

9 “(1) for receipt of payments from parents, em-
10 ployers, and other States, and for disbursements to
11 custodial parents and other obligees, the State agen-
12 cy, and the agencies of other States;

13 “(2) for accurate identification of payments;

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

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

20 “(c) TIMING OF DISBURSEMENTS.—

21 “(1) IN GENERAL.—Except as provided in para-
22 graph (2), the State disbursement unit shall distrib-
23 ute all amounts payable under section 457(a) within
24 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 of notice of, and the income source
6 subject to, such withholding from a court,
7 another State, an employer, the Federal
8 Parent Locator Service, or another source
9 recognized by the State; 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 DATES.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall become effective on October 1, 1998.

4 (2) LIMITED EXCEPTION TO UNIT HANDLING
5 PAYMENTS.—Notwithstanding section 454B(b)(1) of
6 the Social Security Act, as added by this section,
7 any State which, as of the date of the enactment of
8 this Act, processes the receipt of child support pay-
9 ments through local courts, and, as of March 21,
10 1996, such courts were not funded under part D of
11 title IV of the Social Security Act, may, at the op-
12 tion of the State, continue to process through Sep-
13 tember 30, 1999, such payments through such
14 courts as processed such payments on or before such
15 date of enactment.

16 **SEC. 313. STATE DIRECTORY OF NEW HIRES.**

17 (a) STATE PLAN REQUIREMENT.—Section 454 (42
18 U.S.C. 654), as amended by sections 301(b), 303(a), and
19 312(a) of this Act, is amended—

20 (1) by striking “and” at the end of paragraph
21 (26);

22 (2) by striking the period at the end of para-
23 graph (27) and inserting “; and”; and

24 (3) by adding after paragraph (27) the follow-
25 ing new paragraph:

1 “(28) provide that, on and after October 1,
2 1997, the State will operate a State Directory of
3 New Hires in accordance with section 453A.”.

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

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

8 “(a) ESTABLISHMENT.—

9 “(1) IN GENERAL.—

10 “(A) REQUIREMENT FOR STATES THAT
11 HAVE NO DIRECTORY.—Except as provided in
12 subparagraph (B), not later than October 1,
13 1997, each State shall establish an automated
14 directory (to be known as the ‘State Directory
15 of New Hires’) which shall contain information
16 supplied in accordance with subsection (b) by
17 employers on each newly hired employee.

18 “(B) STATES WITH NEW HIRE REPORTING
19 IN EXISTENCE.—A State which has a new hire
20 reporting law in existence on the date of the en-
21 actment of this section may continue to operate
22 under the State law, but the State must meet
23 the requirements of subsection (g)(2) not later
24 than October 1, 1997, and the requirements of

1 this section (other than subsection (g)(2)) not
2 later than October 1, 1998.

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

4 “(A) EMPLOYEE.—The term ‘employee’—

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

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

17 “(B) EMPLOYER.—

18 “(i) IN GENERAL.—The term ‘em-
19 ployer’ has the meaning given such term in
20 section 3401(d) of the Internal Revenue
21 Code of 1986 and includes any govern-
22 mental entity and any labor organization.

23 “(ii) LABOR ORGANIZATION.—The
24 term ‘labor organization’ shall have the
25 meaning given such term in section 2(5) of

1 the National Labor Relations Act, and in-
2 cludes any entity (also known as a ‘hiring
3 hall’) which is used by the organization
4 and an employer to carry out requirements
5 described in section 8(f)(3) of such Act of
6 an agreement between the organization
7 and the employer.

8 “(b) EMPLOYER INFORMATION.—

9 “(1) REPORTING REQUIREMENT.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraphs (B) and (C), each employer shall
12 furnish to the Directory of New Hires of the
13 State in which a newly hired employee works, a
14 report that contains the name, address, and so-
15 cial security number of the employee, and the
16 name and address of, and identifying number
17 assigned under section 6109 of the Internal
18 Revenue Code of 1986 to, the employer.

19 “(B) MULTISTATE EMPLOYERS.—An em-
20 ployer that has employees who are employed in
21 2 or more States and that transmits reports
22 magnetically or electronically may comply with
23 subparagraph (A) by designating 1 State in
24 which such employer has employees to which
25 the employer will transmit the report described

1 in subparagraph (A), and transmitting such re-
2 port to such State. Any employer that transmits
3 reports pursuant to this subparagraph shall no-
4 tify the Secretary in writing as to which State
5 such employer designates for the purpose of
6 sending reports.

7 “(C) FEDERAL GOVERNMENT EMPLOY-
8 ERS.—Any department, agency, or instrumen-
9 tality of the United States shall comply with
10 subparagraph (A) by transmitting the report
11 described in subparagraph (A) to the National
12 Directory of New Hires established pursuant to
13 section 453.

14 “(2) TIMING OF REPORT.—Each State may
15 provide the time within which the report required by
16 paragraph (1) shall be made with respect to an em-
17 ployee, but such report shall be made—

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

20 “(B) in the case of an employer transmit-
21 ting reports magnetically or electronically, by 2
22 monthly transmissions (if necessary) not less
23 than 12 days nor more than 16 days apart.

24 “(c) REPORTING FORMAT AND METHOD.—Each re-
25 port required by subsection (b) shall be made on a W-

1 4 form or, at the option of the employer, an equivalent
2 form, and may be transmitted by 1st class mail, magneti-
3 cally, or electronically.

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

7 “(1) \$25; or

8 “(2) \$500 if, under State law, the failure is the
9 result of a conspiracy between the employer and the
10 employee to not supply the required report or to
11 supply a false or incomplete report.

12 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-
13 mation shall be entered into the data base maintained by
14 the State Directory of New Hires within 5 business days
15 of receipt from an employer pursuant to subsection (b).

16 “(f) INFORMATION COMPARISONS.—

17 “(1) IN GENERAL.—Not later than May 1,
18 1998, an agency designated by the State shall, di-
19 rectly or by contract, conduct automated compari-
20 sons of the social security numbers reported by em-
21 ployers pursuant to subsection (b) and the social se-
22 curity numbers appearing in the records of the State
23 case registry for cases being enforced under the
24 State plan.

1 “(2) NOTICE OF MATCH.—When an information
2 comparison conducted under paragraph (1) reveals a
3 match with respect to the social security number of
4 an individual required to provide support under a
5 support order, the State Directory of New Hires
6 shall provide the agency administering the State
7 plan approved under this part of the appropriate
8 State with the name, address, and social security
9 number of the employee to whom the social security
10 number is assigned, and the name and address of,
11 and identifying number assigned under section 6109
12 of the Internal Revenue Code of 1986 to, the em-
13 ployer.

14 “(g) TRANSMISSION OF INFORMATION.—

15 “(1) TRANSMISSION OF WAGE WITHHOLDING
16 NOTICES TO EMPLOYERS.—Within 2 business days
17 after the date information regarding a newly hired
18 employee is entered into the State Directory of New
19 Hires, the State agency enforcing the employee’s
20 child support obligation shall transmit a notice to
21 the employer of the employee directing the employer
22 to withhold from the wages of the employee an
23 amount equal to the monthly (or other periodic)
24 child support obligation (including any past due sup-
25 port obligation) of the employee, unless the employ-

1 ee's wages are not subject to withholding pursuant
2 to section 466(b)(3).

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

5 “(A) NEW HIRE INFORMATION.—Within 3
6 business days after the date information re-
7 garding a newly hired employee is entered into
8 the State Directory of New Hires, the State Di-
9 rectory of New Hires shall furnish the informa-
10 tion to the National Directory of New Hires.

11 “(B) WAGE AND UNEMPLOYMENT COM-
12 PENSATION INFORMATION.—The State Direc-
13 tory of New Hires shall, on a quarterly basis,
14 furnish to the National Directory of New Hires
15 extracts of the reports required under section
16 303(a)(6) to be made to the Secretary of Labor
17 concerning the wages and unemployment com-
18 pensation paid to individuals, by such dates, in
19 such format, and containing such information
20 as the Secretary of Health and Human Services
21 shall specify in regulations.

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

25 “(h) OTHER USES OF NEW HIRE INFORMATION.—

1 “(1) LOCATION OF CHILD SUPPORT OBLI-
2 GORS.—The agency administering the State plan ap-
3 proved under this part shall use information received
4 pursuant to subsection (f)(2) to locate individuals
5 for purposes of establishing paternity and establish-
6 ing, modifying, and enforcing child support obliga-
7 tions.

8 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
9 TAIN PROGRAMS.—A State agency responsible for
10 administering a program specified in section 1137(b)
11 shall have access to information reported by employ-
12 ers pursuant to subsection (b) of this section for
13 purposes of verifying eligibility for the program.

14 “(3) ADMINISTRATION OF EMPLOYMENT SECUC-
15 RITY AND WORKERS’ COMPENSATION.—State agen-
16 cies operating employment security and workers’
17 compensation programs shall have access to informa-
18 tion reported by employers pursuant to subsection
19 (b) for the purposes of administering such pro-
20 grams.”.

21 (c) QUARTERLY WAGE REPORTING.—Section
22 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

23 (1) by inserting “(including State and local gov-
24 ernmental entities and labor organizations (as de-

1 fined in section 453A(a)(2)(B)(iii)” after “employ-
2 ers”; and

3 (2) by inserting “, and except that no report
4 shall be filed with respect to an employee of a State
5 or local agency performing intelligence or counter-
6 intelligence functions, if the head of such agency has
7 determined that filing such a report could endanger
8 the safety of the employee or compromise an ongoing
9 investigation or intelligence mission” after
10 “paragraph (2)”.

11 **SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLD-**
12 **ING.**

13 (a) MANDATORY INCOME WITHHOLDING.—

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

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

20 “(B) Procedures under which the wages of a
21 person with a support obligation imposed by a sup-
22 port order issued (or modified) in the State before
23 October 1, 1996, if not otherwise subject to with-
24 holding under subsection (b), shall become subject to
25 withholding as provided in subsection (b) if arrear-

1 ages occur, without the need for a judicial or admin-
2 istrative hearing.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 466(b) (42 U.S.C. 666(b)) is
5 amended in the matter preceding paragraph
6 (1), by striking “subsection (a)(1)” and insert-
7 ing “subsection (a)(1)(A)”.

8 (B) Section 466(b)(4) (42 U.S.C.
9 666(b)(4)) is amended to read as follows:

10 “(4)(A) Such withholding must be carried out
11 in full compliance with all procedural due process re-
12 quirements of the State, and the State must send
13 notice to each noncustodial parent to whom para-
14 graph (1) applies—

15 “(i) that the withholding has commenced;

16 and

17 “(ii) of the procedures to follow if the non-
18 custodial parent desires to contest such with-
19 holding on the grounds that the withholding or
20 the amount withheld is improper due to a mis-
21 take of fact.

22 “(B) The notice under subparagraph (A) of this
23 paragraph shall include the information provided to
24 the employer under paragraph (6)(A).”.

1 (C) Section 466(b)(5) (42 U.S.C.
2 666(b)(5)) is amended by striking all that fol-
3 lows “administered by” and inserting “the
4 State through the State disbursement unit es-
5 tablished pursuant to section 454B, in accord-
6 ance with the requirements of section 454B.”.

7 (D) Section 466(b)(6)(A) (42 U.S.C.
8 666(b)(6)(A)) is amended—

9 (i) in clause (i), by striking “to the
10 appropriate agency” and all that follows
11 and inserting “to the State disbursement
12 unit within 5 business days after the date
13 the amount would (but for this subsection)
14 have been paid or credited to the employee,
15 for distribution in accordance with this
16 part. The employer shall comply with the
17 procedural rules relating to income with-
18 holding of the State in which the employee
19 works, regardless of the State where the
20 notice originates.”

21 (ii) in clause (ii), by inserting “be in
22 a standard format prescribed by the Sec-
23 retary, and” after “shall”; and

24 (iii) by adding at the end the follow-
25 ing new clause:

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

4 (E) Section 466(b)(6)(D) (42 U.S.C.
5 666(b)(6)(D)) is amended by striking “any em-
6 ployer” and all that follows and inserting “any
7 employer who—

8 “(i) discharges from employment, refuses
9 to employ, or takes disciplinary action against
10 any noncustodial parent subject to wage with-
11 holding required by this subsection because of
12 the existence of such withholding and the obli-
13 gations or additional obligations which it im-
14 poses upon the employer; or

15 “(ii) fails to withhold support from wages
16 or to pay such amounts to the State disburse-
17 ment unit in accordance with this subsection.”.

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

21 “(11) Procedures under which the agency ad-
22 ministering the State plan approved under this part
23 may execute a withholding order without advance
24 notice to the obligor, including issuing the withhold-
25 ing order through electronic means.”.

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

3 **SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NET-**
4 **WORKS.**

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

7 “(12) LOCATOR INFORMATION FROM INTER-
8 STATE NETWORKS.—Procedures to ensure that all
9 Federal and State agencies conducting activities
10 under this part have access to any system used by
11 the State to locate an individual for purposes relat-
12 ing to motor vehicles or law enforcement.”.

13 **SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR**
14 **SERVICE.**

15 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
16 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
17 amended—

18 (1) in subsection (a), by striking all that follows
19 “subsection (c))” and inserting “, for the purpose of
20 establishing parentage, establishing, setting the
21 amount of, modifying, or enforcing child support ob-
22 ligations, or enforcing child custody or visitation or-
23 ders—

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

1 “(A) who is under an obligation to pay
2 child support or provide child custody or visita-
3 tion rights;

4 “(B) against whom such an obligation is
5 sought;

6 “(C) to whom such an obligation is owed,
7 including the individual’s social security number (or
8 numbers), most recent address, and the name, ad-
9 dress, and employer identification number of the in-
10 dividual’s employer;

11 “(2) information on the individual’s wages (or
12 other income) from, and benefits of, employment (in-
13 cluding rights to or enrollment in group health care
14 coverage); and

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

18 (2) in subsection (b)—

19 (A) in the matter preceding paragraph (1),
20 by striking “social security” and all that follows
21 through “absent parent” and inserting “infor-
22 mation described in subsection (a)”;

23 (B) in the flush paragraph at the end, by
24 adding the following: “No information shall be
25 disclosed to any person if the State has notified

1 the Secretary that the State has reasonable evi-
2 dence of domestic violence or child abuse and
3 the disclosure of such information could be
4 harmful to the custodial parent or the child of
5 such parent. Information received or transmit-
6 ted pursuant to this section shall be subject to
7 the safeguard provisions contained in section
8 454(26).”.

9 (b) AUTHORIZED PERSON FOR INFORMATION RE-
10 GARDING VISITATION RIGHTS.—Section 453(c) (42
11 U.S.C. 653(c)) is amended—

12 (1) in paragraph (1), by striking “support” and
13 inserting “support or to seek to enforce orders pro-
14 viding child custody or visitation rights”; and

15 (2) in paragraph (2), by striking “, or any
16 agent of such court; and” and inserting “or to issue
17 an order against a resident parent for child custody
18 or visitation rights, or any agent of such court;”.

19 (c) REIMBURSEMENT FOR INFORMATION FROM FED-
20 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
21 653(e)(2)) is amended in the 4th sentence by inserting
22 “in an amount which the Secretary determines to be rea-
23 sonable payment for the information exchange (which
24 amount shall not include payment for the costs of obtain-

1 ing, compiling, or maintaining the information)” before
2 the period.

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

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

14 (e) CONFORMING AMENDMENTS.—

15 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
16 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
17 653(b), 663(a), 663(e), and 663(f)) are each amend-
18 ed by inserting “Federal” before “Parent” each
19 place such term appears.

20 (2) Section 453 (42 U.S.C. 653) is amended in
21 the heading by adding “FEDERAL” before “PAR-
22 ENT”.

23 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
24 653), as amended by subsection (d) of this section, is

1 amended by adding at the end the following new sub-
2 sections:

3 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
4 ORDERS.—

5 “(1) IN GENERAL.—Not later than October 1,
6 1998, in order to assist States in administering pro-
7 grams under State plans approved under this part
8 and programs funded under part A, and for the
9 other purposes specified in this section, the Sec-
10 retary shall establish and maintain in the Federal
11 Parent Locator Service an automated registry
12 (which shall be known as the ‘Federal Case Registry
13 of Child Support Orders’), which shall contain ab-
14 stracts of support orders and other information de-
15 scribed in paragraph (2) with respect to each case
16 in each State case registry maintained pursuant to
17 section 454A(e), as furnished (and regularly up-
18 dated), pursuant to section 454A(f), by State agen-
19 cies administering programs under this part.

20 “(2) CASE INFORMATION.—The information re-
21 ferred to in paragraph (1) with respect to a case
22 shall be such information as the Secretary may
23 specify in regulations (including the names, social
24 security numbers or other uniform identification
25 numbers, and State case identification numbers) to

1 identify the individuals who owe or are owed support
2 (or with respect to or on behalf of whom support ob-
3 ligations are sought to be established), and the State
4 or States which have the case.

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

6 “(1) IN GENERAL.—In order to assist States in
7 administering programs under State plans approved
8 under this part and programs funded under part A,
9 and for the other purposes specified in this section,
10 the Secretary shall, not later than October 1, 1997,
11 establish and maintain in the Federal Parent Loca-
12 tor Service an automated directory to be known as
13 the National Directory of New Hires, which shall
14 contain the information supplied pursuant to section
15 453A(g)(2).

16 “(2) ENTRY OF DATA.—Information shall be
17 entered into the data base maintained by the Na-
18 tional Directory of New Hires within 2 business
19 days of receipt pursuant to section 453A(g)(2).

20 “(3) ADMINISTRATION OF FEDERAL TAX
21 LAWS.—The Secretary of the Treasury shall have
22 access to the information in the National Directory
23 of New Hires for purposes of administering section
24 32 of the Internal Revenue Code of 1986, or the ad-
25 vance payment of the earned income tax credit

1 under section 3507 of such Code, and verifying a
2 claim with respect to employment in a tax return.

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

10 “(j) INFORMATION COMPARISONS AND OTHER DIS-
11 CLOSURES.—

12 “(1) VERIFICATION BY SOCIAL SECURITY AD-
13 MINISTRATION.—

14 “(A) IN GENERAL.—The Secretary shall
15 transmit information on individuals and em-
16 ployers maintained under this section to the So-
17 cial Security Administration to the extent nec-
18 essary for verification in accordance with sub-
19 paragraph (B).

20 “(B) VERIFICATION BY SSA.—The Social
21 Security Administration shall verify the accu-
22 racy of, correct, or supply to the extent pos-
23 sible, and report to the Secretary, the following
24 information supplied by the Secretary pursuant
25 to subparagraph (A):

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

3 “(ii) The employer identification num-
4 ber of each such employer.

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

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

15 “(B) within 2 business days after such a
16 comparison reveals a match with respect to an
17 individual, report the information to the State
18 agency responsible for the case.

19 “(3) INFORMATION COMPARISONS AND DISCLO-
20 SURES OF INFORMATION IN ALL REGISTRIES FOR
21 TITLE IV PROGRAM PURPOSES.—To the extent and
22 with the frequency that the Secretary determines to
23 be effective in assisting States to carry out their re-
24 sponsibilities under programs operated under this

1 part and programs funded under part A, the Sec-
2 retary shall—

3 “(A) compare the information in each com-
4 ponent of the Federal Parent Locator Service
5 maintained under this section against the infor-
6 mation in each other such component (other
7 than the comparison required by paragraph
8 (2)), and report instances in which such a com-
9 parison reveals a match with respect to an indi-
10 vidual to State agencies operating such pro-
11 grams; and

12 “(B) disclose information in such registries
13 to such State agencies.

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

22 “(5) RESEARCH.—The Secretary may provide
23 access to information reported by employers pursu-
24 ant to section 453A(b) for research purposes found
25 by the Secretary to be likely to contribute to achiev-

1 ing the purposes of part A or this part, but without
2 personal identifiers.

3 “(k) FEES.—

4 “(1) FOR SSA VERIFICATION.—The Secretary
5 shall reimburse the Commissioner of Social Security,
6 at a rate negotiated between the Secretary and the
7 Commissioner, for the costs incurred by the Com-
8 missioner in performing the verification services de-
9 scribed in subsection (j).

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

18 “(3) FOR INFORMATION FURNISHED TO STATE
19 AND FEDERAL AGENCIES.—A State or Federal agen-
20 cy that receives information from the Secretary pur-
21 suant to this section shall reimburse the Secretary
22 for costs incurred by the Secretary in furnishing the
23 information, at rates which the Secretary determines
24 to be reasonable (which rates shall include payment

1 for the costs of obtaining, verifying, maintaining,
2 and comparing the information).

3 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
4 formation in the Federal Parent Locator Service, and in-
5 formation resulting from comparisons using such informa-
6 tion, shall not be used or disclosed except as expressly pro-
7 vided in this section, subject to section 6103 of the Inter-
8 nal Revenue Code of 1986.

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

13 “(1) ensure the accuracy and completeness of
14 information in the Federal Parent Locator Service;
15 and

16 “(2) restrict access to confidential information
17 in the Federal Parent Locator Service to authorized
18 persons, and restrict use of such information to au-
19 thorized purposes.

20 “(n) FEDERAL GOVERNMENT REPORTING.—Each
21 department, agency, and instrumentality of the United
22 States shall on a quarterly basis report to the Federal
23 Parent Locator Service the name and social security num-
24 ber of each employee and the wages paid to the employee
25 during the previous quarter, except that such a report

1 shall not be filed with respect to an employee of a depart-
2 ment, agency, or instrumentality performing intelligence
3 or counterintelligence functions, if the head of such de-
4 partment, agency, or instrumentality has determined that
5 filing such a report could endanger the safety of the em-
6 ployee or compromise an ongoing investigation or intel-
7 ligence mission.”.

8 (g) CONFORMING AMENDMENTS.—

9 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
10 CURITY ACT.—

11 (A) Section 454(8)(B) (42 U.S.C.
12 654(8)(B)) is amended to read as follows:

13 “(B) the Federal Parent Locator Service
14 established under section 453;”.

15 (B) Section 454(13) (42 U.S.C.654(13)) is
16 amended by inserting “and provide that infor-
17 mation requests by parents who are residents of
18 other States be treated with the same priority
19 as requests by parents who are residents of the
20 State submitting the plan” before the semi-
21 colon.

22 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
23 Section 3304(a)(16) of the Internal Revenue Code of
24 1986 is amended—

1 (A) by striking “Secretary of Health, Edu-
2 cation, and Welfare” each place such term ap-
3 pears and inserting “Secretary of Health and
4 Human Services”;

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

10 (C) by striking “and” at the end of sub-
11 paragraph (A);

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

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

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

24 (3) TO STATE GRANT PROGRAM UNDER TITLE
25 III OF THE SOCIAL SECURITY ACT.—Subsection (h)

1 of section 303 (42 U.S.C. 503) is amended to read
2 as follows:

3 “(h)(1) The State agency charged with the adminis-
4 tration of the State law shall, on a reimbursable basis—

5 “(A) disclose quarterly, to the Secretary of
6 Health and Human Services, wage and claim infor-
7 mation, as required pursuant to section 453(i)(1),
8 contained in the records of such agency;

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

14 “(C) establish such safeguards as the Secretary
15 of Labor determines are necessary to insure that in-
16 formation disclosed under subparagraph (A) is used
17 only for purposes of section 453(i)(1) in carrying out
18 the child support enforcement program under title
19 IV.

20 “(2) Whenever the Secretary of Labor, after reason-
21 able notice and opportunity for hearing to the State agen-
22 cy charged with the administration of the State law, finds
23 that there is a failure to comply substantially with the re-
24 quirements of paragraph (1), the Secretary of Labor shall
25 notify such State agency that further payments will not

1 be made to the State until the Secretary of Labor is satis-
2 fied that there is no longer any such failure. Until the
3 Secretary of Labor is so satisfied, the Secretary shall
4 make no future certification to the Secretary of the Treas-
5 ury with respect to the State.

6 “(3) For purposes of this subsection—

7 “(A) the term ‘wage information’ means infor-
8 mation regarding wages paid to an individual, the
9 social security account number of such individual,
10 and the name, address, State, and the Federal em-
11 ployer identification number of the employer paying
12 such wages to such individual; and

13 “(B) the term ‘claim information’ means infor-
14 mation regarding whether an individual is receiving,
15 has received, or has made application for, unemploy-
16 ment compensation, the amount of any such com-
17 pensation being received (or to be received by such
18 individual), and the individual’s current (or most re-
19 cent) home address.”.

20 (4) DISCLOSURE OF CERTAIN INFORMATION TO
21 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-
22 CIES.—

23 (A) IN GENERAL.—Paragraph (6) of sec-
24 tion 6103(l) of the Internal Revenue Code of
25 1986 (relating to disclosure of return informa-

1 tion to Federal, State, and local child support
2 enforcement agencies) is amended by redesignig-
3 nating subparagraph (B) as subparagraph (C)
4 and by inserting after subparagraph (A) the fol-
5 lowing new subparagraph:

6 “(B) DISCLOSURE TO CERTAIN AGENTS.—

7 The following information disclosed to any child
8 support enforcement agency under subpara-
9 graph (A) with respect to any individual with
10 respect to whom child support obligations are
11 sought to be established or enforced may be dis-
12 closed by such agency to any agent of such
13 agency which is under contract with such agen-
14 cy to carry out the purposes described in sub-
15 paragraph (C):

16 “(i) The address and social security
17 account number (or numbers) of such indi-
18 vidual.

19 “(ii) The amount of any reduction
20 under section 6402(c) (relating to offset of
21 past-due support against overpayments) in
22 any overpayment otherwise payable to such
23 individual.”

24 (B) CONFORMING AMENDMENTS.—

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

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

9 “(C) RESTRICTION ON DISCLOSURE.—In-
10 formation may be disclosed under this para-
11 graph only for purposes of, and to the extent
12 necessary in, establishing and collecting child
13 support obligations from, and locating, individ-
14 uals owing such obligations.”

15 (iii) The material following subpara-
16 graph (F) of section 6103(p)(4) of such
17 Code is amended by striking “subsection
18 (l)(12)(B)” and inserting “paragraph
19 (6)(A) or (12)(B) of subsection (l)”.

20 (h) REQUIREMENT FOR COOPERATION.—The Sec-
21 retary of Labor and the Secretary of Health and Human
22 Services shall work jointly to develop cost-effective and ef-
23 ficient methods of accessing the information in the various
24 State directories of new hires and the National Directory
25 of New Hires as established pursuant to the amendments

1 made by this subtitle. In developing these methods the
2 Secretaries shall take into account the impact, including
3 costs, on the States, and shall also consider the need to
4 insure the proper and authorized use of wage record infor-
5 mation.

6 **SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY**
7 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
8 **FORCEMENT.**

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

13 “(13) RECORDING OF SOCIAL SECURITY NUM-
14 BERS IN CERTAIN FAMILY MATTERS.—Procedures
15 requiring that the social security number of—

16 “(A) any applicant for a professional li-
17 cense, commercial driver’s license, occupational
18 license, or marriage license be recorded on the
19 application;

20 “(B) any individual who is subject to a di-
21 vorce decree, support order, or paternity deter-
22 mination or acknowledgment be placed in the
23 records relating to the matter; and

1 “(C) any individual who has died be placed
2 in the records relating to the death and be re-
3 corded on the death certificate.

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

7 (b) CONFORMING AMENDMENTS.—Section
8 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
9 section 321(a)(9) of the Social Security Independence and
10 Program Improvements Act of 1994, is amended—

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

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

21 (3) in clause (ii), by inserting “or marriage cer-
22 tificate” after “Such numbers shall not be recorded
23 on the birth certificate”.

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

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

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

18 “(xi) All divorce decrees, support or-
19 ders, and paternity determinations issued,
20 and all paternity acknowledgments made,
21 in each State shall include the social secu-
22 rity number of each party to the decree,
23 order, determination, or acknowledgment
24 in the records relating to the matter, for
25 the purpose of responding to requests for

1 information from an agency operating pur-
2 suant to part D of title IV.”.

3 **Subtitle C—Streamlining and**
4 **Uniformity of Procedures**

5 **SEC. 321. ADOPTION OF UNIFORM STATE LAWS.**

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

8 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
9 ACT.—

10 “(1) ENACTMENT AND USE.—In order to sat-
11 isfy section 454(20)(A), on and after January 1,
12 1998, each State must have in effect the Uniform
13 Interstate Family Support Act, as approved by the
14 American Bar Association on February 9, 1993, to-
15 gether with any amendments officially adopted be-
16 fore January 1, 1998 by the National Conference of
17 Commissioners on Uniform State Laws.

18 “(2) EMPLOYERS TO FOLLOW PROCEDURAL
19 RULES OF STATE WHERE EMPLOYEE WORKS.—The
20 State law enacted pursuant to paragraph (1) shall
21 provide that an employer that receives an income
22 withholding order or notice pursuant to section 501
23 of the Uniform Interstate Family Support Act follow
24 the procedural rules that apply with respect to such

1 order or notice under the laws of the State in which
2 the obligor works.

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

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

7 (1) in subsection (a)(2), by striking “subsection
8 (e)” and inserting “subsections (e), (f), and (i)”;

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

11 “‘child’s home State’ means the State in which
12 a child lived with a parent or a person acting as par-
13 ent for at least 6 consecutive months immediately
14 preceding the time of filing of a petition or com-
15 parable pleading for support and, if a child is less
16 than 6 months old, the State in which the child lived
17 from birth with any of them. A period of temporary
18 absence of any of them is counted as part of the 6-
19 month period.”;

20 (3) in subsection (c), by inserting “by a court
21 of a State” before “is made”;

22 (4) in subsection (c)(1), by inserting “and sub-
23 sections (e), (f), and (g)” after “located”;

24 (5) in subsection (d)—

1 (A) by inserting “individual” before “con-
2 testant”; and

3 (B) by striking “subsection (e)” and in-
4 serting “subsections (e) and (f)”;

5 (6) in subsection (e), by striking “make a modi-
6 fication of a child support order with respect to a
7 child that is made” and inserting “modify a child
8 support order issued”;

9 (7) in subsection (e)(1), by inserting “pursuant
10 to subsection (i)” before the semicolon;

11 (8) in subsection (e)(2)—

12 (A) by inserting “individual” before “con-
13 testant” each place such term appears; and

14 (B) by striking “to that court’s making the
15 modification and assuming” and inserting “with
16 the State of continuing, exclusive jurisdiction
17 for a court of another State to modify the order
18 and assume”;

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

21 (10) by inserting after subsection (e) the follow-
22 ing new subsection:

23 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

24 If 1 or more child support orders have been issued with
25 regard to an obligor and a child, a court shall apply the

1 following rules in determining which order to recognize for
2 purposes of continuing, exclusive jurisdiction and enforce-
3 ment:

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

6 “(2) If 2 or more courts have issued child sup-
7 port orders for the same obligor and child, and only
8 1 of the courts would have continuing, exclusive ju-
9 risdiction under this section, the order of that court
10 must be recognized.

11 “(3) If 2 or more courts have issued child sup-
12 port orders for the same obligor and child, and more
13 than 1 of the courts would have continuing, exclusive
14 jurisdiction under this section, an order issued by a
15 court in the current home State of the child must
16 be recognized, but if an order has not been issued
17 in the current home State of the child, the order
18 most recently issued must be recognized.

19 “(4) If 2 or more courts have issued child sup-
20 port orders for the same obligor and child, and none
21 of the courts would have continuing, exclusive juris-
22 diction under this section, a court may issue a child
23 support order, which must be recognized.

1 “(5) The court that has issued an order recog-
2 nized under this subsection is the court having con-
3 tinuing, exclusive jurisdiction.”;

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

5 (A) by striking “PRIOR” and inserting
6 “MODIFIED”; and

7 (B) by striking “subsection (e)” and in-
8 serting “subsections (e) and (f)”;

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

10 (A) in paragraph (2), by inserting “includ-
11 ing the duration of current payments and other
12 obligations of support” before the comma; and

13 (B) in paragraph (3), by inserting “arrear
14 under” after “enforce”; and

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

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

1 **SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
2 **CASES.**

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

6 “(14) ADMINISTRATIVE ENFORCEMENT IN
7 INTERSTATE CASES.—Procedures under which—

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

11 “(ii) the term ‘business day’ means a day
12 on which State offices are open for regular
13 business;

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

18 “(i) shall include such information as
19 will enable the State to which the request
20 is transmitted to compare the information
21 about the case to the information in the
22 data bases of the State; and

23 “(ii) shall constitute a certification by
24 the requesting State—

1 “(I) of the amount of support
2 under the order the payment of which
3 is in arrears; and

4 “(II) that the requesting State
5 has complied with all procedural due
6 process requirements applicable to the
7 case;

8 “(C) if the State provides assistance to an-
9 other State pursuant to this paragraph with re-
10 spect to a case, neither State shall consider the
11 case to be transferred to the caseload of such
12 other State; and

13 “(D) the State shall maintain records of—

14 “(i) the number of such requests for
15 assistance received by the State;

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

19 “(iii) the amount of such collected
20 support.”.

21 **SEC. 324. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

22 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
23 652(a)) is amended—

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

25 (9);

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

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

5 “(11) not later than October 1, 1996, after con-
6 sulting with the State directors of programs under
7 this part, promulgate forms to be used by States in
8 interstate cases for—

9 “(A) collection of child support through in-
10 come withholding;

11 “(B) imposition of liens; and

12 “(C) administrative subpoenas.”.

13 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
14 654(9)) is amended—

15 (1) by striking “and” at the end of subpara-
16 graph (C);

17 (2) by inserting “and” at the end of subpara-
18 graph (D); and

19 (3) by adding at the end the following new sub-
20 paragraph:

21 “(E) not later than March 1, 1997, in
22 using the forms promulgated pursuant to sec-
23 tion 452(a)(11) for income withholding, imposi-
24 tion of liens, and issuance of administrative
25 subpoenas in interstate child support cases;”.

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 of paternity or to establishment, modi-
20 fication, or enforcement of support orders, without
21 the necessity of obtaining an order from any other
22 judicial or administrative tribunal, and to recognize
23 and enforce the authority of State agencies of other
24 States) to take the following actions:

1 “(A) GENETIC TESTING.—To order genetic
2 testing for the purpose of paternity establish-
3 ment as provided in section 466(a)(5).

4 “(B) FINANCIAL OR OTHER INFORMA-
5 TION.—To subpoena any financial or other in-
6 formation needed to establish, modify, or en-
7 force a support order, and to impose penalties
8 for failure to respond to such a subpoena.

9 “(C) RESPONSE TO STATE AGENCY RE-
10 QUEST.—To require all entities in the State (in-
11 cluding for-profit, nonprofit, and governmental
12 employers) to provide promptly, in response to
13 a request by the State agency of that or any
14 other State administering a program under this
15 part, information on the employment, com-
16 pensation, and benefits of any individual em-
17 ployed by such entity as an employee or con-
18 tractor, and to sanction failure to respond to
19 any such request.

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

- 1 “(i) Records of other State and local
2 government agencies, including—
- 3 “(I) vital statistics (including
4 records of marriage, birth, and di-
5 vorce);
- 6 “(II) State and local tax and rev-
7 enue records (including information
8 on residence address, employer, in-
9 come and assets);
- 10 “(III) records concerning real
11 and titled personal property;
- 12 “(IV) records of occupational and
13 professional licenses, and records con-
14 cerning the ownership and control of
15 corporations, partnerships, and other
16 business entities;
- 17 “(V) employment security
18 records;
- 19 “(VI) records of agencies admin-
20 istering public assistance programs;
- 21 “(VII) records of the motor vehi-
22 cle department; and
- 23 “(VIII) corrections records.
- 24 “(ii) Certain records held by private
25 entities with respect to individuals who owe

1 or are owed support (or against or with re-
2 spect to whom a support obligation is
3 sought), consisting of—

4 “(I) the names and addresses of
5 such individuals and the names and
6 addresses of the employers of such in-
7 dividuals, as appearing in customer
8 records of public utilities and cable
9 television companies; and

10 “(II) information (including in-
11 formation on assets and liabilities) on
12 such individuals held by financial in-
13 stitutions,

14 subject to the nonliability of such entities
15 arising from affording such access under
16 this subparagraph.

17 “(E) CHANGE IN PAYEE.—In cases in
18 which support is subject to an assignment in
19 order to comply with a requirement imposed
20 pursuant to part A or section 1912, or to a re-
21 quirement to pay through the State disburse-
22 ment unit established pursuant to section
23 454B, upon providing notice to obligor and obli-
24 gee, to direct the obligor or other payor to

1 change the payee to the appropriate government
2 entity.

3 “(F) INCOME WITHHOLDING.—To order
4 income withholding in accordance with sub-
5 sections (a)(1) and (b) of section 466.

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

9 “(i) intercepting or seizing periodic or
10 lump-sum payments from—

11 “(I) a State or local agency, in-
12 cluding unemployment compensation,
13 workers’ compensation, and other ben-
14 efits; and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;

19 “(iii) attaching public and private re-
20 tirement funds; and

21 “(iv) imposing liens in accordance
22 with subsection (a)(4) and, in appropriate
23 cases, to force sale of property and dis-
24 tribution of proceeds.

1 “(H) INCREASE MONTHLY PAYMENTS.—

2 For the purpose of securing overdue support, to
3 increase the amount of monthly support pay-
4 ments to include amounts for arrearages, sub-
5 ject to such conditions or limitations as the
6 State may provide.

7 Such procedures shall be subject to due process safe-
8 guards, including (as appropriate) requirements for
9 notice, opportunity to contest the action, and oppor-
10 tunity for an appeal on the record to an independent
11 administrative or judicial tribunal.

12 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

13 The expedited procedures required under subsection
14 (a)(2) shall include the following rules and author-
15 ity, applicable with respect to all proceedings to es-
16 tablish paternity or to establish, modify, or enforce
17 support orders:

18 “(A) LOCATOR INFORMATION; PRESUMP-
19 TIONS CONCERNING NOTICE.—Procedures
20 under which—

21 “(i) each party to any paternity or
22 child support proceeding is required (sub-
23 ject to privacy safeguards) to file with the
24 tribunal and the State case registry upon
25 entry of an order, and to update as appro-

1 priate, information on location and identity
2 of the party, including social security num-
3 ber, residential and mailing addresses, tele-
4 phone number, driver's license number,
5 and name, address, and telephone number
6 of employer; and

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

18 “(B) STATEWIDE JURISDICTION.—Proce-
19 dures under which—

20 “(i) the State agency and any admin-
21 istrative or judicial tribunal with authority
22 to hear child support and paternity cases
23 exerts statewide jurisdiction over the par-
24 ties; and

1 “(ii) in a State in which orders are is-
2 sued by courts or administrative tribunals,
3 a case may be transferred between local ju-
4 risdictions in the State without need for
5 any additional filing by the petitioner, or
6 service of process upon the respondent, to
7 retain jurisdiction over the parties.

8 “(3) COORDINATION WITH ERISA.—Notwith-
9 standing subsection (d) of section 514 of the Em-
10 ployee Retirement Income Security Act of 1974 (re-
11 lating to effect on other laws), nothing in this sub-
12 section shall be construed to alter, amend, modify,
13 invalidate, impair, or supersede subsections (a), (b),
14 and (c) of such section 514 as it applies with respect
15 to any procedure referred to in paragraph (1) and
16 any expedited procedure referred to in paragraph
17 (2), except to the extent that such procedure would
18 be consistent with the requirements of section
19 206(d)(3) of such Act (relating to qualified domestic
20 relations orders) or the requirements of section
21 609(a) of such Act (relating to qualified medical
22 child support orders) if the reference in such section
23 206(d)(3) to a domestic relations order and the ref-
24 erence in such section 609(a) to a medical child sup-
25 port order were a reference to a support order re-

1 ferred to in paragraphs (1) and (2) relating to the
2 same matters, respectively.”.

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

7 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
8 The automated system required by this section shall be
9 used, to the maximum extent feasible, to implement the
10 expedited administrative procedures required by section
11 466(c).”.

12 **Subtitle D—Paternity**

13 **Establishment**

14 **SEC. 331. STATE LAWS CONCERNING PATERNITY ESTAB-**
15 **LISHMENT.**

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

18 “(5) PROCEDURES CONCERNING PATERNITY ES-
19 TABLISHMENT.—

20 “(A) ESTABLISHMENT PROCESS AVAIL-
21 ABLE FROM BIRTH UNTIL AGE 18.—

22 “(i) Procedures which permit the es-
23 tablishment of the paternity of a child at
24 any time before the child attains 18 years
25 of age.

1 “(ii) As of August 16, 1984, clause (i)
2 shall also apply to a child for whom pater-
3 nity has not been established or for whom
4 a paternity action was brought but dis-
5 missed because a statute of limitations of
6 less than 18 years was then in effect in
7 the State.

8 “(B) PROCEDURES CONCERNING GENETIC
9 TESTING.—

10 “(i) GENETIC TESTING REQUIRED IN
11 CERTAIN CONTESTED CASES.—Procedures
12 under which the State is required, in a
13 contested paternity case (unless otherwise
14 barred by State law) to require the child
15 and all other parties (other than individ-
16 uals found under section 454(29) to have
17 good cause and other exceptions for refus-
18 ing to cooperate) to submit to genetic tests
19 upon the request of any such party, if the
20 request is supported by a sworn statement
21 by the party—

22 “(I) alleging paternity, and set-
23 ting forth facts establishing a reason-
24 able possibility of the requisite sexual
25 contact between the parties; or

1 “(II) denying paternity, and set-
2 ting forth facts establishing a reason-
3 able possibility of the nonexistence of
4 sexual contact between the parties.

5 “(ii) OTHER REQUIREMENTS.—Proce-
6 dures which require the State agency, in
7 any case in which the agency orders ge-
8 netic testing—

9 “(I) to pay costs of such tests,
10 subject to recoupment (if the State so
11 elects) from the alleged father if pa-
12 ternity is established; and

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

17 “(C) VOLUNTARY PATERNITY ACKNOWL-
18 EDGMENT.—

19 “(i) SIMPLE CIVIL PROCESS.—Proce-
20 dures for a simple civil process for volun-
21 tarily acknowledging paternity under which
22 the State must provide that, before a
23 mother and a putative father can sign an
24 acknowledgment of paternity, the mother
25 and the putative father must be given no-

1 tice, orally and in writing, of the alter-
2 natives to, the legal consequences of, and
3 the rights (including, if 1 parent is a
4 minor, any rights afforded due to minority
5 status) and responsibilities that arise from,
6 signing the acknowledgment.

7 “(ii) HOSPITAL-BASED PROGRAM.—
8 Such procedures must include a hospital-
9 based program for the voluntary acknowl-
10 edgment of paternity focusing on the pe-
11 riod immediately before or after the birth
12 of a child, unless good cause and other ex-
13 ceptions exist which—

14 “(I) shall be defined, taking into
15 account the best interests of the child,
16 and

17 “(II) shall be applied in each
18 case,

19 by, at the option of the State, the State
20 agency administering the State program
21 under part A, this part, title XV, or title
22 XIX.

23 “(iii) PATERNITY ESTABLISHMENT
24 SERVICES.—

1 “(I) STATE-OFFERED SERV-
2 ICES.—Such procedures must require
3 the State agency responsible for main-
4 taining birth records to offer vol-
5 untary paternity establishment serv-
6 ices.

7 “(II) REGULATIONS.—

8 “(aa) SERVICES OFFERED
9 BY HOSPITALS AND BIRTH
10 RECORD AGENCIES.—The Sec-
11 retary shall prescribe regulations
12 governing voluntary paternity es-
13 tablishment services offered by
14 hospitals and birth record agen-
15 cies.

16 “(bb) SERVICES OFFERED
17 BY OTHER ENTITIES.—The Sec-
18 retary shall prescribe regulations
19 specifying the types of other enti-
20 ties that may offer voluntary pa-
21 ternity establishment services,
22 and governing the provision of
23 such services, which shall include
24 a requirement that such an entity
25 must use the same notice provi-

1 sions used by, use the same ma-
2 terials used by, provide the per-
3 sonnel providing such services
4 with the same training provided
5 by, and evaluate the provision of
6 such services in the same manner
7 as the provision of such services
8 is evaluated by, voluntary pater-
9 nity establishment programs of
10 hospitals and birth record agen-
11 cies.

12 “(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures
13 must require the State to develop and use
14 an affidavit for the voluntary acknowledg-
15 ment of paternity which includes the mini-
16 mum requirements of the affidavit speci-
17 fied by the Secretary under section
18 452(a)(7) for the voluntary acknowledg-
19 ment of paternity, and to give full faith
20 and credit to such an affidavit signed in
21 any other State according to its proce-
22 dures.

23 “(D) STATUS OF SIGNED PATERNITY AC-
24 KNOWLEDGMENT.—
25

1 “(i) INCLUSION IN BIRTH RECORDS.—
2 Procedures under which the name of the
3 father shall be included on the record of
4 birth of the child of unmarried parents
5 only if—

6 “(I) the father and mother have
7 signed a voluntary acknowledgment of
8 paternity; or

9 “(II) a court or an administrative
10 agency of competent jurisdiction has
11 issued an adjudication of paternity.

12 Nothing in this clause shall preclude a
13 State agency from obtaining an admission
14 of paternity from the father for submission
15 in a judicial or administrative proceeding,
16 or prohibit the issuance of an order in a
17 judicial or administrative proceeding which
18 bases a legal finding of paternity on an ad-
19 mission of paternity by the father and any
20 other additional showing required by State
21 law.

22 “(ii) LEGAL FINDING OF PATER-
23 NITY.—Procedures under which a signed
24 voluntary acknowledgment of paternity is
25 considered a legal finding of paternity,

1 subject to the right of any signatory to re-
2 scind the acknowledgment within the ear-
3 lier of—

4 “(I) 60 days; or

5 “(II) the date of an administra-
6 tive or judicial proceeding relating to
7 the child (including a proceeding to
8 establish a support order) in which
9 the signatory is a party.

10 “(iii) CONTEST.—Procedures under
11 which, after the 60-day period referred to
12 in clause (ii), a signed voluntary acknowl-
13 edgment of paternity may be challenged in
14 court only on the basis of fraud, duress, or
15 material mistake of fact, with the burden
16 of proof upon the challenger, and under
17 which the legal responsibilities (including
18 child support obligations) of any signatory
19 arising from the acknowledgment may not
20 be suspended during the challenge, except
21 for good cause shown.

22 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
23 CATION PROCEEDINGS.—Procedures under
24 which judicial or administrative proceedings are

1 not required or permitted to ratify an unchal-
2 lenged acknowledgment of paternity.

3 “(F) ADMISSIBILITY OF GENETIC TESTING
4 RESULTS.—Procedures—

5 “(i) requiring the admission into evi-
6 dence, for purposes of establishing pater-
7 nity, of the results of any genetic test that
8 is—

9 “(I) of a type generally acknowl-
10 edged as reliable by accreditation bod-
11 ies designated by the Secretary; and

12 “(II) performed by a laboratory
13 approved by such an accreditation
14 body;

15 “(ii) requiring an objection to genetic
16 testing results to be made in writing not
17 later than a specified number of days be-
18 fore any hearing at which the results may
19 be introduced into evidence (or, at State
20 option, not later than a specified number
21 of days after receipt of the results); and

22 “(iii) making the test results admissi-
23 ble as evidence of paternity without the
24 need for foundation testimony or other

1 proof of authenticity or accuracy, unless
2 objection is made.

3 “(G) PRESUMPTION OF PATERNITY IN
4 CERTAIN CASES.—Procedures which create a re-
5 buttable or, at the option of the State, conclu-
6 sive presumption of paternity upon genetic test-
7 ing results indicating a threshold probability
8 that the alleged father is the father of the child.

9 “(H) DEFAULT ORDERS.—Procedures re-
10 quiring a default order to be entered in a pater-
11 nity case upon a showing of service of process
12 on the defendant and any additional showing
13 required by State law.

14 “(I) NO RIGHT TO JURY TRIAL.—Proce-
15 dures providing that the parties to an action to
16 establish paternity are not entitled to a trial by
17 jury.

18 “(J) TEMPORARY SUPPORT ORDER BASED
19 ON PROBABLE PATERNITY IN CONTESTED
20 CASES.—Procedures which require that a tem-
21 porary order be issued, upon motion by a party,
22 requiring the provision of child support pending
23 an administrative or judicial determination of
24 parentage, if there is clear and convincing evi-

1 dence of paternity (on the basis of genetic tests
2 or other evidence).

3 “(K) PROOF OF CERTAIN SUPPORT AND
4 PATERNITY ESTABLISHMENT COSTS.—Proce-
5 dures under which bills for pregnancy, child-
6 birth, and genetic testing are admissible as evi-
7 dence without requiring third-party foundation
8 testimony, and shall constitute prima facie evi-
9 dence of amounts incurred for such services or
10 for testing on behalf of the child.

11 “(L) STANDING OF PUTATIVE FATHERS.—
12 Procedures ensuring that the putative father
13 has a reasonable opportunity to initiate a pater-
14 nity action.

15 “(M) FILING OF ACKNOWLEDGMENTS AND
16 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
17 RECORDS.—Procedures under which voluntary
18 acknowledgments and adjudications of paternity
19 by judicial or administrative processes are filed
20 with the State registry of birth records for com-
21 parison with information in the State case reg-
22 istry.”.

23 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
24 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
25 amended by inserting “, and specify the minimum require-

1 ments of an affidavit to be used for the voluntary acknowl-
2 edgment of paternity which shall include the social secu-
3 rity number of each parent and, after consultation with
4 the States, other common elements as determined by such
5 designee” before the semicolon.

6 (c) CONFORMING AMENDMENT.—Section 468 (42
7 U.S.C. 668) is amended by striking “a simple civil process
8 for voluntarily acknowledging paternity and”.

9 **SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
10 **LISHMENT.**

11 Section 454(23) (42 U.S.C. 654(23)) is amended by
12 inserting “and will publicize the availability and encourage
13 the use of procedures for voluntary establishment of pater-
14 nity and child support by means the State deems appro-
15 priate” before the semicolon.

16 **SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPI-**
17 **ENTS OF PART A ASSISTANCE.**

18 Section 454 (42 U.S.C. 654), as amended by sections
19 301(b), 303(a), 312(a), and 313(a) of this Act, is amend-
20 ed—

21 (1) by striking “and” at the end of paragraph
22 (27);

23 (2) by striking the period at the end of para-
24 graph (28) and inserting “; and”; and

1 (3) by inserting after paragraph (28) the fol-
2 lowing new paragraph:

3 “(29) provide that the State agency responsible
4 for administering the State plan—

5 “(A) shall make the determination (and re-
6 determination at appropriate intervals) as to
7 whether an individual who has applied for or is
8 receiving assistance under the State program
9 funded under part A, the State program under
10 title XV, or the State program under XIX is co-
11 operating in good faith with the State in estab-
12 lishing the paternity of, or in establishing,
13 modifying, or enforcing a support order for, any
14 child of the individual by providing the State
15 agency with the name of, and such other infor-
16 mation as the State agency may require with
17 respect to, the noncustodial parent of the child,
18 subject to good cause and other exceptions
19 which—

20 “(i) shall be defined, taking into ac-
21 count the best interests of the child, and

22 “(ii) shall be applied in each case,
23 by, at the option of the State, the State agency
24 administering the State program under part A,
25 this part, title XV, or title XIX;

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

4 “(C) shall require the individual and the
5 child to submit to genetic tests pursuant to ju-
6 dicial or administrative order;

7 “(D) may request that the individual sign
8 a voluntary acknowledgment of paternity, after
9 notice of the rights and consequences of such
10 an acknowledgment, but may not require the in-
11 dividual to sign an acknowledgment or other-
12 wise relinquish the right to genetic tests as a
13 condition of cooperation and eligibility for as-
14 sistance under the State program funded under
15 part A, the State program under title XV, or
16 the State program under title XIX; and

17 “(E) shall promptly notify the individual
18 and the State agency administering the State
19 program funded under part A, the State agency
20 administering the State program under title
21 XV, and the State agency administering the
22 State program under title XIX, of each such
23 determination, and if noncooperation is deter-
24 mined, the basis therefore.”.

1 **Subtitle E—Program**
2 **Administration and Funding**

3 **SEC. 341. PERFORMANCE-BASED INCENTIVES AND PEN-**
4 **ALTIES.**

5 (a) DEVELOPMENT OF NEW SYSTEM.—The Sec-
6 retary of Health and Human Services, in consultation with
7 State directors of programs under part D of title IV of
8 the Social Security Act, shall develop a new incentive sys-
9 tem to replace, in a revenue neutral manner, the system
10 under section 458 of such Act. The new system shall pro-
11 vide additional payments to any State based on such
12 State’s performance under such a program. Not later than
13 November 1, 1996, the Secretary shall report on the new
14 system to the Committee on Ways and Means of the
15 House of Representatives and the Committee on Finance
16 of the Senate.

17 (b) CONFORMING AMENDMENTS TO PRESENT SYS-
18 TEM.—Section 458 (42 U.S.C. 658) is amended—

19 (1) in subsection (a), by striking “aid to fami-
20 lies with dependent children under a State plan ap-
21 proved under part A of this title” and inserting “as-
22 sistance under a program funded under part A”;

23 (2) in subsection (b)(1)(A), by striking “section
24 402(a)(26)” and inserting “section 408(a)(4)”;

25 (3) in subsections (b) and (c)—

1 (A) by striking “AFDC collections” each
2 place it appears and inserting “title IV–A col-
3 lections”, and

4 (B) by striking “non-AFDC collections”
5 each place it appears and inserting “non-title
6 IV–A collections”; and

7 (4) in subsection (c), by striking “combined
8 AFDC/non-AFDC administrative costs” both places
9 it appears and inserting “combined title IV–A/non-
10 title IV–A administrative costs”.

11 (c) CALCULATION OF PATERNITY ESTABLISHMENT
12 PERCENTAGE.—

13 (1) Section 452(g)(1)(A) (42 U.S.C.
14 652(g)(1)(A)) is amended by striking “75” and in-
15 serting “90”.

16 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
17 amended—

18 (A) by redesignating subparagraphs (B)
19 through (E) as subparagraphs (C) through (F),
20 respectively, and by inserting after subpara-
21 graph (A) the following new subparagraph:

22 “(B) for a State with a paternity establish-
23 ment percentage of not less than 75 percent but
24 less than 90 percent for such fiscal year, the
25 paternity establishment percentage of the State

1 for the immediately preceding fiscal year plus 2
2 percentage points;”; and

3 (B) by adding at the end the following new
4 flush sentence:

5 “In determining compliance under this section, a State
6 may use as its paternity establishment percentage either
7 the State’s IV–D paternity establishment percentage (as
8 defined in paragraph (2)(A)) or the State’s statewide pa-
9 ternity establishment percentage (as defined in paragraph
10 (2)(B)).”.

11 (3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
12 amended—

13 (A) in subparagraph (A)—

14 (i) in the matter preceding clause

15 (i)—

16 (I) by striking “paternity estab-
17 lishment percentage” and inserting
18 “IV–D paternity establishment per-
19 centage”; and

20 (II) by striking “(or all States, as
21 the case may be)”;

22 (ii) by striking “and” at the end
23 thereof;

1 (B) by redesignating subparagraph (B) as
2 subparagraph (C) and by inserting after sub-
3 paragraph (A) the following new subparagraph:

4 “(B) the term ‘statewide paternity establish-
5 ment percentage’ means, with respect to a State for
6 a fiscal year, the ratio (expressed as a percentage)
7 that the total number of minor children—

8 (i) who have been born out of wedlock,
9 and

10 (ii) the paternity of whom has been estab-
11 lished or acknowledged during the fiscal year,
12 bears to the total number of children born out of
13 wedlock during the preceding fiscal year; and”;

14 (iii) in the matter following subpara-
15 graph (C) (as so redesignated), by striking
16 “to have good cause for refusing to cooper-
17 ate” and inserting “to qualify for a good
18 cause or other exception to cooperation”.

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

21 (A) by striking subparagraph (A) and re-
22 designating subparagraphs (B) and (C) as sub-
23 paragraphs (A) and (B), respectively; and

24 (B) in subparagraph (A) (as so redesign-
25 ated), by striking “the percentage of children

1 born out-of-wedlock in a State” and inserting
2 “the percentage of children in a State who are
3 born out of wedlock or for whom support has
4 not been established”.

5 (d) EFFECTIVE DATES.—

6 (1) INCENTIVE ADJUSTMENTS.—

7 (A) IN GENERAL.—The system developed
8 under subsection (a) and the amendments made
9 by subsection (b) shall become effective on Oc-
10 tober 1, 1997, except to the extent provided in
11 subparagraph (B).

12 (B) APPLICATION OF SECTION 458.—Sec-
13 tion 458 of the Social Security Act, as in effect
14 on the day before the date of the enactment of
15 this section, shall be effective for purposes of
16 incentive payments to States for fiscal years be-
17 fore fiscal year 1999.

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

22 **SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.**

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

1 (1) in paragraph (14), by striking “(14)” and
2 inserting “(14)(A)”;

3 (2) by redesignating paragraph (15) as sub-
4 paragraph (B) of paragraph (14); and

5 (3) by inserting after paragraph (14) the fol-
6 lowing new paragraph:

7 “(15) provide for—

8 “(A) a process for annual reviews of and
9 reports to the Secretary on the State program
10 operated under the State plan approved under
11 this part, including such information as may be
12 necessary to measure State compliance with
13 Federal requirements for expedited procedures,
14 using such standards and procedures as are re-
15 quired by the Secretary, under which the State
16 agency will determine the extent to which the
17 program is operated in compliance with this
18 part; and

19 “(B) a process of extracting from the auto-
20 mated data processing system required by para-
21 graph (16) and transmitting to the Secretary
22 data and calculations concerning the levels of
23 accomplishment (and rates of improvement)
24 with respect to applicable performance indica-
25 tors (including paternity establishment percent-

1 ages) to the extent necessary for purposes of
2 sections 452(g) and 458.”.

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

5 “(4)(A) review data and calculations transmit-
6 ted by State agencies pursuant to section
7 454(15)(B) on State program accomplishments with
8 respect to performance indicators for purposes of
9 subsection (g) of this section and section 458;

10 “(B) review annual reports submitted pursuant
11 to section 454(15)(A) and, as appropriate, provide
12 to the State comments, recommendations for addi-
13 tional or alternative corrective actions, and technical
14 assistance; and

15 “(C) conduct audits, in accordance with the
16 Government auditing standards of the Comptroller
17 General of the United States—

18 “(i) at least once every 3 years (or more
19 frequently, in the case of a State which fails to
20 meet the requirements of this part concerning
21 performance standards and reliability of pro-
22 gram data) to assess the completeness, reliabil-
23 ity, and security of the data and the accuracy
24 of the reporting systems used in calculating

1 performance indicators under subsection (g) of
2 this section and section 458;

3 “(ii) of the adequacy of financial manage-
4 ment of the State program operated under the
5 State plan approved under this part, including
6 assessments of—

7 “(I) whether Federal and other funds
8 made available to carry out the State pro-
9 gram are being appropriately expended,
10 and are properly and fully accounted for;
11 and

12 “(II) whether collections and disburse-
13 ments of support payments are carried out
14 correctly and are fully accounted for; and

15 “(iii) for such other purposes as the Sec-
16 retary may find necessary;”.

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

21 **SEC. 343. REQUIRED REPORTING PROCEDURES.**

22 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
23 652(a)(5)) is amended by inserting “, and establish proce-
24 dures to be followed by States for collecting and reporting
25 information required to be provided under this part, and

1 establish uniform definitions (including those necessary to
2 enable the measurement of State compliance with the re-
3 quirements of this part relating to expedited processes) to
4 be applied in following such procedures” before the semi-
5 colon.

6 (b) STATE PLAN REQUIREMENT.—Section 454 (42
7 U.S.C. 654), as amended by sections 301(b), 303(a),
8 312(a), 313(a), and 333 of this Act, is amended—

9 (1) by striking “and” at the end of paragraph
10 (28);

11 (2) by striking the period at the end of para-
12 graph (29) and inserting “; and”; and

13 (3) by adding after paragraph (29) the follow-
14 ing new paragraph:

15 “(30) provide that the State shall use the defi-
16 nitions established under section 452(a)(5) in col-
17 lecting and reporting information as required under
18 this part.”.

19 **SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.**

20 (a) REVISED REQUIREMENTS.—

21 (1) IN GENERAL.—Section 454(16) (42 U.S.C.
22 654(16)) is amended—

23 (A) by striking “, at the option of the
24 State,”;

1 (B) by inserting “and operation by the
2 State agency” after “for the establishment”;

3 (C) by inserting “meeting the requirements
4 of section 454A” after “information retrieval
5 system”;

6 (D) by striking “in the State and localities
7 thereof, so as (A)” and inserting “so as”;

8 (E) by striking “(i)”; and

9 (F) by striking “(including” and all that
10 follows and inserting a semicolon.

11 (2) AUTOMATED DATA PROCESSING.—Part D of
12 title IV (42 U.S.C. 651–669) is amended by insert-
13 ing after section 454 the following new section:

14 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

15 “(a) IN GENERAL.—In order for a State to meet the
16 requirements of this section, the State agency administer-
17 ing the State program under this part shall have in oper-
18 ation a single statewide automated data processing and
19 information retrieval system which has the capability to
20 perform the tasks specified in this section with the fre-
21 quency and in the manner required by or under this part.

22 “(b) PROGRAM MANAGEMENT.—The automated sys-
23 tem required by this section shall perform such functions
24 as the Secretary may specify relating to management of
25 the State program under this part, including—

1 “(1) controlling and accounting for use of Fed-
2 eral, State, and local funds in carrying out the pro-
3 gram; and

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

7 “(c) CALCULATION OF PERFORMANCE INDICA-
8 TORS.—In order to enable the Secretary to determine the
9 incentive payments and penalty adjustments required by
10 sections 452(g) and 458, the State agency shall—

11 “(1) use the automated system—

12 “(A) to maintain the requisite data on
13 State performance with respect to paternity es-
14 tablishment and child support enforcement in
15 the State; and

16 “(B) to calculate the paternity establish-
17 ment percentage for the State for each fiscal
18 year; and

19 “(2) have in place systems controls to ensure
20 the completeness and reliability of, and ready access
21 to, the data described in paragraph (1)(A), and the
22 accuracy of the calculations described in paragraph
23 (1)(B).

24 “(d) INFORMATION INTEGRITY AND SECURITY.—The
25 State agency shall have in effect safeguards on the integ-

1 rity, accuracy, and completeness of, access to, and use of
2 data in the automated system required by this section,
3 which shall include the following (in addition to such other
4 safeguards as the Secretary may specify in regulations):

5 “(1) POLICIES RESTRICTING ACCESS.—Written
6 policies concerning access to data by State agency
7 personnel, and sharing of data with other persons,
8 which—

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

12 “(B) specify the data which may be used
13 for particular program purposes, and the per-
14 sonnel permitted access to such data.

15 “(2) SYSTEMS CONTROLS.—Systems controls
16 (such as passwords or blocking of fields) to ensure
17 strict adherence to the policies described in para-
18 graph (1).

19 “(3) MONITORING OF ACCESS.—Routine mon-
20 itoring of access to and use of the automated sys-
21 tem, through methods such as audit trails and feed-
22 back mechanisms, to guard against and promptly
23 identify unauthorized access or use.

24 “(4) TRAINING AND INFORMATION.—Proce-
25 dures to ensure that all personnel (including State

1 and local agency staff and contractors) who may
2 have access to or be required to use confidential pro-
3 gram data are informed of applicable requirements
4 and penalties (including those in section 6103 of the
5 Internal Revenue Code of 1986), and are adequately
6 trained in security procedures.

7 “(5) PENALTIES.—Administrative penalties (up
8 to and including dismissal from employment) for un-
9 authorized access to, or disclosure or use of, con-
10 fidential data.”.

11 (3) REGULATIONS.—The Secretary of Health
12 and Human Services shall prescribe final regulations
13 for implementation of section 454A of the Social Se-
14 curity Act not later than 2 years after the date of
15 the enactment of this Act.

16 (4) IMPLEMENTATION TIMETABLE.—Section
17 454(24) (42 U.S.C. 654(24)), as amended by section
18 303(a)(1) of this Act, is amended to read as follows:

19 “(24) provide that the State will have in effect
20 an automated data processing and information re-
21 trieval system—

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

1 “(B) by October 1, 1999, which meets all
2 requirements of this part enacted on or before
3 the date of the enactment of the Personal Re-
4 sponsibility and Work Opportunity Act of 1996,
5 except that such deadline shall be extended by
6 1 day for each day (if any) by which the Sec-
7 retary fails to meet the deadline imposed by
8 section 344(a)(3) of the Personal Responsibility
9 and Work Opportunity Act of 1996;”.

10 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
11 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

12 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
13 655(a)) is amended—

14 (A) in paragraph (1)(B)—

15 (i) by striking “90 percent” and in-
16 sserting “the percent specified in paragraph
17 (3)”;

18 (ii) by striking “so much of”; and

19 (iii) by striking “which the Secretary”
20 and all that follows and inserting “, and”;
21 and

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

24 “(3)(A) The Secretary shall pay to each State, for
25 each quarter in fiscal years 1996 and 1997, 90 percent

1 of so much of the State expenditures described in para-
2 graph (1)(B) as the Secretary finds are for a system meet-
3 ing the requirements specified in section 454(16) (as in
4 effect on September 30, 1995) but limited to the amount
5 approved for States in the advance planning documents
6 of such States submitted on or before September 30,
7 1995.

8 “(B)(i) The Secretary shall pay to each State, for
9 each quarter in fiscal years 1996 through 2001, the per-
10 centage specified in clause (ii) of so much of the State
11 expenditures described in paragraph (1)(B) as the Sec-
12 retary finds are for a system meeting the requirements
13 of sections 454(16) and 454A.

14 “(ii) The percentage specified in this clause is 80 per-
15 cent.”.

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

18 (A) IN GENERAL.—The Secretary of
19 Health and Human Services may not pay more
20 than \$400,000,000 in the aggregate under sec-
21 tion 455(a)(3)(B) of the Social Security Act for
22 fiscal years 1996 through 2001.

23 (B) ALLOCATION OF LIMITATION AMONG
24 STATES.—The total amount payable to a State
25 under section 455(a)(3)(B) of such Act for fis-

1 cal years 1996 through 2001 shall not exceed
2 the limitation determined for the State by the
3 Secretary of Health and Human Services in
4 regulations.

5 (C) ALLOCATION FORMULA.—The regula-
6 tions referred to in subparagraph (B) shall pre-
7 scribe a formula for allocating the amount spec-
8 ified in subparagraph (A) among States with
9 plans approved under part D of title IV of the
10 Social Security Act, which shall take into ac-
11 count—

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

14 (ii) the level of automation needed to
15 meet the automated data processing re-
16 quirements of such part.

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

20 **SEC. 345. TECHNICAL ASSISTANCE.**

21 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
22 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
23 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
24 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
25 ing at the end the following new subsection:

1 “(j) Out of any money in the Treasury of the United
2 States not otherwise appropriated, there is hereby appro-
3 priated to the Secretary for each fiscal year an amount
4 equal to 1 percent of the total amount paid to the Federal
5 Government pursuant to section 457(a) during the imme-
6 diately preceding fiscal year (as determined on the basis
7 of the most recent reliable data available to the Secretary
8 as of the end of the 3rd calendar quarter following the
9 end of such preceding fiscal year), to cover costs incurred
10 by the Secretary for—

11 “(1) information dissemination and technical
12 assistance to States, training of State and Federal
13 staff, staffing studies, and related activities needed
14 to improve programs under this part (including tech-
15 nical assistance concerning State automated systems
16 required by this part); and

17 “(2) research, demonstration, and special
18 projects of regional or national significance relating
19 to the operation of State programs under this part.
20 The amount appropriated under this subsection shall re-
21 main available until expended.”.

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

1 “(o) RECOVERY OF COSTS.—Out of any money in the
 2 Treasury of the United States not otherwise appropriated,
 3 there is hereby appropriated to the Secretary for each fis-
 4 cal year an amount equal to 2 percent of the total amount
 5 paid to the Federal Government pursuant to section
 6 457(a) during the immediately preceding fiscal year (as
 7 determined on the basis of the most recent reliable data
 8 available to the Secretary as of the end of the 3rd calendar
 9 quarter following the end of such preceding fiscal year),
 10 to cover costs incurred by the Secretary for operation of
 11 the Federal Parent Locator Service under this section, to
 12 the extent such costs are not recovered through user
 13 fees.”.

14 **SEC. 346. REPORTS AND DATA COLLECTION BY THE SEC-**
 15 **RETARY.**

16 (a) ANNUAL REPORT TO CONGRESS.—

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

19 (A) by striking “this part;” and inserting
 20 “this part, including—”; and

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

23 “(i) the total amount of child support
 24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

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

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
6 ing “, and the total amount of such obliga-
7 tions”;

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

11 (D) by striking clause (iv); and

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing new clauses:

15 “(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 “(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

21 “(vi) the total amount of support due
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking “on the use
25 of Federal courts and”.

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

3 (A) in subparagraph (H), by striking
4 “and”;

5 (B) in subparagraph (I), by striking the
6 period and inserting “; and”; and

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

9 “(J) compliance, by State, with the stand-
10 ards established pursuant to subsections (h)
11 and (i).”.

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

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall be effective with respect to fiscal year
17 1997 and succeeding fiscal years.

18 **Subtitle F—Establishment and** 19 **Modification of Support Orders**

20 **SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-** 21 **MENT OF CHILD SUPPORT ORDERS.**

22 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
23 ed to read as follows:

24 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
25 ORDERS UPON REQUEST.—Procedures under which

1 the State shall review and adjust each support order
2 being enforced under this part if there is an assign-
3 ment under part A or upon the request of either
4 parent, and may review and adjust any other sup-
5 port order being enforced under this part. Such pro-
6 cedures shall provide the following:

7 “(A) IN GENERAL.—

8 “(i) 3-YEAR CYCLE.—Except as pro-
9 vided in subparagraphs (B) and (C), the
10 State shall review and, as appropriate, ad-
11 just the support order every 3 years, tak-
12 ing into account the best interests of the
13 child involved.

14 “(ii) METHODS OF ADJUSTMENT.—

15 The State may elect to review and, if ap-
16 propriate, adjust an order pursuant to
17 clause (i) by—

18 “(I) reviewing and, if appro-
19 priate, adjusting the order in accord-
20 ance with the guidelines established
21 pursuant to section 467(a) if the
22 amount of the child support award
23 under the order differs from the
24 amount that would be awarded in ac-
25 cordance with the guidelines; or

1 “(II) applying a cost-of-living ad-
2 justment to the order in accordance
3 with a formula developed by the State
4 and permit either party to contest the
5 adjustment, within 30 days after the
6 date of the notice of the adjustment,
7 by making a request for review and, if
8 appropriate, adjustment of the order
9 in accordance with the child support
10 guidelines established pursuant to sec-
11 tion 467(a).

12 “(iii) NO PROOF OF CHANGE IN CIR-
13 CUMSTANCES NECESSARY.—Any adjust-
14 ment under this subparagraph (A) shall be
15 made without a requirement for proof or
16 showing of a change in circumstances.

17 “(B) AUTOMATED METHOD.—The State
18 may use automated methods (including auto-
19 mated comparisons with wage or State income
20 tax data) to identify orders eligible for review,
21 conduct the review, identify orders eligible for
22 adjustment, and apply the appropriate adjust-
23 ment to the orders eligible for adjustment
24 under the threshold established by the State.

1 “(C) REQUEST UPON SUBSTANTIAL
2 CHANGE IN CIRCUMSTANCES.—The State shall,
3 at the request of either parent subject to such
4 an order or of any State child support enforce-
5 ment agency, review and, if appropriate, adjust
6 the order in accordance with the guidelines es-
7 tablished pursuant to section 467(a) based
8 upon a substantial change in the circumstances
9 of either parent.

10 “(D) NOTICE OF RIGHT TO REVIEW.—The
11 State shall provide notice not less than once
12 every 3 years to the parents subject to such an
13 order informing them of their right to request
14 the State to review and, if appropriate, adjust
15 the order pursuant to this paragraph. The no-
16 tice may be included in the order.”.

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

19 Section 604 of the Fair Credit Reporting Act (15
20 U.S.C. 1681b) is amended by adding at the end the follow-
21 ing new paragraphs:

22 “(4) In response to a request by the head of a
23 State or local child support enforcement agency (or
24 a State or local government official authorized by
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agency that—
2

3 “(A) the consumer report is needed for the
4 purpose of establishing an individual’s capacity
5 to make child support payments or determining
6 the appropriate level of such payments;

7 “(B) the paternity of the consumer for the
8 child to which the obligation relates has been
9 established or acknowledged by the consumer in
10 accordance with State laws under which the ob-
11 ligation arises (if required by those laws);

12 “(C) the person has provided at least 10
13 days’ prior notice to the consumer whose report
14 is requested, by certified or registered mail to
15 the last known address of the consumer, that
16 the report will be requested; and

17 “(D) the consumer report will be kept con-
18 fidential, will be used solely for a purpose de-
19 scribed in subparagraph (A), and will not be
20 used in connection with any other civil, admin-
21 istrative, or criminal proceeding, or for any
22 other purpose.

23 “(5) To an agency administering a State plan
24 under section 454 of the Social Security Act (42

1 U.S.C. 654) for use to set an initial or modified
2 child support award.”.

3 **SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
4 **PROVIDING FINANCIAL RECORDS TO STATE**
5 **CHILD SUPPORT ENFORCEMENT AGENCIES**
6 **IN CHILD SUPPORT CASES.**

7 Part D of title IV (42 U.S.C. 651–669) is amended
8 by adding at the end the following:

9 **“SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
10 **PROVIDING FINANCIAL RECORDS TO STATE**
11 **CHILD SUPPORT ENFORCEMENT AGENCIES**
12 **IN CHILD SUPPORT CASES.**

13 “(a) IN GENERAL.—Notwithstanding any other pro-
14 vision of Federal or State law, a financial institution shall
15 not be liable under any Federal or State law to any person
16 for disclosing any financial record of an individual to a
17 State child support enforcement agency attempting to es-
18 tablish, modify, or enforce a child support obligation of
19 such individual.

20 “(b) PROHIBITION OF DISCLOSURE OF FINANCIAL
21 RECORD OBTAINED BY STATE CHILD SUPPORT EN-
22 FORCEMENT AGENCY.—A State child support enforcement
23 agency which obtains a financial record of an individual
24 from a financial institution pursuant to subsection (a)
25 may disclose such financial record only for the purpose

1 of, and to the extent necessary in, establishing, modifying,
2 or enforcing a child support obligation of such individual.

3 “(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
4 SURE.—

5 “(1) DISCLOSURE BY STATE OFFICER OR EM-
6 PLOYEE.—If any person knowingly, or by reason of
7 negligence, discloses a financial record of an individ-
8 ual in violation of subsection (b), such individual
9 may bring a civil action for damages against such
10 person in a district court of the United States.

11 “(2) NO LIABILITY FOR GOOD FAITH BUT ER-
12 RONEOUS INTERPRETATION.—No liability shall arise
13 under this subsection with respect to any disclosure
14 which results from a good faith, but erroneous, in-
15 terpretation of subsection (b).

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

20 “(A) the greater of—

21 “(i) \$1,000 for each act of unauthor-
22 ized disclosure of a financial record with
23 respect to which such defendant is found
24 liable; or

25 “(ii) the sum of—

1 “(I) the actual damages sus-
2 tained by the plaintiff as a result of
3 such unauthorized disclosure; plus

4 “(II) in the case of a willful dis-
5 closure or a disclosure which is the re-
6 sult of gross negligence, punitive dam-
7 ages; plus

8 “(B) the costs (including attorney’s fees)
9 of the action.

10 “(d) DEFINITIONS.—For purposes of this section—

11 “(1) FINANCIAL INSTITUTION.—The term ‘fi-
12 nancial institution’ means—

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

16 “(B) an institution-affiliated party, as de-
17 fined in section 3(u) of such Act (12 U.S.C.
18 1813(u));

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

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

5 “(2) FINANCIAL RECORD.—The term “financial
6 record” has the meaning given such term in section
7 1101 of the Right to Financial Privacy Act of 1978
8 (12 U.S.C. 3401).”.

9 **Subtitle G—Enforcement of**
10 **Support Orders**

11 **SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF**
12 **ARREARAGES.**

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

16 (1) by striking “and” at the end of paragraph
17 (3);

18 (2) by striking the period at the end of para-
19 graph (4) and inserting “, and”;

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

22 “(5) no additional fee may be assessed for ad-
23 justments to an amount previously certified pursu-
24 ant to such section 452(b) with respect to the same
25 obligor.”; and

1 (4) by striking “Secretary of Health, Edu-
2 cation, and Welfare” each place it appears and in-
3 serting “Secretary of Health and Human Services”.

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

6 **SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FED-**
7 **ERAL EMPLOYEES.**

8 (a) CONSOLIDATION AND STREAMLINING OF AU-
9 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
10 read as follows:

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

15 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
16 withstanding any other provision of law (including section
17 207 of this Act and section 5301 of title 38, United States
18 Code), effective January 1, 1975, moneys (the entitlement
19 to which is based upon remuneration for employment) due
20 from, or payable by, the United States or the District of
21 Columbia (including any agency, subdivision, or instru-
22 mentality thereof) to any individual, including members
23 of the Armed Forces of the United States, shall be subject,
24 in like manner and to the same extent as if the United
25 States or the District of Columbia were a private person,

1 to withholding in accordance with State law enacted pur-
2 suant to subsections (a)(1) and (b) of section 466 and reg-
3 ulations of the Secretary under such subsections, and to
4 any other legal process brought, by a State agency admin-
5 istering a program under a State plan approved under this
6 part or by an individual obligee, to enforce the legal obliga-
7 tion of the individual to provide child support or alimony.

8 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
9 PRIVATE PERSON.—With respect to notice to withhold in-
10 come pursuant to subsection (a)(1) or (b) of section 466,
11 or any other order or process to enforce support obliga-
12 tions against an individual (if the order or process con-
13 tains or is accompanied by sufficient data to permit
14 prompt identification of the individual and the moneys in-
15 volved), each governmental entity specified in subsection
16 (a) shall be subject to the same requirements as would
17 apply if the entity were a private person, except as other-
18 wise provided in this section.

19 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
20 OR PROCESS—

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

23 “(A) designate an agent or agents to re-
24 ceive orders and accept service of process in

1 matters relating to child support or alimony;
2 and

3 “(B) annually publish in the Federal Reg-
4 ister the designation of the agent or agents,
5 identified by title or position, mailing address,
6 and telephone number.

7 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
8 agent designated pursuant to paragraph (1) of this
9 subsection receives notice pursuant to State proce-
10 dures in effect pursuant to subsection (a)(1) or (b)
11 of section 466, or is effectively served with any
12 order, process, or interrogatory, with respect to an
13 individual’s child support or alimony payment obli-
14 gations, the agent shall—

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

21 “(B) within 30 days (or such longer period
22 as may be prescribed by applicable State law)
23 after receipt of a notice pursuant to such State
24 procedures, comply with all applicable provi-
25 sions of section 466; and

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

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

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

13 “(2) allocation of moneys due or payable to an
14 individual among claimants under section 466(b)
15 shall be governed by section 466(b) and the regula-
16 tions prescribed under such section; and

17 “(3) such moneys as remain after compliance
18 with paragraphs (1) and (2) shall be available to
19 satisfy any other such processes on a first-come,
20 first-served basis, with any such process being satis-
21 fied out of such moneys as remain after the satisfac-
22 tion of all such processes which have been previously
23 served.

24 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
25 governmental entity that is affected by legal process

1 served for the enforcement of an individual's child support
2 or alimony payment obligations shall not be required to
3 vary its normal pay and disbursement cycle in order to
4 comply with the legal process.

5 “(f) RELIEF FROM LIABILITY.—

6 “(1) Neither the United States, nor the govern-
7 ment of the District of Columbia, nor any disbursing
8 officer shall be liable with respect to any payment
9 made from moneys due or payable from the United
10 States to any individual pursuant to legal process
11 regular on its face, if the payment is made in ac-
12 cordance with this section and the regulations issued
13 to carry out this section.

14 “(2) No Federal employee whose duties include
15 taking actions necessary to comply with the require-
16 ments of subsection (a) with regard to any individ-
17 ual shall be subject under any law to any discipli-
18 nary action or civil or criminal liability or penalty
19 for, or on account of, any disclosure of information
20 made by the employee in connection with the carry-
21 ing out of such actions.

22 “(g) REGULATIONS.—Authority to promulgate regu-
23 lations for the implementation of this section shall, insofar
24 as this section applies to moneys due from (or payable
25 by)—

1 “(1) the United States (other than the legisla-
2 tive or judicial branches of the Federal Government)
3 or the government of the District of Columbia, be
4 vested in the President (or the designee of the Presi-
5 dent);

6 “(2) the legislative branch of the Federal Gov-
7 ernment, be vested jointly in the President pro tem-
8 pore of the Senate and the Speaker of the House of
9 Representatives (or their designees), and

10 “(3) the judicial branch of the Federal Govern-
11 ment, be vested in the Chief Justice of the United
12 States (or the designee of the Chief Justice).

13 “(h) MONEYS SUBJECT TO PROCESS.—

14 “(1) IN GENERAL.—Subject to paragraph (2),
15 moneys paid or payable to an individual which are
16 considered to be based upon remuneration for em-
17 ployment, for purposes of this section—

18 “(A) consist of—

19 “(i) compensation paid or payable for
20 personal services of the individual, whether
21 the compensation is denominated as wages,
22 salary, commission, bonus, pay, allowances,
23 or otherwise (including severance pay, sick
24 pay, and incentive pay);

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

4 “(I) under the insurance system
5 established by title II;

6 “(II) under any other system or
7 fund established by the United States
8 which provides for the payment of
9 pensions, retirement or retired pay,
10 annuities, dependents’ or survivors’
11 benefits, or similar amounts payable
12 on account of personal services per-
13 formed by the individual or any other
14 individual;

15 “(III) as compensation for death
16 under any Federal program;

17 “(IV) under any Federal pro-
18 gram established to provide ‘black
19 lung’ benefits; or

20 “(V) by the Secretary of Veter-
21 ans Affairs as compensation for a
22 service-connected disability paid by
23 the Secretary to a former member of
24 the Armed Forces who is in receipt of
25 retired or retainer pay if the former

1 member has waived a portion of the
2 retired or retainer pay in order to re-
3 ceive such compensation; and

4 “(iii) worker’s compensation benefits
5 paid under Federal or State law but—

6 “(B) do not include any payment—

7 “(i) by way of reimbursement or oth-
8 erwise, to defray expenses incurred by the
9 individual in carrying out duties associated
10 with the employment of the individual; or

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

18 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
19 mining the amount of any moneys due from, or pay-
20 able by, the United States to any individual, there
21 shall be excluded amounts which—

22 “(A) are owed by the individual to the
23 United States;

24 “(B) are required by law to be, and are,
25 deducted from the remuneration or other pay-

1 ment involved, including Federal employment
2 taxes, and fines and forfeitures ordered by
3 court-martial;

4 “(C) are properly withheld for Federal,
5 State, or local income tax purposes, if the with-
6 holding of the amounts is authorized or re-
7 quired by law and if amounts withheld are not
8 greater than would be the case if the individual
9 claimed all dependents to which he was entitled
10 (the withholding of additional amounts pursu-
11 ant to section 3402(i) of the Internal Revenue
12 Code of 1986 may be permitted only when the
13 individual presents evidence of a tax obligation
14 which supports the additional withholding);

15 “(D) are deducted as health insurance pre-
16 miums;

17 “(E) are deducted as normal retirement
18 contributions (not including amounts deducted
19 for supplementary coverage); or

20 “(F) are deducted as normal life insurance
21 premiums from salary or other remuneration
22 for employment (not including amounts de-
23 ducted for supplementary coverage).

24 “(i) DEFINITIONS.—For purposes of this section—

1 “(1) UNITED STATES.—The term ‘United
2 States’ includes any department, agency, or instru-
3 mentality of the legislative, judicial, or executive
4 branch of the Federal Government, the United
5 States Postal Service, the Postal Rate Commission,
6 any Federal corporation created by an Act of Con-
7 gress that is wholly owned by the Federal Govern-
8 ment, and the governments of the territories and
9 possessions of the United States.

10 “(2) CHILD SUPPORT.—The term ‘child sup-
11 port’, when used in reference to the legal obligations
12 of an individual to provide such support, means
13 amounts required to be paid under a judgment, de-
14 cree, or order, whether temporary, final, or subject
15 to modification, issued by a court or an administra-
16 tive agency of competent jurisdiction, for the sup-
17 port and maintenance of a child, including a child
18 who has attained the age of majority under the law
19 of the issuing State, or a child and the parent with
20 whom the child is living, which provides for mone-
21 tary support, health care, arrearages or reimburse-
22 ment, and which may include other related costs and
23 fees, interest and penalties, income withholding, at-
24 torney’s fees, and other relief.

25 “(3) ALIMONY.—

1 “(A) IN GENERAL.—The term ‘alimony’,
2 when used in reference to the legal obligations
3 of an individual to provide the same, means
4 periodic payments of funds for the support and
5 maintenance of the spouse (or former spouse)
6 of the individual, and (subject to and in accord-
7 ance with State law) includes separate mainte-
8 nance, alimony pendente lite, maintenance, and
9 spousal support, and includes attorney’s fees,
10 interest, and court costs when and to the extent
11 that the same are expressly made recoverable
12 as such pursuant to a decree, order, or judg-
13 ment issued in accordance with applicable State
14 law by a court of competent jurisdiction.

15 “(B) EXCEPTIONS.—Such term does not
16 include—

17 “(i) any child support; or

18 “(ii) any payment or transfer of prop-
19 erty or its value by an individual to the
20 spouse or a former spouse of the individual
21 in compliance with any community prop-
22 erty settlement, equitable distribution of
23 property, or other division of property be-
24 tween spouses or former spouses.

1 “(4) PRIVATE PERSON.—The term ‘private per-
2 son’ means a person who does not have sovereign or
3 other special immunity or privilege which causes the
4 person not to be subject to legal process.

5 “(5) LEGAL PROCESS.—The term ‘legal proc-
6 ess’ means any writ, order, summons, or other simi-
7 lar process in the nature of garnishment—

8 “(A) which is issued by—

9 “(i) a court or an administrative
10 agency of competent jurisdiction in any
11 State, territory, or possession of the Unit-
12 ed States;

13 “(ii) a court or an administrative
14 agency of competent jurisdiction in any
15 foreign country with which the United
16 States has entered into an agreement
17 which requires the United States to honor
18 the process; or

19 “(iii) an authorized official pursuant
20 to an order of such a court or an adminis-
21 trative agency of competent jurisdiction or
22 pursuant to State or local law; and

23 “(B) which is directed to, and the purpose
24 of which is to compel, a governmental entity
25 which holds moneys which are otherwise pay-

1 able to an individual to make a payment from
2 the moneys to another party in order to satisfy
3 a legal obligation of the individual to provide
4 child support or make alimony payments.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) TO PART D OF TITLE IV.—Sections 461 and
7 462 (42 U.S.C. 661 and 662) are repealed.

8 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
9 tion 5520a of title 5, United States Code, is amend-
10 ed, in subsections (h)(2) and (i), by striking “sec-
11 tions 459, 461, and 462 of the Social Security Act
12 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
13 tion 459 of the Social Security Act (42 U.S.C.
14 659)”.

15 (c) MILITARY RETIRED AND RETAINER PAY.—

16 (1) DEFINITION OF COURT.—Section
17 1408(a)(1) of title 10, United States Code, is
18 amended—

19 (A) by striking “and” at the end of sub-
20 paragraph (B);

21 (B) by striking the period at the end of
22 subparagraph (C) and inserting “; and”; and

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

1 “(D) any administrative or judicial tribu-
2 nal of a State competent to enter orders for
3 support or maintenance (including a State
4 agency administering a program under a State
5 plan approved under part D of title IV of the
6 Social Security Act), and, for purposes of this
7 subparagraph, the term ‘State’ includes the
8 District of Columbia, the Commonwealth of
9 Puerto Rico, the Virgin Islands, Guam, and
10 American Samoa.”.

11 (2) DEFINITION OF COURT ORDER.—Section
12 1408(a)(2) of such title is amended—

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

16 (B) in subparagraph (B)(i), by striking
17 “(as defined in section 462(b) of the Social Se-
18 curity Act (42 U.S.C. 662(b)))” and inserting
19 “(as defined in section 459(i)(2) of the Social
20 Security Act (42 U.S.C. 659(i)(2)))”; and

21 (C) in subparagraph (B)(ii), by striking
22 “(as defined in section 462(c) of the Social Se-
23 curity Act (42 U.S.C. 662(c)))” and inserting
24 “(as defined in section 459(i)(3) of the Social
25 Security Act (42 U.S.C. 659(i)(3)))”.

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

3 (A) in the heading, by inserting “(OR FOR
4 BENEFIT OF)” before “SPOUSE OR”; and

5 (B) in paragraph (1), in the 1st sentence,
6 by inserting “(or for the benefit of such spouse
7 or former spouse to a State disbursement unit
8 established pursuant to section 454B of the So-
9 cial Security Act or other public payee des-
10 ignated by a State, in accordance with part D
11 of title IV of the Social Security Act, as di-
12 rected by court order, or as otherwise directed
13 in accordance with such part D)” before “in an
14 amount sufficient”.

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

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

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

4 **SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
5 **TIONS OF MEMBERS OF THE ARMED FORCES.**

6 (a) AVAILABILITY OF LOCATOR INFORMATION.—

7 (1) MAINTENANCE OF ADDRESS INFORMA-
8 TION.—The Secretary of Defense shall establish a
9 centralized personnel locator service that includes
10 the address of each member of the Armed Forces
11 under the jurisdiction of the Secretary. Upon re-
12 quest of the Secretary of Transportation, addresses
13 for members of the Coast Guard shall be included in
14 the centralized personnel locator service.

15 (2) TYPE OF ADDRESS.—

16 (A) RESIDENTIAL ADDRESS.—Except as
17 provided in subparagraph (B), the address for
18 a member of the Armed Forces shown in the lo-
19 cator service shall be the residential address of
20 that member.

21 (B) DUTY ADDRESS.—The address for a
22 member of the Armed Forces shown in the loca-
23 tor service shall be the duty address of that
24 member in the case of a member—

1 (i) who is permanently assigned over-
2 seas, to a vessel, or to a routinely
3 deployable unit; or

4 (ii) with respect to whom the Sec-
5 retary concerned makes a determination
6 that the member's residential address
7 should not be disclosed due to national se-
8 curity or safety concerns.

9 (3) UPDATING OF LOCATOR INFORMATION.—

10 Within 30 days after a member listed in the locator
11 service establishes a new residential address (or a
12 new duty address, in the case of a member covered
13 by paragraph (2)(B)), the Secretary concerned shall
14 update the locator service to indicate the new ad-
15 dress of the member.

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

22 (b) FACILITATING GRANTING OF LEAVE FOR AT-
23 TENDANCE AT HEARINGS.—

24 (1) REGULATIONS.—The Secretary of each
25 military department, and the Secretary of Transpor-

1 tation with respect to the Coast Guard when it is
2 not operating as a service in the Navy, shall pre-
3 scribe regulations to facilitate the granting of leave
4 to a member of the Armed Forces under the juris-
5 diction of that Secretary in a case in which—

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

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

12 (C) the exigencies of military service (as
13 determined by the Secretary concerned) do not
14 otherwise require that such leave not be grant-
15 ed.

16 (2) COVERED HEARINGS.—Paragraph (1) ap-
17 plies to a hearing that is conducted by a court or
18 pursuant to an administrative process established
19 under State law, in connection with a civil action—

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

22 (B) to determine an obligation of a mem-
23 ber of the Armed Forces to provide child sup-
24 port.

1 (3) DEFINITIONS.—For purposes of this sub-
2 section—

3 (A) The term “court” has the meaning
4 given that term in section 1408(a) of title 10,
5 United States Code.

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

9 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
10 PLIANCE WITH CHILD SUPPORT ORDERS.—

11 (1) DATE OF CERTIFICATION OF COURT
12 ORDER.—Section 1408 of title 10, United States
13 Code, as amended by section 362(c)(4) of this Act,
14 is amended—

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

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

19 “(i) CERTIFICATION DATE.—It is not necessary that
20 the date of a certification of the authenticity or complete-
21 ness of a copy of a court order for child support received
22 by the Secretary concerned for the purposes of this section
23 be recent in relation to the date of receipt by the Sec-
24 retary.”.

1 (2) PAYMENTS CONSISTENT WITH ASSIGN-
2 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
3 of such title is amended by inserting after the 1st
4 sentence the following new sentence: “In the case of
5 a spouse or former spouse who, pursuant to section
6 408(a)(4) of the Social Security Act (42 U.S.C.
7 608(a)(4)), assigns to a State the rights of the
8 spouse or former spouse to receive support, the Sec-
9 retary concerned may make the child support pay-
10 ments referred to in the preceding sentence to that
11 State in amounts consistent with that assignment of
12 rights.”.

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

17 “(6) In the case of a court order for which effective
18 service is made on the Secretary concerned on or after
19 the date of the enactment of this paragraph and which
20 provides for payments from the disposable retired pay of
21 a member to satisfy the amount of child support set forth
22 in the order, the authority provided in paragraph (1) to
23 make payments from the disposable retired pay of a mem-
24 ber to satisfy the amount of child support set forth in a
25 court order shall apply to payment of any amount of child

1 support arrearages set forth in that order as well as to
2 amounts of child support that currently become due.”.

3 (4) PAYROLL DEDUCTIONS.—The Secretary of
4 Defense shall begin payroll deductions within 30
5 days after receiving notice of withholding, or for the
6 1st pay period that begins after such 30-day period.

7 **SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.**

8 Section 466 (42 U.S.C. 666), as amended by section
9 321 of this Act, is amended by adding at the end the fol-
10 lowing new subsection:

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

14 “(1)(A) the Uniform Fraudulent Conveyance
15 Act of 1981;

16 “(B) the Uniform Fraudulent Transfer Act
17 of 1984; or

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

24 “(2) procedures under which, in any case in
25 which the State knows of a transfer by a child sup-

1 port debtor with respect to which such a prima facie
2 case is established, the State must—

3 “(A) seek to void such transfer; or

4 “(B) obtain a settlement in the best inter-
5 ests of the child support creditor.”.

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

8 (a) IN GENERAL.—Section 466(a) (42 U.S.C.
9 666(a)), as amended by sections 315, 317(a), and 323 of
10 this Act, is amended by adding at the end the following
11 new paragraph:

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

15 “(A) IN GENERAL.—Procedures under
16 which the State has the authority, in any case
17 in which an individual owes past-due support
18 with respect to a child receiving assistance
19 under a State program funded under part A, to
20 issue an order or to request that a court or an
21 administrative process established pursuant to
22 State law issue an order that requires the indi-
23 vidual to—

24 “(i) pay such support in accordance
25 with a plan approved by the court, or, at

1 the option of the State, a plan approved by
2 the State agency administering the State
3 program under this part; or

4 “(ii) if the individual is subject to
5 such a plan and is not incapacitated, par-
6 ticipate in such work activities (as defined
7 in section 407(d)) as the court, or, at the
8 option of the State, the State agency ad-
9 ministering the State program under this
10 part, deems appropriate.

11 “(B) PAST-DUE SUPPORT DEFINED.—For
12 purposes of subparagraph (A), the term ‘past-
13 due support’ means the amount of a delin-
14 quency, determined under a court order, or an
15 order of an administrative process established
16 under State law, for support and maintenance
17 of a child, or of a child and the parent with
18 whom the child is living.”.

19 (b) CONFORMING AMENDMENT.—The flush para-
20 graph at the end of section 466(a) (42 U.S.C.666(a)) is
21 amended by striking “and (7)” and inserting “(7), and
22 (15)”.

1 **SEC. 366. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections
3 316 and 345(b) of this Act, is amended by adding at the
4 end the following new subsection:

5 “(p) SUPPORT ORDER DEFINED.—As used in this
6 part, the term ‘support order’ means a judgment, decree,
7 or order, whether temporary, final, or subject to modifica-
8 tion, issued by a court or an administrative agency of com-
9 petent jurisdiction, for the support and maintenance of a
10 child, including a child who has attained the age of major-
11 ity under the law of the issuing State, or a child and the
12 parent with whom the child is living, which provides for
13 monetary support, health care, arrearages, or reimburse-
14 ment, and which may include related costs and fees, inter-
15 est and penalties, income withholding, attorneys’ fees, and
16 other relief.”.

17 **SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.**

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

20 “(7) REPORTING ARREARAGES TO CREDIT BU-
21 REAUS.—

22 “(A) IN GENERAL.—Procedures (subject to
23 safeguards pursuant to subparagraph (B)) re-
24 quiring the State to report periodically to
25 consumer reporting agencies (as defined in sec-
26 tion 603(f) of the Fair Credit Reporting Act

1 (15 U.S.C. 1681a(f)) the name of any non-
2 custodial parent who is delinquent in the pay-
3 ment of support, and the amount of overdue
4 support owed by such parent.

5 “(B) SAFEGUARDS.—Procedures ensuring
6 that, in carrying out subparagraph (A), infor-
7 mation with respect to a noncustodial parent is
8 reported—

9 “(i) only after such parent has been
10 afforded all due process required under
11 State law, including notice and a reason-
12 able opportunity to contest the accuracy of
13 such information; and

14 “(ii) only to an entity that has fur-
15 nished evidence satisfactory to the State
16 that the entity is a consumer reporting
17 agency (as so defined).”.

18 **SEC. 368. LIENS.**

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

21 “(4) LIENS.—Procedures under which—

22 “(A) liens arise by operation of law against
23 real and personal property for amounts of over-
24 due support owed by a noncustodial parent who
25 resides or owns property in the State; and

1 “(B) the State accords full faith and credit
2 to liens described in subparagraph (A) arising
3 in another State, when the State agency, party,
4 or other entity seeking to enforce such a lien
5 complies with the procedural rules relating to
6 recording or serving liens that arise within the
7 State, except that such rules may not require
8 judicial notice or hearing prior to the enforce-
9 ment of such a lien.”.

10 **SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LI-**
11 **CENSES.**

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

15 “(16) **AUTHORITY TO WITHHOLD OR SUSPEND**
16 **LICENSES.**—Procedures under which the State has
17 (and uses in appropriate cases) authority to withhold
18 or suspend, or to restrict the use of driver’s licenses,
19 professional and occupational licenses, and rec-
20 reational licenses of individuals owing overdue sup-
21 port or failing, after receiving appropriate notice, to
22 comply with subpoenas or warrants relating to pa-
23 ternity or child support proceedings.”.

1 **SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
2 **CHILD SUPPORT.**

3 (a) HHS CERTIFICATION PROCEDURE.—

4 (1) SECRETARIAL RESPONSIBILITY.—Section
5 452 (42 U.S.C. 652), as amended by section 345 of
6 this Act, is amended by adding at the end the fol-
7 lowing new subsection:

8 “(k)(1) If the Secretary receives a certification by a
9 State agency in accordance with the requirements of sec-
10 tion 454(31) that an individual owes arrearages of child
11 support in an amount exceeding \$5,000, the Secretary
12 shall transmit such certification to the Secretary of State
13 for action (with respect to denial, revocation, or limitation
14 of passports) pursuant paragraph (2).

15 “(2) The Secretary of State shall, upon certification
16 by the Secretary transmitted under paragraph (1), refuse
17 to issue a passport to such individual, and may revoke,
18 restrict, or limit a passport issued previously to such indi-
19 vidual.

20 “(3) The Secretary and the Secretary of State shall
21 not be liable to an individual for any action with respect
22 to a certification by a State agency under this section.”.

23 (2) STATE AGENCY RESPONSIBILITY.—Section
24 454 (42 U.S.C. 654), as amended by sections
25 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of
26 this Act, is amended—

1 (A) by striking “and” at the end of para-
2 graph (29);

3 (B) by striking the period at the end of
4 paragraph (30) and inserting “; and”; and

5 (C) by adding after paragraph (30) the fol-
6 lowing new paragraph:

7 “(31) provide that the State agency will have in
8 effect a procedure for certifying to the Secretary, for
9 purposes of the procedure under section 452(k), de-
10 terminations that individuals owe arrearages of child
11 support in an amount exceeding \$5,000, under
12 which procedure—

13 “(A) each individual concerned is afforded
14 notice of such determination and the con-
15 sequences thereof, and an opportunity to con-
16 test the determination; and

17 “(B) the certification by the State agency
18 is furnished to the Secretary in such format,
19 and accompanied by such supporting docu-
20 mentation, as the Secretary may require.”.

21 (b) EFFECTIVE DATE.—This section and the amend-
22 ments made by this section shall become effective October
23 1, 1997.

1 **SEC. 371. INTERNATIONAL SUPPORT ENFORCEMENT.**

2 (a) AUTHORITY FOR INTERNATIONAL AGREE-
3 MENTS.—Part D of title IV, as amended by section 362(a)
4 of this Act, is amended by adding after section 459 the
5 following new section:

6 **“SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

7 “(a) AUTHORITY FOR DECLARATIONS.—

8 “(1) DECLARATION.—The Secretary of State,
9 with the concurrence of the Secretary of Health and
10 Human Services, is authorized to declare any foreign
11 country (or a political subdivision thereof) to be a
12 foreign reciprocating country if the foreign country
13 has established, or undertakes to establish, proce-
14 dures for the establishment and enforcement of du-
15 ties of support owed to obligees who are residents of
16 the United States, and such procedures are substan-
17 tially in conformity with the standards prescribed
18 under subsection (b).

19 “(2) REVOCATION.—A declaration with respect
20 to a foreign country made pursuant to paragraph
21 (1) may be revoked if the Secretaries of State and
22 Health and Human Services determine that—

23 “(A) the procedures established by the for-
24 eign country regarding the establishment and
25 enforcement of duties of support have been so
26 changed, or the foreign country’s implementa-

1 tion of such procedures is so unsatisfactory,
2 that such procedures do not meet the criteria
3 for such a declaration; or

4 “(B) continued operation of the declaration
5 is not consistent with the purposes of this part.

6 “(3) FORM OF DECLARATION.—A declaration
7 under paragraph (1) may be made in the form of an
8 international agreement, in connection with an inter-
9 national agreement or corresponding foreign declara-
10 tion, or on a unilateral basis.

11 “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-
12 MENT PROCEDURES.—

13 “(1) MANDATORY ELEMENTS.—Support en-
14 forcement procedures of a foreign country which
15 may be the subject of a declaration pursuant to sub-
16 section (a)(1) shall include the following elements:

17 “(A) The foreign country (or political sub-
18 division thereof) has in effect procedures, avail-
19 able to residents of the United States—

20 “(i) for establishment of paternity,
21 and for establishment of orders of support
22 for children and custodial parents; and

23 “(ii) for enforcement of orders to pro-
24 vide support to children and custodial par-
25 ents, including procedures for collection

1 and appropriate distribution of child sup-
2 port payments under such orders.

3 “(B) The procedures described in subpara-
4 graph (A), including legal and administrative
5 assistance, are provided to residents of the
6 United States at no cost.

7 “(C) An agency of the foreign country is
8 designated as a Central Authority responsible
9 for—

10 “(i) facilitating support enforcement in cases
11 involving residents of the foreign country and resi-
12 dents of the United States; and

13 “(ii) ensuring compliance with the standards es-
14 tablished pursuant to this subsection.

15 “(2) ADDITIONAL ELEMENTS.—The Secretary
16 of Health and Human Services and the Secretary of
17 State, in consultation with the States, may establish
18 such additional standards as may be considered nec-
19 essary to further the purposes of this section.

20 “(c) DESIGNATION OF UNITED STATES CENTRAL
21 AUTHORITY.—It shall be the responsibility of the Sec-
22 retary of Health and Human Services to facilitate support
23 enforcement in cases involving residents of the United
24 States and residents of foreign countries that are the sub-

1 ject of a declaration under this section, by activities in-
2 cluding—

3 “(1) development of uniform forms and proce-
4 dures for use in such cases;

5 “(2) notification of foreign reciprocating coun-
6 tries of the State of residence of individuals sought
7 for support enforcement purposes, on the basis of in-
8 formation provided by the Federal Parent Locator
9 Service; and

10 “(3) such other oversight, assistance, and co-
11 ordination activities as the Secretary may find nec-
12 essary and appropriate.

13 “(d) EFFECT ON OTHER LAWS.—States may enter
14 into reciprocal arrangements for the establishment and en-
15 forcement of support obligations with foreign countries
16 that are not the subject of a declaration pursuant to sub-
17 section (a), to the extent consistent with Federal law.”.

18 (b) STATE PLAN REQUIREMENT.—Section 454 (42
19 U.S.C. 654), as amended by sections 301(b), 303(a),
20 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act,
21 is amended—

22 (1) by striking “and” at the end of paragraph
23 (30);

24 (2) by striking the period at the end of para-
25 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’ has the mean-

1 ing given to such term by section
2 469A(d)(1).

3 “(ii) ACCOUNT.—The term ‘account’
4 means a demand deposit account, checking
5 or negotiable withdrawal order account,
6 savings account, time deposit account, or
7 money-market mutual fund account.”.

8 **SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL**
9 **OR MATERNAL GRANDPARENTS IN CASES OF**
10 **MINOR PARENTS.**

11 Section 466(a) (42 U.S.C. 666(a)), as amended by
12 sections 315, 317(a), 323, 365, 369, and 372 of this Act,
13 is amended by adding at the end the following new para-
14 graph:

15 “(18) ENFORCEMENT OF ORDERS AGAINST PA-
16 TERNAL OR MATERNAL GRANDPARENTS.—Proce-
17 dures under which, at the State’s option, any child
18 support order enforced under this part with respect
19 to a child of minor parents, if the custodial parent
20 of such child is receiving assistance under the State
21 program under part A, shall be enforceable, jointly
22 and severally, against the parents of the noncusto-
23 dial parent of such child.”.

1 **SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF**
2 **CERTAIN DEBTS FOR THE SUPPORT OF A**
3 **CHILD.**

4 (a) AMENDMENT TO TITLE 11 OF THE UNITED
5 STATES CODE.—Section 523(a) of title 11, United States
6 Code, is amended—

7 (1) in paragraph (16) by striking the period at
8 the end and inserting “; or”,

9 (2) by adding at the end the following:

10 “(17) owed under State law to a State or mu-
11 nicipality that is—

12 “(A) in the nature of support, and

13 “(B) enforceable under part D of title IV
14 of the Social Security Act (42 U.S.C. 601 et
15 seq.).”, and

16 (3) in paragraph (5), by striking “section
17 402(a)(26)” and inserting “section 408(a)(4)”.

18 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—
19 Section 456(b) (42 U.S.C. 656(b)) is amended to read as
20 follows:

21 “(b) NONDISCHARGEABILITY.—A debt (as defined in
22 section 101 of title 11 of the United States Code) owed
23 under State law to a State (as defined in such section)
24 or municipality (as defined in such section) that is in the
25 nature of support and that is enforceable under this part

1 is not released by a discharge in bankruptcy under title
2 11 of the United States Code.”.

3 (c) APPLICATION OF AMENDMENTS.—The amend-
4 ments made by this section shall apply only with respect
5 to cases commenced under title 11 of the United States
6 Code after the date of the enactment of this Act.

7 **Subtitle H—Medical Support**

8 **SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL** 9 **CHILD SUPPORT ORDER.**

10 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
11 ployee Retirement Income Security Act of 1974 (29
12 U.S.C. 1169(a)(2)(B)) is amended—

13 (1) by striking “issued by a court of competent
14 jurisdiction”;

15 (2) by striking the period at the end of clause
16 (ii) and inserting a comma; and

17 (3) by adding, after and below clause (ii), the
18 following:

19 “if such judgment, decree, or order (I) is issued
20 by a court of competent jurisdiction or (II) is
21 issued through an administrative process estab-
22 lished under State law and has the force and ef-
23 fect of law under applicable State law.”.

24 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall take effect on the date of the en-
3 actment of this Act.

4 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
5 JANUARY 1, 1997.—Any amendment to a plan re-
6 quired to be made by an amendment made by this
7 section shall not be required to be made before the
8 1st plan year beginning on or after January 1,
9 1997, if—

10 (A) during the period after the date before
11 the date of the enactment of this Act and be-
12 fore such 1st plan year, the plan is operated in
13 accordance with the requirements of the amend-
14 ments made by this section; and

15 (B) such plan amendment applies retro-
16 actively to the period after the date before the
17 date of the enactment of this Act and before
18 such 1st plan year.

19 A plan shall not be treated as failing to be operated
20 in accordance with the provisions of the plan merely
21 because it operates in accordance with this para-
22 graph.

1 **SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
2 **COVERAGE.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 315, 317(a), 323, 365, 369, 372, and 373 of this
5 Act, is amended by adding at the end the following new
6 paragraph:

7 “(19) HEALTH CARE COVERAGE.—Procedures
8 under which all child support orders enforced pursu-
9 ant to this part shall include a provision for the
10 health care coverage of the child, and in the case in
11 which a noncustodial parent provides such coverage
12 and changes employment, and the new employer pro-
13 vides health care coverage, the State agency shall
14 transfer notice of the provision to the employer,
15 which notice shall operate to enroll the child in the
16 noncustodial parent’s health plan, unless the non-
17 custodial parent contests the notice.”.

18 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
19 **Residential Parents**
20

21 **SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITA-**
22 **TION PROGRAMS.**

23 Part D of title IV (42 U.S.C. 651–669), as amended
24 by section 353, is amended by adding at the end the fol-
25 lowing new section:

1 **“SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITA-**
2 **TION PROGRAMS.**

3 “(a) IN GENERAL.—The Administration for Children
4 and Families shall make grants under this section to en-
5 able States to establish and administer programs to sup-
6 port and facilitate noncustodial parents’ access to and visi-
7 tation of their children, by means of activities including
8 mediation (both voluntary and mandatory), counseling,
9 education, development of parenting plans, visitation en-
10 forcement (including monitoring, supervision and neutral
11 drop-off and pickup), and development of guidelines for
12 visitation and alternative custody arrangements.

13 “(b) AMOUNT OF GRANT.—The amount of the grant
14 to be made to a State under this section for a fiscal year
15 shall be an amount equal to the lesser of—

16 “(1) 90 percent of State expenditures during
17 the fiscal year for activities described in subsection
18 (a); or

19 “(2) the allotment of the State under sub-
20 section (c) for the fiscal year.

21 “(c) ALLOTMENTS TO STATES.—

22 “(1) IN GENERAL.—The allotment of a State
23 for a fiscal year is the amount that bears the same
24 ratio to \$10,000,000 for grants under this section
25 for the fiscal year as the number of children in the

1 State living with only 1 biological parent bears to
2 the total number of such children in all States.

3 “(2) MINIMUM ALLOTMENT.—The Administra-
4 tion for Children and Families shall adjust allot-
5 ments to States under paragraph (1) as necessary to
6 ensure that no State is allotted less than—

7 “(A) \$50,000 for fiscal year 1997 or 1998;

8 or

9 “(B) \$100,000 for any succeeding fiscal
10 year.

11 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
12 FOR SIMILAR ACTIVITIES.—A State to which a grant is
13 made under this section may not use the grant to supplant
14 expenditures by the State for activities specified in sub-
15 section (a), but shall use the grant to supplement such
16 expenditures at a level at least equal to the level of such
17 expenditures for fiscal year 1995.

18 “(e) STATE ADMINISTRATION.—Each State to which
19 a grant is made under this section—

20 “(1) may administer State programs funded
21 with the grant, directly or through grants to or con-
22 tracts with courts, local public agencies, or non-prof-
23 it private entities;

24 “(2) shall not be required to operate such pro-
25 grams on a statewide basis; and

1 “(3) shall monitor, evaluate, and report on such
2 programs in accordance with regulations prescribed
3 by the Secretary.”.

4 **Subtitle J—Effective Dates and** 5 **Conforming Amendments**

6 **SEC. 391. EFFECTIVE DATES AND CONFORMING AMEND-** 7 **MENTS.**

8 (a) IN GENERAL.—Except as otherwise specifically
9 provided (but subject to subsections (b) and (c))—

10 (1) the provisions of this title requiring the en-
11 actment or amendment of State laws under section
12 466 of the Social Security Act, or revision of State
13 plans under section 454 of such Act, shall be effec-
14 tive with respect to periods beginning on and after
15 October 1, 1996; and

16 (2) all other provisions of this title shall become
17 effective upon the date of the enactment of this Act.

18 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
19 provisions of this title shall become effective with respect
20 to a State on the later of—

21 (1) the date specified in this title, or

22 (2) the effective date of laws enacted by the leg-
23 islature of such State implementing such provisions,
24 but in no event later than the 1st day of the 1st calendar
25 quarter beginning after the close of the 1st regular session

1 of the State legislature that begins after the date of the
2 enactment of this Act. For purposes of the previous sen-
3 tence, in the case of a State that has a 2-year legislative
4 session, each year of such session shall be deemed to be
5 a separate regular session of the State legislature.

6 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
7 AMENDMENT.—A State shall not be found out of compli-
8 ance with any requirement enacted by this title if the State
9 is unable to so comply without amending the State con-
10 stitution until the earlier of—

11 (1) 1 year after the effective date of the nec-
12 essary State constitutional amendment; or

13 (2) 5 years after the date of the enactment of
14 this Act.

15 (d) CONFORMING AMENDMENTS.—

16 (1) The following provisions are amended by
17 striking “absent” each place it appears and inserting
18 “noncustodial”:

19 (A) Section 451 (42 U.S.C. 651).

20 (B) Subsections (a)(1), (a)(8), (a)(10)(E),
21 (a)(10)(F), (f), and (h) of section 452 (42
22 U.S.C. 652).

23 (C) Subsections (a) and (f) of section 453
24 (42 U.S.C. 653).

1 (D) Paragraphs (8), (13), and (21)(A) of
2 section 454 (42 U.S.C. 654).

3 (E) Section 455(e)(1) (42 U.S.C.
4 655(e)(1)).

5 (F) Section 458(a) (42 U.S.C. 658(a)).

6 (G) Subsections (a), (b), and (c) of section
7 463 (42 U.S.C. 663).

8 (H) Subsections (a)(3)(A), (a)(3)(C),
9 (a)(6), and (a)(8)(B)(ii), the last sentence of
10 subsection (a), and subsections (b)(1),
11 (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8),
12 (b)(9), and (e) of section 466 (42 U.S.C. 666).

13 (2) The following provisions are amended by
14 striking “an absent” each place it appears and in-
15 serting “a noncustodial”:

16 (A) Paragraphs (2) and (3) of section
17 453(c) (42 U.S.C. 653(c)).

18 (B) Subparagraphs (B) and (C) of section
19 454(9) (42 U.S.C. 654(9)).

20 (C) Section 456(a)(3) (42 U.S.C.
21 656(a)(3)).

22 (D) Subsections (a)(3)(A), (a)(6),
23 (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section
24 466 (42 U.S.C. 666).

1 (E) Paragraphs (2) and (4) of section 469
2 (42 U.S.C. 669).

3 **TITLE IV—RESTRICTING WEL-**
4 **FARE AND PUBLIC BENEFITS**
5 **FOR ALIENS**

6 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING**
7 **WELFARE AND IMMIGRATION.**

8 The Congress makes the following statements con-
9 cerning national policy with respect to welfare and immi-
10 gration:

11 (1) Self-sufficiency has been a basic principle of
12 United States immigration law since this country's
13 earliest immigration statutes.

14 (2) It continues to be the immigration policy of
15 the United States that—

16 (A) aliens within the nation's borders not
17 depend on public resources to meet their needs,
18 but rather rely on their own capabilities and the
19 resources of their families, their sponsors, and
20 private organizations, and

21 (B) the availability of public benefits not
22 constitute an incentive for immigration to the
23 United States.

24 (3) Despite the principle of self-sufficiency,
25 aliens have been applying for and receiving public

1 benefits from Federal, State, and local governments
2 at increasing rates.

3 (4) Current eligibility rules for public assistance
4 and unenforceable financial support agreements have
5 proved wholly incapable of assuring that individual
6 aliens not burden the public benefits system.

7 (5) It is a compelling government interest to
8 enact new rules for eligibility and sponsorship agree-
9 ments in order to assure that aliens be self-reliant
10 in accordance with national immigration policy.

11 (6) It is a compelling government interest to re-
12 move the incentive for illegal immigration provided
13 by the availability of public benefits.

14 (7) With respect to the State authority to make
15 determinations concerning the eligibility of qualified
16 aliens for public benefits in this title, a State that
17 chooses to follow the Federal classification in deter-
18 mining the eligibility of such aliens for public assist-
19 ance shall be considered to have chosen the least re-
20 strictive means available for achieving the compelling
21 governmental interest of assuring that aliens be self-
22 reliant in accordance with national immigration pol-
23 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 (2) Subsection (a) shall not apply to any benefit
23 payable under title II of the Social Security Act to
24 an alien who is lawfully present in the United States
25 as determined by the Attorney General, to any bene-

1 fit if nonpayment of such benefit would contravene
2 an international agreement described in section 233
3 of the Social Security Act, to any benefit if nonpay-
4 ment would be contrary to section 202(t) of the So-
5 cial Security Act, or to any benefit payable under
6 title II of the Social Security Act to which entitle-
7 ment is based on an application filed in or before the
8 month in which this Act becomes law.

9 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

10 (1) Except as provided in paragraph (2), for
11 purposes of this title the term “Federal public bene-
12 fit” means—

13 (A) any grant, contract, loan, professional
14 license, or commercial license provided by an
15 agency of the United States or by appropriated
16 funds of the United States; and

17 (B) any retirement, welfare, health, dis-
18 ability, public or assisted housing, postsecond-
19 ary education, food assistance, unemployment
20 benefit, or any other similar benefit for which
21 payments or assistance are provided to an indi-
22 vidual, household, or family eligibility unit by
23 an agency of the United States or by appro-
24 priated funds of the United States.

25 (2) Such term shall not apply—

1 (A) to any contract, professional license, or
2 commercial license for a nonimmigrant whose
3 visa for entry is related to such employment in
4 the United States; or

5 (B) with respect to benefits for an alien
6 who as a work authorized nonimmigrant or as
7 an alien lawfully admitted for permanent resi-
8 dence under the Immigration and Nationality
9 Act qualified for such benefits and for whom
10 the United States under reciprocal treaty agree-
11 ments is required to pay benefits, as determined
12 by the Attorney General, after consultation with
13 the Secretary of State.

14 **SEC. 402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR**
15 **CERTAIN FEDERAL PROGRAMS.**

16 (a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL
17 PROGRAMS.—

18 (1) IN GENERAL.—Notwithstanding any other
19 provision of law and except as provided in paragraph
20 (2), an alien who is a qualified alien (as defined in
21 section 431) is not eligible for any specified Federal
22 program (as defined in paragraph (3)).

23 (2) EXCEPTIONS.—

1 (A) TIME-LIMITED EXCEPTION FOR REFUGEEES AND ASYLEES.—Paragraph (1) shall not
2 apply to an alien until 5 years after the date—
3

4 (i) an alien is admitted to the United
5 States as a refugee under section 207 of
6 the Immigration and Nationality Act;

7 (ii) an alien is granted asylum under
8 section 208 of such Act; or

9 (iii) an alien's deportation is withheld
10 under section 243(h) of such Act.

11 (B) CERTAIN PERMANENT RESIDENT
12 ALIENS.—Paragraph (1) shall not apply to an
13 alien who—

14 (i) is lawfully admitted to the United
15 States for permanent residence under the
16 Immigration and Nationality Act; and

17 (ii)(I) has worked 40 qualifying quar-
18 ters of coverage as defined under title II of
19 the Social Security Act or can be credited
20 with such qualifying quarters as provided
21 under section 435, and (II) did not receive
22 any Federal means-tested public benefit
23 (as defined in section 403(e)) during any
24 such quarter.

1 (C) VETERAN AND ACTIVE DUTY EXCEP-
2 TION.—Paragraph (1) shall not apply to an
3 alien who is lawfully residing in any State and
4 is—

5 (i) a veteran (as defined in section
6 101 of title 38, United States Code) with
7 a discharge characterized as an honorable
8 discharge and not on account of alienage,

9 (ii) on active duty (other than active
10 duty for training) in the Armed Forces of
11 the United States, or

12 (iii) the spouse or unmarried depend-
13 ent child of an individual described in
14 clause (i) or (ii).

15 (D) TRANSITION FOR ALIENS CURRENTLY
16 RECEIVING BENEFITS.—

17 (i) SSI.—

18 (I) IN GENERAL.—With respect
19 to the specified Federal program de-
20 scribed in paragraph (3)(A), during
21 the period beginning on the date of
22 the enactment of this Act and ending
23 on the date which is 1 year after such
24 date of enactment, the Commissioner
25 of Social Security shall redetermine

1 the eligibility of any individual who is
2 receiving benefits under such program
3 as of the date of the enactment of this
4 Act and whose eligibility for such ben-
5 efits may terminate by reason of the
6 provisions of this subsection.

7 (II) REDETERMINATION CRI-
8 TERIA.— With respect to any redeter-
9 mination under subclause (I), the
10 Commissioner of Social Security shall
11 apply the eligibility criteria for new
12 applicants for benefits under such
13 program.

14 (III) GRANDFATHER PROVI-
15 SION.—The provisions of this sub-
16 section and the redetermination under
17 subclause (I), shall only apply with re-
18 spect to the benefits of an individual
19 described in subclause (I) for months
20 beginning on or after the date of the
21 redetermination with respect to such
22 individual.

23 (IV) NOTICE.—Not later than
24 January 1, 1997, the Commissioner of
25 Social Security shall notify an individ-

1 ual described in subclause (I) of the
2 provisions of this clause.

3 (ii) FOOD STAMPS.—

4 (I) IN GENERAL.—With respect
5 to the specified Federal program de-
6 scribed in paragraph (3)(B), during
7 the period beginning on the date of
8 enactment of this Act and ending on
9 the date which is 1 year after the date
10 of enactment, the State agency shall,
11 at the time of the recertification, re-
12 certify the eligibility of any individual
13 who is receiving benefits under such
14 program as of the date of enactment
15 of this Act and whose eligibility for
16 such benefits may terminate by reason
17 of the provisions of this subsection.

18 (II) RECERTIFICATION CRI-
19 TERIA.—With respect to any recertifi-
20 cation under subclause (I), the State
21 agency shall apply the eligibility cri-
22 teria for applicants for benefits under
23 such program.

24 (III) GRANDFATHER PROVI-
25 SION.—The provisions of this sub-

1 section and the recertification under
2 subclause (I) shall only apply with re-
3 spect to the eligibility of an alien for
4 a program for months beginning on or
5 after the date of recertification, if on
6 the date of enactment of this Act the
7 alien is lawfully residing in any State
8 and is receiving benefits under such
9 program on such date of enactment.

10 (3) SPECIFIED FEDERAL PROGRAM DEFINED.—

11 For purposes of this title, the term “specified Fed-
12 eral program” means any of the following:

13 (A) SSI.—The supplemental security in-
14 come program under title XVI of the Social Se-
15 curity Act, including supplementary payments
16 pursuant to an agreement for Federal adminis-
17 tration under section 1616(a) of the Social Se-
18 curity Act and payments pursuant to an agree-
19 ment entered into under section 212(b) of Pub-
20 lic Law 93–66.

21 (B) FOOD STAMPS.—The food stamp pro-
22 gram as defined in section 3(h) of the Food
23 Stamp Act of 1977.

24 (b) LIMITED ELIGIBILITY FOR DESIGNATED FED-
25 ERAL PROGRAMS.—

1 (1) IN GENERAL.—Notwithstanding any other
2 provision of law and except as provided in section
3 403 and paragraph (2), a State is authorized to de-
4 termine the eligibility of an alien who is a qualified
5 alien (as defined in section 431) for any designated
6 Federal program (as defined in paragraph (3)).

7 (2) EXCEPTIONS.—Qualified aliens under this
8 paragraph shall be eligible for any designated Fed-
9 eral program.

10 (A) TIME-LIMITED EXCEPTION FOR REFUG-
11 GEES AND ASYLEES.—

12 (i) An alien who is admitted to the
13 United States as a refugee under section
14 207 of the Immigration and Nationality
15 Act until 5 years after the date of an
16 alien's entry into the United States.

17 (ii) An alien who is granted asylum
18 under section 208 of such Act until 5 years
19 after the date of such grant of asylum.

20 (iii) An alien whose deportation is
21 being withheld under section 243(h) of
22 such Act until 5 years after such withhold-
23 ing.

24 (B) CERTAIN PERMANENT RESIDENT
25 ALIENS.—An alien who—

1 (i) is lawfully admitted to the United
2 States for permanent residence under the
3 Immigration and Nationality Act; and

4 (ii)(I) has worked 40 qualifying quar-
5 ters of coverage as defined under title II of
6 the Social Security Act or can be credited
7 with such qualifying quarters as provided
8 under section 435, and (II) did not receive
9 any Federal means-tested public benefit
10 (as defined in section 403(e)) during any
11 such quarter.

12 (C) VETERAN AND ACTIVE DUTY EXCEP-
13 TION.—An alien who is lawfully residing in any
14 State and is—

15 (i) a veteran (as defined in section
16 101 of title 38, United States Code) with
17 a discharge characterized as an honorable
18 discharge and not on account of alienage,

19 (ii) on active duty (other than active
20 duty for training) in the Armed Forces of
21 the United States, or

22 (iii) the spouse or unmarried depend-
23 ent child of an individual described in
24 clause (i) or (ii).

1 (D) TRANSITION FOR THOSE CURRENTLY
2 RECEIVING BENEFITS.—An alien who on the
3 date of the enactment of this Act is lawfully re-
4 siding in any State and is receiving benefits
5 under such program on the date of the enact-
6 ment of this Act shall continue to be eligible to
7 receive such benefits until January 1, 1997.

8 (3) DESIGNATED FEDERAL PROGRAM DE-
9 FINED.—For purposes of this title, the term “des-
10 ignated Federal program” means any of the follow-
11 ing:

12 (A) TEMPORARY ASSISTANCE FOR NEEDY
13 FAMILIES.—The program of block grants to
14 States for temporary assistance for needy fami-
15 lies under part A of title IV of the Social Secu-
16 rity Act.

17 (B) SOCIAL SERVICES BLOCK GRANT.—
18 The program of block grants to States for so-
19 cial services under title XX of the Social Secu-
20 rity Act.

21 (C) MEDICAID.—The program of medical
22 assistance under title XV and XIX of the Social
23 Security Act.

1 **SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**
2 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**
3 **LIC BENEFIT.**

4 (a) **IN GENERAL.**—Notwithstanding any other provi-
5 sion of law and except as provided in subsection (b), an
6 alien who is a qualified alien (as defined in section 431)
7 and who enters the United States on or after the date
8 of the enactment of this Act is not eligible for any Federal
9 means-tested public benefit (as defined in subsection (c))
10 for a period of five years beginning on the date of the
11 alien’s entry into the United States with a status within
12 the meaning of the term “qualified alien”.

13 (b) **EXCEPTIONS.**—The limitation under subsection
14 (a) shall not apply to the following aliens:

15 (1) **EXCEPTION FOR REFUGEES AND**
16 **ASYLUM SEEKERS.**—

17 (A) An alien who is admitted to the United
18 States as a refugee under section 207 of the
19 Immigration and Nationality Act.

20 (B) An alien who is granted asylum under
21 section 208 of such Act.

22 (C) An alien whose deportation is being
23 withheld under section 243(h) of such Act.

24 (2) **VETERAN AND ACTIVE DUTY EXCEPTION.**—
25 An alien who is lawfully residing in any State and
26 is—

1 (A) a veteran (as defined in section 101 of
2 title 38, United States Code) with a discharge
3 characterized as an honorable discharge and not
4 on account of alienage,

5 (B) on active duty (other than active duty
6 for training) in the Armed Forces of the United
7 States, or

8 (C) the spouse or unmarried dependent
9 child of an individual described in subparagraph
10 (A) or (B).

11 (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-
12 FINED.—

13 (1) Except as provided in paragraph (2), for
14 purposes of this title, the term “Federal means-test-
15 ed public benefit” means a public benefit (including
16 cash, medical, housing, and food assistance and so-
17 cial services) of the Federal Government in which
18 the eligibility of an individual, household, or family
19 eligibility unit for benefits, or the amount of such
20 benefits, or both are determined on the basis of in-
21 come, resources, or financial need of the individual,
22 household, or unit.

23 (2) Such term does not include the following:

24 (A) Emergency medical services under title
25 XV or XIX of the Social Security Act.

1 (B) Short-term, non-cash, in-kind emer-
2 gency disaster relief.

3 (C) Assistance or benefits under the Na-
4 tional School Lunch Act.

5 (D) Assistance or benefits under the Child
6 Nutrition Act of 1966.

7 (E)(i) Public health assistance for immuni-
8 zations.

9 (ii) Public health assistance for testing and
10 treatment of a serious communicable disease if
11 the Secretary of Health and Human Services
12 determines that it is necessary to prevent the
13 spread of such disease.

14 (F) Payments for foster care and adoption
15 assistance under part B of title IV of the Social
16 Security Act for a child who would, in the ab-
17 sence of subsection (a), be eligible to have such
18 payments made on the child's behalf under such
19 part, but only if the foster or adoptive parent
20 or parents of such child are not described under
21 subsection (a).

22 (G) Programs, services, or assistance (such
23 as soup kitchens, crisis counseling and interven-
24 tion, and short-term shelter) specified by the
25 Attorney General, in the Attorney General's

1 sole and unreviewable discretion after consulta-
2 tion with appropriate Federal agencies and de-
3 partments, which (i) deliver in-kind services at
4 the community level, including through public
5 or private nonprofit agencies; (ii) do not condi-
6 tion the provision of assistance, the amount of
7 assistance provided, or the cost of assistance
8 provided on the individual recipient's income or
9 resources; and (iii) are necessary for the protec-
10 tion of life or safety.

11 (H) Programs of student assistance under
12 titles IV, V, IX, and X of the Higher Education
13 Act of 1965.

14 (I) Means-tested programs under the Ele-
15 mentary and Secondary Education Act of 1965.

16 **SEC. 404. NOTIFICATION AND INFORMATION REPORTING.**

17 (a) NOTIFICATION.—Each Federal agency that ad-
18 ministers a program to which section 401, 402, or 403
19 applies shall, directly or through the States, post informa-
20 tion and provide general notification to the public and to
21 program recipients of the changes regarding eligibility for
22 any such program pursuant to this subtitle.

23 (b) INFORMATION REPORTING UNDER TITLE IV OF
24 THE SOCIAL SECURITY ACT.—Part A of title IV of the
25 Social Security Act, as amended by section 103(a) of this

1 Act, is amended by inserting the following new section
2 after section 411:

3 **“SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFOR-**
4 **MATION.**

5 “Each State to which a grant is made under section
6 403 shall, at least 4 times annually and upon request of
7 the Immigration and Naturalization Service, furnish the
8 Immigration and Naturalization Service with the name
9 and address of, and other identifying information on, any
10 individual who the State knows is unlawfully in the United
11 States.”.

12 (c) SSI.—Section 1631(e) of such Act (42 U.S.C.
13 1383(e)) is amended—

14 (1) by redesignating the paragraphs (6) and (7)
15 inserted by sections 206(d)(2) and 206(f)(1) of the
16 Social Security Independence and Programs Im-
17 provement Act of 1994 (Public Law 103–296; 108
18 Stat. 1514, 1515) as paragraphs (7) and (8), re-
19 spectively; and

20 (2) by adding at the end the following new
21 paragraph:

22 “(9) Notwithstanding any other provision of
23 law, the Commissioner shall, at least 4 times annu-
24 ally and upon request of the Immigration and Natu-
25 ralization Service (hereafter in this paragraph re-

1 ferred to as the ‘Service’), furnish the Service with
 2 the name and address of, and other identifying in-
 3 formation on, any individual who the Commissioner
 4 knows is unlawfully in the United States, and shall
 5 ensure that each agreement entered into under sec-
 6 tion 1616(a) with a State provides that the State
 7 shall furnish such information at such times with re-
 8 spect to any individual who the State knows is un-
 9 lawfully in the United States.”.

10 (d) INFORMATION REPORTING FOR HOUSING PRO-
 11 GRAMS.—Title I of the United States Housing Act of 1937
 12 (42 U.S.C. 1437 et seq.) is amended by adding at the end
 13 the following new section:

14 **“SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCE-**
 15 **MENT AND OTHER AGENCIES.**

16 “Notwithstanding any other provision of law, the Sec-
 17 retary shall, at least 4 times annually and upon request
 18 of the Immigration and Naturalization Service (hereafter
 19 in this section referred to as the ‘Service’), furnish the
 20 Service with the name and address of, and other identify-
 21 ing information on, any individual who the Secretary
 22 knows is unlawfully in the United States, and shall ensure
 23 that each contract for assistance entered into under sec-
 24 tion 6 or 8 of this Act with a public housing agency pro-
 25 vides that the public housing agency shall furnish such

1 information at such times with respect to any individual
2 who the public housing agency knows is unlawfully in the
3 United States.”.

4 **Subtitle B—Eligibility for State**
5 **and Local Public Benefits Pro-**
6 **grams**

7 **SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR**
8 **NONIMMIGRANTS INELIGIBLE FOR STATE**
9 **AND LOCAL PUBLIC BENEFITS.**

10 (a) **IN GENERAL.**—Notwithstanding any other provi-
11 sion of law and except as provided in subsections (b) and
12 (d), an alien who is not—

13 (1) a qualified alien (as defined in section 431),

14 (2) a nonimmigrant under the Immigration and
15 Nationality Act, or

16 (3) an alien who is paroled into the United
17 States under section 212(d)(5) of such Act for less
18 than one year,

19 is not eligible for any State or local public benefit (as de-
20 fined in subsection (c)).

21 (b) **EXCEPTIONS.**—Subsection (a) shall not apply
22 with respect to the following State or local public benefits:

23 (1) Emergency medical services under title XV
24 or XIX of the Social Security Act.

1 (2) Short-term, non-cash, in-kind emergency
2 disaster relief.

3 (3)(A) Public health assistance for immuniza-
4 tions.

5 (B) Public health assistance for testing and
6 treatment of a serious communicable disease if the
7 Secretary of Health and Human Services determines
8 that it is necessary to prevent the spread of such
9 disease.

10 (4) Programs, services, or assistance (such as
11 soup kitchens, crisis counseling and intervention,
12 and short-term shelter) specified by the Attorney
13 General, in the Attorney General's sole and
14 unreviewable discretion after consultation with ap-
15 propriate Federal agencies and departments, which
16 (A) deliver in-kind services at the community level,
17 including through public or private nonprofit agen-
18 cies; (B) do not condition the provision of assistance,
19 the amount of assistance provided, or the cost of as-
20 sistance provided on the individual recipient's in-
21 come or resources; and (C) are necessary for the
22 protection of life or safety.

23 (c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

1 (1) Except as provided in paragraph (2), for
2 purposes of this subtitle the term “State or local
3 public benefit” means—

4 (A) any grant, contract, loan, professional
5 license, or commercial license provided by an
6 agency of a State or local government or by ap-
7 propriated funds of a State or local govern-
8 ment; and

9 (B) any retirement, welfare, health, dis-
10 ability, public or assisted housing, postsecond-
11 ary education, food assistance, unemployment
12 benefit, or any other similar benefit for which
13 payments or assistance are provided to an indi-
14 vidual, household, or family eligibility unit by
15 an agency of a State or local government or by
16 appropriated funds of a State or local govern-
17 ment.

18 (2) Such term shall not apply—

19 (A) to any contract, professional license, or
20 commercial license for a nonimmigrant whose
21 visa for entry is related to such employment in
22 the United States; or

23 (B) with respect to benefits for an alien
24 who as a work authorized nonimmigrant or as
25 an alien lawfully admitted for permanent resi-

1 dence under the Immigration and Nationality
2 Act qualified for such benefits and for whom
3 the United States under reciprocal treaty agree-
4 ments is required to pay benefits, as determined
5 by the Secretary of State, after consultation
6 with the Attorney General.

7 (d) STATE AUTHORITY TO PROVIDE FOR ELIGI-
8 BILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUB-
9 LIC BENEFITS.—A State may provide that an alien who
10 is not lawfully present in the United States is eligible for
11 any State or local public benefit for which such alien would
12 otherwise be ineligible under subsection (a) only through
13 the enactment of a State law after the date of the enact-
14 ment of this Act which affirmatively provides for such eli-
15 gibility.

16 **SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**
17 **QUALIFIED ALIENS FOR STATE PUBLIC BENE-**
18 **FITS.**

19 (a) IN GENERAL.—Notwithstanding any other provi-
20 sion of law and except as provided in subsection (b), a
21 State is authorized to determine the eligibility for any
22 State public benefits (as defined in subsection (c) of an
23 alien who is a qualified alien (as defined in section 431),
24 a nonimmigrant under the Immigration and Nationality

1 Act, or an alien who is paroled into the United States
2 under section 212(d)(5) of such Act for less than one year.

3 (b) EXCEPTIONS.—Qualified aliens under this sub-
4 section shall be eligible for any State public benefits.

5 (1) TIME-LIMITED EXCEPTION FOR REFUGEES
6 AND ASYLEES.—

7 (A) An alien who is admitted to the United
8 States as a refugee under section 207 of the
9 Immigration and Nationality Act until 5 years
10 after the date of an alien's entry into the Unit-
11 ed States.

12 (B) An alien who is granted asylum under
13 section 208 of such Act until 5 years after the
14 date of such grant of asylum.

15 (C) An alien whose deportation is being
16 withheld under section 243(h) of such Act until
17 5 years after such withholding.

18 (2) CERTAIN PERMANENT RESIDENT ALIENS.—

19 An alien who—

20 (A) is lawfully admitted to the United
21 States for permanent residence under the Im-
22 migration and Nationality Act; and

23 (B)(i) has worked 40 qualifying quarters
24 of coverage as defined under title II of the So-
25 cial Security Act or can be credited with such

1 qualifying quarters as provided under section
2 435, and (ii) did not receive any Federal
3 means-tested public benefit (as defined in sec-
4 tion 403(c)) during any such quarter.

5 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

6 An alien who is lawfully residing in any State and
7 is—

8 (A) a veteran (as defined in section 101 of
9 title 38, United States Code) with a discharge
10 characterized as an honorable discharge and not
11 on account of alienage,

12 (B) on active duty (other than active duty
13 for training) in the Armed Forces of the United
14 States, or

15 (C) the spouse or unmarried dependent
16 child of an individual described in subparagraph
17 (A) or (B).

18 (4) TRANSITION FOR THOSE CURRENTLY RE-
19 CEIVING BENEFITS.—An alien who on the date of
20 the enactment of this Act is lawfully residing in any
21 State and is receiving benefits on the date of the en-
22 actment of this Act shall continue to be eligible to
23 receive such benefits until January 1, 1997.

24 (c) STATE PUBLIC BENEFITS DEFINED.—The term
25 “State public benefits” means any means-tested public

1 benefit of a State or political subdivision of a State under
2 which the State or political subdivision specifies the stand-
3 ards for eligibility, and does not include any Federal public
4 benefit.

5 **Subtitle C—Attribution of Income**
6 **and Affidavits of Support**

7 **SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME**
8 **AND RESOURCES TO ALIEN.**

9 (a) IN GENERAL.—Notwithstanding any other provi-
10 sion of law, in determining the eligibility and the amount
11 of benefits of an alien for any Federal means-tested public
12 benefits program (as defined in section 403(c)), the in-
13 come and resources of the alien shall be deemed to include
14 the following:

15 (1) The income and resources of any person
16 who executed an affidavit of support pursuant to
17 section 213A of the Immigration and Nationality
18 Act (as added by section 423) on behalf of such
19 alien.

20 (2) The income and resources of the spouse (if
21 any) of the person.

22 (b) APPLICATION.—Subsection (a) shall apply with
23 respect to an alien until 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 435, 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 is required to
13 reapply for benefits under any Federal means-tested pub-
14 lic benefits program, the applicable agency shall review the
15 income and resources attributed to the alien under sub-
16 section (a).

17 (d) APPLICATION.—

18 (1) If on the date of the enactment of this Act,
19 a Federal means-tested public benefits program at-
20 tributes a sponsor's income and resources to an alien
21 in determining the alien's eligibility and the amount
22 of benefits for an alien, this section shall apply to
23 any such determination beginning on the day after
24 the date of the enactment of this Act.

1 (2) If on the date of the enactment of this Act,
2 a Federal means-tested public benefits program does
3 not attribute a sponsor's income and resources to an
4 alien in determining the alien's eligibility and the
5 amount of benefits for an alien, this section shall
6 apply to any such determination beginning 180 days
7 after the date of the enactment of this Act.

8 **SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRI-**
9 **BUTION OF SPONSORS INCOME AND RE-**
10 **SOURCES TO THE ALIEN WITH RESPECT TO**
11 **STATE PROGRAMS.**

12 (a) **OPTIONAL APPLICATION TO STATE PROGRAMS.—**
13 Except as provided in subsection (b), in determining the
14 eligibility and the amount of benefits of an alien for any
15 State public benefits (as defined in section 412(c)), the
16 State or political subdivision that offers the benefits is au-
17 thorized to provide that the income and resources of the
18 alien shall be deemed to include—

19 (1) the income and resources of any individual
20 who executed an affidavit of support pursuant to
21 section 213A of the Immigration and Nationality
22 Act (as added by section 423) on behalf of such
23 alien, and

24 (2) the income and resources of the spouse (if
25 any) of the individual.

1 (b) EXCEPTIONS.—Subsection (a) shall not apply
2 with respect to the following State public benefits:

3 (1) Emergency medical services.

4 (2) Short-term, non-cash, in-kind emergency
5 disaster relief.

6 (3) Programs comparable to assistance or bene-
7 fits under the National School Lunch Act.

8 (4) Programs comparable to assistance or bene-
9 fits under the Child Nutrition Act of 1966.

10 (5)(A) Public health assistance for immuniza-
11 tions.

12 (B) Public health assistance for testing and
13 treatment of a serious communicable disease if the
14 appropriate chief State health official determines
15 that it is necessary to prevent the spread of such
16 disease.

17 (6) Payments for foster care and adoption as-
18 sistance.

19 (7) Programs, services, or assistance (such as
20 soup kitchens, crisis counseling and intervention,
21 and short-term shelter) specified by the Attorney
22 General of a State, after consultation with appro-
23 priate agencies and departments, which (A) deliver
24 in-kind services at the community level, including
25 through public or private nonprofit agencies; (B) do

1 not condition the provision of assistance, the amount
2 of assistance provided, or the cost of assistance pro-
3 vided on the individual recipient's income or re-
4 sources; and (C) are necessary for the protection of
5 life or safety.

6 **SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
7 **SUPPORT.**

8 (a) IN GENERAL.—Title II of the Immigration and
9 Nationality Act is amended by inserting after section 213
10 the following new section:

11 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

12 “SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit
13 of support may be accepted by the Attorney General or
14 by any consular officer to establish that an alien is not
15 excludable as a public charge under section 212(a)(4) un-
16 less such affidavit is executed as a contract—

17 “(A) which is legally enforceable against the
18 sponsor by the sponsored alien, the Federal Govern-
19 ment, and by any State (or any political subdivision
20 of such State) which provides any means-tested pub-
21 lic benefits program, but not later than 10 years
22 after the alien last receives any such benefit;

23 “(B) in which the sponsor agrees to financially
24 support the alien, so that the alien will not become
25 a public charge; and

1 “(C) in which the sponsor agrees to submit to
2 the jurisdiction of any Federal or State court for the
3 purpose of actions brought under subsection (e)(2).

4 “(2) A contract under paragraph (1) shall be enforce-
5 able with respect to benefits provided to the alien until
6 such time as the alien achieves United States citizenship
7 through naturalization pursuant to chapter 2 of title III.

8 “(b) FORMS.—Not later than 90 days after the date
9 of enactment of this section, the Attorney General, in con-
10 sultation with the Secretary of State and the Secretary
11 of Health and Human Services, shall formulate an affida-
12 vit of support consistent with the provisions of this sec-
13 tion.

14 “(c) REMEDIES.—Remedies available to enforce an
15 affidavit of support under this section include any or all
16 of the remedies described in section 3201, 3203, 3204,
17 or 3205 of title 28, United States Code, as well as an
18 order for specific performance and payment of legal fees
19 and other costs of collection, and include corresponding
20 remedies available under State law. A Federal agency may
21 seek to collect amounts owed under this section in accord-
22 ance with the provisions of subchapter II of chapter 37
23 of title 31, United States Code.

24 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—

1 (1) IN GENERAL.—The sponsor shall notify the
2 Attorney General and the State in which the sponsored
3 alien is currently resident within 30 days of
4 any change of address of the sponsor during the period
5 specified in subsection (a)(2).

6 (2) PENALTY.—Any person subject to the requirement
7 of paragraph (1) who fails to satisfy such requirement
8 shall be subject to a civil penalty of—

9 (A) not less than \$250 or more than
10 \$2,000, or

11 (B) if such failure occurs with knowledge
12 that the alien has received any means-tested
13 public benefit, not less than \$2,000 or more
14 than \$5,000.

15 “(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon
16 notification that a sponsored alien
17 has received any benefit under any means-tested public
18 benefits program, the appropriate Federal, State, or local
19 official shall request reimbursement by the sponsor in the
20 amount of such assistance.

21 “(B) The Attorney General, in consultation with the
22 Secretary of Health and Human Services, shall prescribe
23 such regulations as may be necessary to carry out sub-
24 paragraph (A).

1 “(2) If within 45 days after requesting reimburse-
2 ment, the appropriate Federal, State, or local agency has
3 not received a response from the sponsor indicating a will-
4 ingness to commence payments, an action may be brought
5 against the sponsor pursuant to the affidavit of support.

6 “(3) If the sponsor fails to abide by the repayment
7 terms established by such agency, the agency may, within
8 60 days of such failure, bring an action against the spon-
9 sor pursuant to the affidavit of support.

10 “(4) No cause of action may be brought under this
11 subsection later than 10 years after the alien last received
12 any benefit under any means-tested public benefits pro-
13 gram.

14 “(5) If, pursuant to the terms of this subsection, a
15 Federal, State, or local agency requests reimbursement
16 from the sponsor in the amount of assistance provided,
17 or brings an action against the sponsor pursuant to the
18 affidavit of support, the appropriate agency may appoint
19 or hire an individual or other person to act on behalf of
20 such agency acting under the authority of law for purposes
21 of collecting any moneys owed. Nothing in this subsection
22 shall preclude any appropriate Federal, State, or local
23 agency from directly requesting reimbursement from a
24 sponsor for the amount of assistance provided, or from

1 bringing an action against a sponsor pursuant to an affi-
2 davit of support.

3 “(f) DEFINITIONS.—For the purposes of this sec-
4 tion—

5 “(1) SPONSOR.—The term ‘sponsor’ means an
6 individual who—

7 “(A) is a citizen or national of the United
8 States or an alien who is lawfully admitted to
9 the United States for permanent residence;

10 “(B) is 18 years of age or over;

11 “(C) is domiciled in any of the 50 States
12 or the District of Columbia; and

13 “(D) is the person petitioning for the ad-
14 mission of the alien under section 204.

15 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
16 GRAM.—The term ‘means-tested public benefits pro-
17 gram’ means a program of public benefits (including
18 cash, medical, housing, and food assistance and so-
19 cial services) of the Federal Government or of a
20 State or political subdivision of a State in which the
21 eligibility of an individual, household, or family eligi-
22 bility unit for benefits under the program, or the
23 amount of such benefits, or both are determined on
24 the basis of income, resources, or financial need of
25 the individual, household, or unit.”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 of such Act is amended by inserting after the item relating
3 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

4 (c) EFFECTIVE DATE.—Subsection (a) of section
5 213A of the Immigration and Nationality Act, as inserted
6 by subsection (a) of this section, shall apply to affidavits
7 of support executed on or after a date specified by the
8 Attorney General, which date shall be not earlier than 60
9 days (and not later than 90 days) after the date the Attor-
10 ney General formulates the form for such affidavits under
11 subsection (b) of such section.

12 (d) BENEFITS NOT SUBJECT TO REIMBURSE-
13 MENT.—Requirements for reimbursement by a sponsor for
14 benefits provided to a sponsored alien pursuant to an affi-
15 davit of support under section 213A of the Immigration
16 and Nationality Act shall not apply with respect to the
17 following:

18 (1) Emergency medical services under title XV
19 or XIX of the Social Security Act.

20 (2) Short-term, non-cash, in-kind emergency
21 disaster relief.

22 (3) Assistance or benefits under the National
23 School Lunch Act.

24 (4) Assistance or benefits under the Child Nu-
25 trition Act of 1966.

1 (5)(A) Public health assistance for immuniza-
2 tions.

3 (B) Public health assistance for testing and
4 treatment of a serious communicable disease if the
5 Secretary of Health and Human Services determines
6 that it is necessary to prevent the spread of such
7 disease.

8 (6) Payments for foster care and adoption as-
9 sistance under part B of title IV of the Social Secu-
10 rity Act for a child, but only if the foster or adoptive
11 parent or parents of such child are not otherwise in-
12 eligible pursuant to section 403 of this Act.

13 (7) Programs, services, or assistance (such as
14 soup kitchens, crisis counseling and intervention,
15 and short-term shelter) specified by the Attorney
16 General, in the Attorney General's sole and
17 unreviewable discretion after consultation with ap-
18 propriate Federal agencies and departments, which
19 (A) deliver in-kind services at the community level,
20 including through public or private nonprofit agen-
21 cies; (B) do not condition the provision of assistance,
22 the amount of assistance provided, or the cost of as-
23 sistance provided on the individual recipient's in-
24 come or resources; and (C) are necessary for the
25 protection of life or safety.

1 (8) Programs of student assistance under titles
2 IV, V, IX, and X of the Higher Education Act of
3 1965.

4 **SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.**

5 Section 484(b) of the Higher Education Act of 1965
6 (20 U.S.C. 1091(b)) is amended by adding at the end the
7 following new paragraph:

8 “(6) Notwithstanding sections 427(a)(2)(A),
9 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any
10 other provision of this title, a student who is an
11 alien lawfully admitted for permanent residence
12 under the Immigration and Nationality Act shall not
13 be eligible for a loan under this title unless the loan
14 is endorsed and cosigned by the alien’s sponsor
15 under section 213A of the Immigration and Nation-
16 ality Act or by another creditworthy individual who
17 is a United States citizen.”.

18 **Subtitle D—General Provisions**

19 **SEC. 431. DEFINITIONS.**

20 (a) **IN GENERAL.**—Except as otherwise provided in
21 this title, the terms used in this title have the same mean-
22 ing given such terms in section 101(a) of the Immigration
23 and Nationality Act.

24 (b) **QUALIFIED ALIEN.**—For purposes of this title,
25 the term “qualified alien” means an alien who, at the time

1 the alien applies for, receives, or attempts to receive a
2 Federal public benefit, is—

3 (1) an alien who is lawfully admitted for perma-
4 nent residence under the Immigration and National-
5 ity Act,

6 (2) an alien who is granted asylum under sec-
7 tion 208 of such Act,

8 (3) a refugee who is admitted to the United
9 States under section 207 of such Act,

10 (4) an alien who is paroled into the United
11 States under section 212(d)(5) of such Act for a pe-
12 riod of at least 1 year,

13 (5) an alien whose deportation is being withheld
14 under section 243(h) of such Act, or

15 (6) an alien who is granted conditional entry
16 pursuant to section 203(a)(7) of such Act as in ef-
17 fect prior to April 1, 1980.

18 **SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL**

19 **PUBLIC BENEFITS.**

20 (a) **IN GENERAL.**—Not later than 18 months after
21 the date of the enactment of this Act, the Attorney Gen-
22 eral of the United States, after consultation with the Sec-
23 retary of Health and Human Services, shall promulgate
24 regulations requiring verification that a person applying
25 for a Federal public benefit (as defined in section 401(c)),

1 to which the limitation under section 401 applies, is a
2 qualified alien and is eligible to receive such benefit. Such
3 regulations shall, to the extent feasible, require that infor-
4 mation requested and exchanged be similar in form and
5 manner to information requested and exchanged under
6 section 1137 of the Social Security Act.

7 (b) STATE COMPLIANCE.—Not later than 24 months
8 after the date the regulations described in subsection (a)
9 are adopted, a State that administers a program that pro-
10 vides a Federal public benefit shall have in effect a ver-
11 ification system that complies with the regulations.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as may be
14 necessary to carry out the purpose of this section.

15 **SEC. 433. STATUTORY CONSTRUCTION.**

16 (a) LIMITATION.—

17 (1) Nothing in this title may be construed as an
18 entitlement or a determination of an individual's eli-
19 gibility or fulfillment of the requisite requirements
20 for any Federal, State, or local governmental pro-
21 gram, assistance, or benefits. For purposes of this
22 title, eligibility relates only to the general issue of
23 eligibility or ineligibility on the basis of alienage.

24 (2) Nothing in this title may be construed as
25 addressing alien eligibility for a basic public edu-

1 cation as determined by the Supreme Court of the
2 United States under *Plyler v. Doe* (457 U.S. 202)
3 (1982).

4 (b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—
5 This title does not apply to any Federal, State, or local
6 governmental program, assistance, or benefits provided to
7 an alien under any program of foreign assistance as deter-
8 mined by the Secretary of State in consultation with the
9 Attorney General.

10 (c) SEVERABILITY.—If any provision of this title or
11 the application of such provision to any person or cir-
12 cumstance is held to be unconstitutional, the remainder
13 of this title and the application of the provisions of such
14 to any person or circumstance shall not be affected there-
15 by.

16 **SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL**
17 **GOVERNMENT AGENCIES AND THE IMMIGRA-**
18 **TION AND NATURALIZATION SERVICE.**

19 Notwithstanding any other provision of Federal,
20 State, or local law, no State or local government entity
21 may be prohibited, or in any way restricted, from sending
22 to or receiving from the Immigration and Naturalization
23 Service information regarding the immigration status,
24 lawful or unlawful, of an alien in the United States.

1 **SEC. 435. QUALIFYING QUARTERS.**

2 For purposes of this title, in determining the number
3 of qualifying quarters of coverage under title II of the So-
4 cial Security Act an alien shall be credited with—

5 (1) all of the qualifying quarters of coverage as
6 defined under title II of the Social Security Act
7 worked by a parent of such alien while the alien was
8 under age 18 if the parent did not receive any Fed-
9 eral means-tested public benefit (as defined in sec-
10 tion 403(c)) during any such quarter, and

11 (2) all of the qualifying quarters worked by a
12 spouse of such alien during their marriage if the
13 spouse did not receive any Federal means-tested
14 public benefit (as defined in section 403(c)) during
15 any such quarter and the alien remains married to
16 such spouse or such spouse is deceased.

17 **Subtitle E—Conforming Amend-**
18 **ments Relating to Assisted**
19 **Housing**

20 **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**
21 **SISTED HOUSING.**

22 (a) **LIMITATIONS ON ASSISTANCE.**—Section 214 of
23 the Housing and Community Development Act of 1980
24 (42 U.S.C. 1436a) is amended—

1 (1) by striking “Secretary of Housing and
2 Urban Development” each place it appears and in-
3 serting “applicable Secretary”;

4 (2) in subsection (b), by inserting after “Na-
5 tional Housing Act,” the following: “the direct loan
6 program under section 502 of the Housing Act of
7 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or
8 542 of such Act, subtitle A of title III of the Cran-
9 ston-Gonzalez National Affordable Housing Act,”;

10 (3) in paragraphs (2) through (6) of subsection
11 (d), by striking “Secretary” each place it appears
12 and inserting “applicable Secretary”;

13 (4) in subsection (d), in the matter following
14 paragraph (6), by striking “the term ‘Secretary’”
15 and inserting “the term ‘applicable Secretary’”; and

16 (5) by adding at the end the following new sub-
17 section:

18 “(h) For purposes of this section, the term ‘applicable
19 Secretary’ means—

20 “(1) the Secretary of Housing and Urban De-
21 velopment, with respect to financial assistance ad-
22 ministered by such Secretary and financial assist-
23 ance under subtitle A of title III of the Cranston-
24 Gonzalez National Affordable Housing Act; and

1 “(2) the Secretary of Agriculture, with respect
2 to financial assistance administered by such Sec-
3 retary.”.

4 (b) CONFORMING AMENDMENTS.—Section 501(h) of
5 the Housing Act of 1949 (42 U.S.C. 1471(h)) is amend-
6 ed—

7 (1) by striking “(1)”;

8 (2) by striking “by the Secretary of Housing
9 and Urban Development”; and

10 (3) by striking paragraph (2).

11 **Subtitle F—Earned Income Credit**
12 **Denied To Unauthorized Em-**
13 **ployees**

14 **SEC. 451. EARNED INCOME CREDIT DENIED TO INDIVID-**
15 **UALS NOT AUTHORIZED TO BE EMPLOYED IN**
16 **THE UNITED STATES.**

17 (a) IN GENERAL.—Section 32(c)(1) of the Internal
18 Revenue Code of 1986 (relating to individuals eligible to
19 claim the earned income credit) is amended by adding at
20 the end the following new subparagraph:

21 “(F) IDENTIFICATION NUMBER REQUIRE-
22 MENT.—The term ‘eligible individual’ does not
23 include any individual who does not include on
24 the return of tax for the taxable year—

1 “(i) such individual’s taxpayer identi-
2 fication number, and

3 “(ii) if the individual is married (with-
4 in the meaning of section 7703), the tax-
5 payer identification number of such indi-
6 vidual’s spouse.”.

7 (b) SPECIAL IDENTIFICATION NUMBER.—Section 32
8 of such Code is amended by adding at the end the follow-
9 ing new subsection:

10 “(l) IDENTIFICATION NUMBERS.—Solely for pur-
11 poses of subsections (c)(1)(F) and (c)(3)(D), a taxpayer
12 identification number means a social security number is-
13 sued to an individual by the Social Security Administra-
14 tion (other than a social security number issued pursuant
15 to clause (II) (or that portion of clause (III) that relates
16 to clause (II)) of section 205(c)(2)(B)(i) of the Social Se-
17 curity Act).”.

18 (c) EXTENSION OF PROCEDURES APPLICABLE TO
19 MATHEMATICAL OR CLERICAL ERRORS.—Section
20 6213(g)(2) (relating to the definition of mathematical or
21 clerical errors) is amended by striking “and’ at the end
22 of subparagraph (D), by striking the period at the end
23 of subparagraph (E) and inserting a comma, and by in-
24 serting after subparagraph (E) the following new subpara-
25 graphs:

1 “(F) an omission of a correct taxpayer
2 identification number required under section 32
3 (relating to the earned income tax credit) to be
4 included on a return, and

5 “(G) an entry on a return claiming the
6 credit under section 32 with respect to net
7 earnings from self-employment described in sec-
8 tion 32(e)(2)(A) to the extent the tax imposed
9 by section 1401 (relating to self-employment
10 tax) on such net earnings has not been paid.”

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 1995.

14 **TITLE V—REDUCTIONS IN FED-**
15 **ERAL GOVERNMENT POSI-**
16 **TIONS**

17 **SEC. 501. REDUCTIONS.**

18 (a) DEFINITIONS.—As used in this section:

19 (1) APPROPRIATE EFFECTIVE DATE.—The term
20 “appropriate effective date”, used with respect to a
21 Department referred to in this section, means the
22 date on which all provisions of this Act (other than
23 title II) that the Department is required to carry
24 out, and amendments and repeals made by such Act

1 to provisions of Federal law that the Department is
2 required to carry out, are effective.

3 (2) COVERED ACTIVITY.—The term “covered
4 activity”, used with respect to a Department re-
5 ferred to in this section, means an activity that the
6 Department is required to carry out under—

7 (A) a provision of this Act (other than title
8 II); or

9 (B) a provision of Federal law that is
10 amended or repealed by this Act (other than
11 title II).

12 (b) REPORTS.—

13 (1) CONTENTS.—Not later than December 31,
14 1996, each Secretary referred to in paragraph (2)
15 shall prepare and submit to the relevant committees
16 described in paragraph (3) a report containing—

17 (A) the determinations described in sub-
18 section (c);

19 (B) appropriate documentation in support
20 of such determinations; and

21 (C) a description of the methodology used
22 in making such determinations.

23 (2) SECRETARY.—The Secretaries referred to in
24 this paragraph are—

25 (A) the Secretary of Agriculture;

1 (B) the Secretary of Education;

2 (C) the Secretary of Labor;

3 (D) the Secretary of Housing and Urban
4 Development; and

5 (E) the Secretary of Health and Human
6 Services.

7 (3) RELEVANT COMMITTEES.—The relevant
8 Committees described in this paragraph are the fol-
9 lowing:

10 (A) With respect to each Secretary de-
11 scribed in paragraph (2), the Committee on
12 Government Reform and Oversight of the
13 House of Representatives and the Committee
14 on Governmental Affairs of the Senate.

15 (B) With respect to the Secretary of Agri-
16 culture, the Committee on Agriculture and the
17 Committee on Economic and Educational Op-
18 portunities of the House of Representatives and
19 the Committee on Agriculture, Nutrition, and
20 Forestry of the Senate.

21 (C) With respect to the Secretary of Edu-
22 cation, the Committee on Economic and Edu-
23 cational Opportunities of the House of Rep-
24 resentatives and the Committee on Labor and
25 Human Resources of the Senate.

1 (D) With respect to the Secretary of
2 Labor, the Committee on Economic and Edu-
3 cational Opportunities of the House of Rep-
4 resentatives and the Committee on Labor and
5 Human Resources of the Senate.

6 (E) With respect to the Secretary of Hous-
7 ing and Urban Development, the Committee on
8 Banking and Financial Services of the House of
9 Representatives and the Committee on Bank-
10 ing, Housing, and Urban Affairs of the Senate.

11 (F) With respect to the Secretary of
12 Health and Human Services, the Committee on
13 Economic and Educational Opportunities of the
14 House of Representatives, the Committee on
15 Labor and Human Resources of the Senate, the
16 Committee on Ways and Means of the House of
17 Representatives, and the Committee on Finance
18 of the Senate.

19 (4) REPORT ON CHANGES.—Not later than De-
20 cember 31, 1997, and each December 31 thereafter,
21 each Secretary referred to in paragraph (2) shall
22 prepare and submit to the relevant Committees de-
23 scribed in paragraph (3), a report concerning any
24 changes with respect to the determinations made

1 under subsection (c) for the year in which the report
2 is being submitted.

3 (c) DETERMINATIONS.—Not later than December 31,
4 1996, each Secretary referred to in subsection (b)(2) shall
5 determine—

6 (1) the number of full-time equivalent positions
7 required by the Department headed by such Sec-
8 retary to carry out the covered activities of the De-
9 partment, as of the day before the date of enactment
10 of this Act;

11 (2) the number of such positions required by
12 the Department to carry out the activities, as of the
13 appropriate effective date for the Department; and

14 (3) the difference obtained by subtracting the
15 number referred to in paragraph (2) from the num-
16 ber referred to in paragraph (1).

17 (d) ACTIONS.—Each Secretary referred to in sub-
18 section (b)(2) shall take such actions as may be necessary,
19 including reduction in force actions, consistent with sec-
20 tions 3502 and 3595 of title 5, United States Code, to
21 reduce the number of positions of personnel of the Depart-
22 ment—

23 (1) not later than 30 days after the appropriate
24 effective date for the Department involved, by at

1 least 50 percent of the difference referred to in sub-
2 section (c)(3); and

3 (2) not later than 13 months after such appro-
4 priate effective date, by at least the remainder of
5 such difference (after the application of paragraph
6 (1)).

7 (e) CONSISTENCY.—

8 (1) EDUCATION.—The Secretary of Education
9 shall carry out this section in a manner that enables
10 the Secretary to meet the requirements of this sec-
11 tion.

12 (2) LABOR.—The Secretary of Labor shall
13 carry out this section in a manner that enables the
14 Secretary to meet the requirements of this section.

15 (3) HEALTH AND HUMAN SERVICES.—The Sec-
16 retary of Health and Human Services shall carry out
17 this section in a manner that enables the Secretary
18 to meet the requirements of this section and sections
19 502 and 503.

20 (f) CALCULATION.—In determining, under subsection
21 (c), the number of full-time equivalent positions required
22 by a Department to carry out a covered activity, a Sec-
23 retary referred to in subsection (b)(2) shall include the
24 number of such positions occupied by personnel carrying
25 out program functions or other functions (including budg-

1 etary, legislative, administrative, planning, evaluation, and
2 legal functions) related to the activity.

3 (g) GENERAL ACCOUNTING OFFICE REPORT.—Not
4 later than July 1, 1997, the Comptroller General of the
5 United States shall prepare and submit to the committees
6 described in subsection (b)(3), a report concerning the de-
7 terminations made by each Secretary under subsection (c).
8 Such report shall contain an analysis of the determina-
9 tions made by each Secretary under subsection (c) and
10 a determination as to whether further reductions in full-
11 time equivalent positions are appropriate.

12 **SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.**

13 (a) IN GENERAL.—The Secretary of Health and
14 Human Services shall reduce the Federal workforce within
15 the Department of Health and Human Services by an
16 amount equal to the sum of—

17 (1) 75 percent of the full-time equivalent posi-
18 tions at such Department that relate to any direct
19 spending program, or any program funded through
20 discretionary spending, that has been converted into
21 a block grant program under this Act and the
22 amendments made by this Act; and

23 (2) an amount equal to 75 percent of that por-
24 tion of the total full-time equivalent departmental
25 management positions at such Department that

1 bears the same relationship to the amount appro-
2 priated for the programs referred to in paragraph
3 (1) as such amount relates to the total amount ap-
4 propriated for use by such Department.

5 (b) REDUCTIONS IN THE DEPARTMENT OF HEALTH
6 AND HUMAN SERVICES.—Notwithstanding any other pro-
7 vision of this Act, the Secretary of Health and Human
8 Services shall take such actions as may be necessary, in-
9 cluding reductions in force actions, consistent with sec-
10 tions 3502 and 3595 of title 5, United States Code, to
11 reduce the full-time equivalent positions within the De-
12 partment of Health and Human Services—

13 (1) by 245 full-time equivalent positions related
14 to the program converted into a block grant under
15 the amendment made by section 103; and

16 (2) by 60 full-time equivalent managerial posi-
17 tions in the Department.

18 **SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C.**

19 **AREA.**

20 In making reductions in full-time equivalent posi-
21 tions, the Secretary of Health and Human Services is en-
22 couraged to reduce personnel in the Washington, D.C.,
23 area office (agency headquarters) before reducing field
24 personnel.

1 **TITLE VI—REFORM OF PUBLIC**
2 **HOUSING**

3 **SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE AND**
4 **PUBLIC ASSISTANCE PROGRAMS.**

5 Title I of the United States Housing Act of 1937 (42
6 U.S.C. 1437 et seq.), as amended by section 404(d) of
7 this Act, is amended by adding at the end the following
8 new section:

9 **“SEC. 28. FAILURE TO COMPLY WITH OTHER WELFARE AND**
10 **PUBLIC ASSISTANCE PROGRAMS.**

11 “(a) IN GENERAL.—If the benefits of a family are
12 reduced under a Federal, State, or local law relating to
13 welfare or a public assistance program for the failure of
14 any member of the family to perform an action required
15 under the law or program, the family may not, for the
16 duration of the reduction, receive any increased assistance
17 under this Act as the result of a decrease in the income
18 of the family to the extent that the decrease in income
19 is the result of the benefits reduction.

20 “(b) EXCEPTION.—Subsection (a) shall not apply in
21 any case in which the benefits of a family are reduced be-
22 cause the welfare or public assistance program to which
23 the Federal, State, or local law relates limits the period
24 during which benefits may be provided under the pro-
25 gram.”.

1 **SEC. 602. FRAUD UNDER MEANS-TESTED WELFARE AND**
2 **PUBLIC ASSISTANCE PROGRAMS.**

3 (a) IN GENERAL.—If an individual’s benefits under
4 a Federal, State, or local law relating to a means-tested
5 welfare or a public assistance program are reduced be-
6 cause of an act of fraud by the individual under the law
7 or program, the individual may not, for the duration of
8 the reduction, receive an increased benefit under any other
9 means-tested welfare or public assistance program for
10 which Federal funds are appropriated as a result of a de-
11 crease in the income of the individual (determined under
12 the applicable program) attributable to such reduction.

13 (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS
14 FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For
15 purposes of subsection (a), the term “means-tested welfare
16 or public assistance program for which Federal funds are
17 appropriated” includes the food stamp program under the
18 Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any
19 program of public or assisted housing under title I of the
20 United States Housing Act of 1937 (42 U.S.C. 1437 et
21 seq.), and State programs funded under part A of title
22 IV of the Social Security Act (42 U.S.C. 601 et seq.).

23 **SEC. 603. EFFECTIVE DATE.**

24 This title and the amendment made by this title shall
25 become effective on the date of enactment of this Act.

1 **TITLE VII—CHILD PROTECTION**
 2 **BLOCK GRANT PROGRAMS**
 3 **AND FOSTER CARE, ADOPT-**
 4 **TION ASSISTANCE, AND INDE-**
 5 **PENDENT LIVING PROGRAMS**

6 **Subtitle A—Child Protection Block**
 7 **Grant Program and Foster Care,**
 8 **Adoption Assistance, and Inde-**
 9 **pendent Living Programs**

10 **CHAPTER 1—BLOCK GRANTS TO STATES**
 11 **FOR THE PROTECTION OF CHILDREN**

12 **SEC. 701. ESTABLISHMENT OF PROGRAM.**

13 Title IV of the Social Security Act (42 U.S.C. 601
 14 et seq.) is amended by striking part B and inserting the
 15 following:

16 **“PART B—BLOCK GRANTS TO STATES FOR THE**
 17 **PROTECTION OF CHILDREN**

18 **“SEC. 421. PURPOSE.**

19 “The purpose of this part is to enable eligible States
 20 to carry out a child protection program to—

21 “(1) identify and assist families at risk of abus-
 22 ing or neglecting their children;

23 “(2) operate a system for receiving reports of
 24 abuse or neglect of children;

1 “(3) improve the intake, assessment, screening,
2 and investigation of reports of abuse and neglect;

3 “(4) enhance the general child protective sys-
4 tem by improving risk and safety assessment tools
5 and protocols;

6 “(5) improve legal preparation and representa-
7 tion, including procedures for appealing and re-
8 sponding to appeals of substantiated reports of
9 abuse and neglect;

10 “(6) provide support, treatment, and family
11 preservation services to families which are, or are at
12 risk of, abusing or neglecting their children;

13 “(7) support children who must be removed
14 from or who cannot live with their families;

15 “(8) make timely decisions about permanent liv-
16 ing arrangements for children who must be removed
17 from or who cannot live with their families;

18 “(9) provide for continuing evaluation and im-
19 provement of child protection laws, regulations, and
20 services;

21 “(10) develop and facilitate training protocols
22 for individuals mandated to report child abuse or ne-
23 glect; and

24 “(11) develop and enhance the capacity of com-
25 munity-based programs to integrate shared leader-

1 ship strategies between parents and professionals to
2 prevent and treat child abuse and neglect at the
3 neighborhood level.

4 **“SEC. 422. ELIGIBLE STATES.**

5 “(a) IN GENERAL.—As used in this part, the term
6 ‘eligible State’ means a State that has submitted to the
7 Secretary, not later than October 1, 1996, and every 3
8 years thereafter, a plan which has been signed by the chief
9 executive officer of the State and that includes the follow-
10 ing:

11 “(1) OUTLINE OF CHILD PROTECTION PRO-
12 GRAM.—A written document that outlines the activi-
13 ties the State intends to conduct to achieve the pur-
14 pose of this part, including the procedures to be
15 used for—

16 “(A) receiving and assessing reports of
17 child abuse or neglect;

18 “(B) investigating such reports;

19 “(C) with respect to families in which
20 abuse or neglect has been confirmed, providing
21 services or referral for services for families and
22 children where the State makes a determination
23 that the child may safely remain with the fam-
24 ily;

1 “(D) protecting children by removing them
2 from dangerous settings and ensuring their
3 placement in a safe environment;

4 “(E) providing training for individuals
5 mandated to report suspected cases of child
6 abuse or neglect;

7 “(F) protecting children in foster care;

8 “(G) promoting timely adoptions;

9 “(H) protecting the rights of families,
10 using adult relatives as the preferred placement
11 for children separated from their parents where
12 such relatives meet the relevant State child pro-
13 tection standards; and

14 “(I) providing services to individuals, fami-
15 lies, or communities, either directly or through
16 referral, that are aimed at preventing the occur-
17 rence of child abuse and neglect.

18 “(2) CERTIFICATION OF STATE LAW REQUIRING
19 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
20 A certification that the State has in effect laws that
21 require public officials and other professionals to re-
22 port, in good faith, actual or suspected instances of
23 child abuse or neglect.

24 “(3) CERTIFICATION OF PROCEDURES FOR
25 SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in
2 effect procedures for receiving and responding to re-
3 ports of child abuse or neglect, including the reports
4 described in paragraph (2), and for the immediate
5 screening, safety assessment, and prompt investiga-
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
9 GLECTED CHILDREN.—A certification that the State
10 has in effect procedures for the removal from fami-
11 lies and placement of abused or neglected children
12 and of any other child in the same household who
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMUN-
15 NITY FROM PROSECUTION.—A certification that the
16 State has in effect laws requiring immunity from
17 prosecution under State and local laws and regula-
18 tions for individuals making good faith reports of
19 suspected or known instances of child abuse or ne-
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-
22 CEDURES RELATING TO APPEALS.—A certification
23 that not later than 2 years after the date of the en-
24 actment of this part, the State shall have laws and
25 procedures in effect affording individuals an oppor-

1 tunity to appeal an official finding of abuse or ne-
2 glect.

3 “(7) CERTIFICATION OF STATE PROCEDURES
4 FOR DEVELOPING AND REVIEWING WRITTEN PLANS
5 FOR PERMANENT PLACEMENT OF REMOVED CHIL-
6 DREN.—A certification that the State has in effect
7 procedures for ensuring that a written plan is pre-
8 pared for children who have been removed from their
9 families. Such plan shall specify the goals for achiev-
10 ing a permanent placement for the child in a timely
11 fashion, for ensuring that the written plan is re-
12 viewed every 6 months (until such placement is
13 achieved), and for ensuring that information about
14 such children is collected regularly and recorded in
15 case records, and include a description of such pro-
16 cedures.

17 “(8) CERTIFICATION OF STATE PROGRAM TO
18 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
19 tification that the State has in effect a program to
20 provide independent living services, for assistance in
21 making the transition to self-sufficient adulthood, to
22 individuals in the child protection program of the
23 State who are 16, but who are not 20 (or, at the op-
24 tion of the State, 22), years of age, and who do not
25 have a family to which to be returned.

1 “(9) CERTIFICATION OF STATE PROCEDURES
2 TO RESPOND TO REPORTING OF MEDICAL NEGLIGENCE
3 OF DISABLED INFANTS.—

4 “(A) IN GENERAL.—A certification that
5 the State has in place for the purpose of re-
6 sponding to the reporting of medical neglect of
7 infants (including instances of withholding of
8 medically indicated treatment from disabled in-
9 fants with life-threatening conditions), proce-
10 dures or programs, or both (within the State
11 child protective services system), to provide
12 for—

13 “(i) coordination and consultation
14 with individuals designated by and within
15 appropriate health-care facilities;

16 “(ii) prompt notification by individ-
17 uals designated by and within appropriate
18 health-care facilities of cases of suspected
19 medical neglect (including instances of
20 withholding of medically indicated treat-
21 ment from disabled infants with life-threat-
22 ening conditions); and

23 “(iii) authority, under State law, for
24 the State child protective service to pursue
25 any legal remedies, including the authority

1 to initiate legal proceedings in a court of
2 competent jurisdiction, as may be nec-
3 essary to prevent the withholding of medi-
4 cally indicated treatment from disabled in-
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-
7 CATED TREATMENT.—As used in subparagraph
8 (A), the term ‘withholding of medically indi-
9 cated treatment’ means the failure to respond
10 to the infant’s life-threatening conditions by
11 providing treatment (including appropriate nu-
12 trition, hydration, and medication) which, in the
13 treating physician’s or physicians’ reasonable
14 medical judgment, will be most likely to be ef-
15 fective in ameliorating or correcting all such
16 conditions, except that such term does not in-
17 clude the failure to provide treatment (other
18 than appropriate nutrition, hydration, or medi-
19 cation) to an infant when, in the treating physi-
20 cian’s or physicians’ reasonable medical judg-
21 ment—

22 “(i) the infant is chronically and irre-
23 versibly comatose;

24 “(ii) the provision of such treatment
25 would—

1 “(I) merely prolong dying;

2 “(II) not be effective in amelio-
3 rating or correcting all of the infant’s
4 life-threatening conditions; or

5 “(III) otherwise be futile in
6 terms of the survival of the infant; or

7 “(iii) the provision of such treatment
8 would be virtually futile in terms of the
9 survival of the infant and the treatment it-
10 self under such circumstances would be in-
11 humane.

12 “(10) IDENTIFICATION OF CHILD PROTECTION
13 GOALS.—The quantitative goals of the State child
14 protection program.

15 “(11) CERTIFICATION OF CHILD PROTECTION
16 STANDARDS.—With respect to fiscal years beginning
17 on or after April 1, 1996, a certification that the
18 State—

19 “(A) has completed an inventory of all
20 children who, before the inventory, had been in
21 foster care under the responsibility of the State
22 for 6 months or more, which determined—

23 “(i) the appropriateness of, and neces-
24 sity for, the foster care placement;

1 “(ii) whether the child could or should
2 be returned to the parents of the child or
3 should be freed for adoption or other per-
4 manent placement; and

5 “(iii) the services necessary to facili-
6 tate the return of the child or the place-
7 ment of the child for adoption or legal
8 guardianship;

9 “(B) is operating, to the satisfaction of the
10 Secretary—

11 “(i) a statewide information system
12 from which can be readily determined the
13 status, demographic characteristics, loca-
14 tion, and goals for the placement of every
15 child who is (or, within the immediately
16 preceding 12 months, has been) in foster
17 care;

18 “(ii) a case review system for each
19 child receiving foster care under the super-
20 vision of the State;

21 “(iii) a service program designed to
22 help children—

23 “(I) where appropriate, return to
24 families from which they have been
25 removed; or

1 “(II) be placed for adoption, with
2 a legal guardian, or if adoption or
3 legal guardianship is determined not
4 to be appropriate for a child, in some
5 other planned, permanent living ar-
6 rangement; and

7 “(iv) a preplacement preventive serv-
8 ices program designed to help children at
9 risk for foster care placement remain with
10 their families; and

11 “(C)(i) has reviewed (or not later than Oc-
12 tober 1, 1997, will review) State policies and
13 administrative and judicial procedures in effect
14 for children abandoned at or shortly after birth
15 (including policies and procedures providing for
16 legal representation of such children); and

17 “(ii) is implementing (or not later than Oc-
18 tober 1, 1997, will implement) such policies and
19 procedures as the State determines, on the
20 basis of the review described in clause (i), to be
21 necessary to enable permanent decisions to be
22 made expeditiously with respect to the place-
23 ment of such children.

24 “(12) CERTIFICATION OF REASONABLE EF-
25 FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1 TER CARE.—A certification that the State in each
2 case will—

3 “(A) make reasonable efforts prior to the
4 placement of a child in foster care, to prevent
5 or eliminate the need for removal of the child
6 from the child’s home, and to make it possible
7 for the child to return home; and

8 “(B) with respect to families in which
9 abuse or neglect has been confirmed, provide
10 services or referral for services for families and
11 children where the State makes a determination
12 that the child may safely remain with the fam-
13 ily.

14 “(13) CERTIFICATION OF COOPERATIVE EF-
15 FORTS.—A certification by the State, where appro-
16 priate, that all steps will be taken, including cooper-
17 ative efforts with the State agencies administering
18 the plans approved under parts A and D, to secure
19 an assignment to the State of any rights to support
20 on behalf of each child receiving foster care mainte-
21 nance payments under part E.

22 “(14) CERTIFICATION OF CONFIDENTIALITY
23 AND REQUIREMENTS FOR INFORMATION DISCLO-
24 SURE.—

1 “(A) IN GENERAL.—A certification that
2 the State has in effect and operational—

3 “(i) requirements ensuring that re-
4 ports and records made and maintained
5 pursuant to the purposes of this part shall
6 only be made available to—

7 “(I) individuals who are the sub-
8 ject of the report;

9 “(II) Federal, State, or local gov-
10 ernment entities, or any agent of such
11 entities, having a need for such infor-
12 mation in order to carry out their re-
13 sponsibilities under law to protect
14 children from abuse and neglect;

15 “(III) child abuse citizen review
16 panels;

17 “(IV) child fatality review panels;

18 “(V) a grand jury or court, upon
19 a finding that information in the
20 record is necessary for the determina-
21 tion of an issue before the court or
22 grand jury; and

23 “(VI) other entities or classes of
24 individuals statutorily authorized by
25 the State to receive such information

1 pursuant to a legitimate State pur-
2 pose; and

3 “(ii) provisions that allow for public
4 disclosure of the findings or information
5 about cases of child abuse or neglect that
6 have resulted in a child fatality or near fa-
7 tality.

8 “(B) LIMITATION.—Disclosures made pur-
9 suant to clause (i) or (ii) shall not include the
10 identifying information concerning the individ-
11 ual initiating a report or complaint alleging sus-
12 pected instances of child abuse or neglect.

13 “(C) DEFINITION.—For purposes of this
14 paragraph, the term ‘near fatality’ means an
15 act that, as certified by a physician, places the
16 child in serious or critical condition.

17 “(b) DETERMINATIONS.—The Secretary shall deter-
18 mine whether a plan submitted pursuant to subsection (a)
19 contains the material required by subsection (a), other
20 than the material described in paragraph (9) of such sub-
21 section. The Secretary may not require a State to include
22 in such a plan any material not described in subsection
23 (a).

24 **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

25 “(a) FUNDING OF BLOCK GRANTS.—

1 “(1) ENTITLEMENT COMPONENT.—Each eligi-
2 ble State shall be entitled to receive from the Sec-
3 retary for each fiscal year specified in subsection
4 (b)(1) a grant in an amount equal to the State share
5 of the child protection amount for the fiscal year.

6 “(2) AUTHORIZATION COMPONENT.—

7 “(A) IN GENERAL.—For each eligible
8 State for each fiscal year specified in subsection
9 (b)(1), the Secretary shall supplement the grant
10 under paragraph (1) of this subsection by an
11 amount equal to the State share of the amount
12 (if any) appropriated pursuant to subparagraph
13 (B) of this paragraph for the fiscal year.

14 “(B) LIMITATION ON AUTHORIZATION OF
15 APPROPRIATIONS.—For grants under subpara-
16 graph (A), there are authorized to be appro-
17 priated to the Secretary an amount not to ex-
18 ceed \$325,000,000 for each fiscal year specified
19 in subsection (b)(1).

20 “(b) DEFINITIONS.—As used in this section:

21 “(1) CHILD PROTECTION AMOUNT.—The term
22 ‘child protection amount’ means—

23 “(A) \$240,000,000 for fiscal year 1997;

24 “(B) \$255,000,000 for fiscal year 1998;

25 “(C) \$262,000,000 for fiscal year 1999;

1 “(D) \$270,000,000 for fiscal year 2000;

2 “(E) \$278,000,000 for fiscal year 2001;

3 and

4 “(F) \$286,000,000 for fiscal year 2002;

5 “(2) STATE SHARE.—

6 “(A) IN GENERAL.—The term ‘State
7 share’ means the qualified child protection ex-
8 penses of the State divided by the sum of the
9 qualified child protection expenses of all of the
10 States.

11 “(B) QUALIFIED CHILD PROTECTION EX-
12 PENSES.—The term ‘qualified child protection
13 expenses’ means, with respect to a State the
14 greater of—

15 “(i) the total amount of one-third of
16 the Federal grant amounts to the State
17 under the provisions of law specified in
18 clauses (i) and (ii) of subparagraph (C) for
19 fiscal years 1992, 1993, and 1994; or

20 “(ii) the total amount of the Federal
21 grant amounts to the State under the pro-
22 visions of law specified in clauses (i) and
23 (ii) of subparagraph (C) for fiscal year
24 1994.

1 “(C) PROVISIONS OF LAW.—The provisions
2 of law specified in this subparagraph are the
3 following (as in effect with respect to each of
4 the fiscal years referred to in subparagraph
5 (B)):

6 “(i) Section 423 of this Act.

7 “(ii) Section 434 of this Act.

8 “(D) DETERMINATION OF INFORMA-
9 TION.—In determining amounts for fiscal years
10 1992, 1993, and 1994 under clauses (i) and (ii)
11 of subparagraph (B), the Secretary shall use in-
12 formation listed as actual amounts in the Jus-
13 tification for Estimates for Appropriation Com-
14 mittees of the Administration for Children and
15 Families for fiscal years 1994, 1995, and 1996,
16 respectively.

17 “(c) USE OF GRANT.—

18 “(1) IN GENERAL.—A State to which a grant
19 is made under this section may use the grant in any
20 manner that the State deems appropriate to accom-
21 plish the purpose of this part.

22 “(2) TIMING OF EXPENDITURES.—A State to
23 which a grant is made under this section for a fiscal
24 year shall expend the total amount of the grant not

1 later than the end of the immediately succeeding fis-
2 cal year.

3 “(3) RULE OF INTERPRETATION.—This part
4 shall not be interpreted to prohibit short- and long-
5 term foster care facilities operated for profit from
6 receiving funds provided under this part or part E.

7 “(d) TIMING OF PAYMENTS.—The Secretary shall
8 pay each eligible State the amount of the grant payable
9 to the State under this section in quarterly installments.

10 “(e) PENALTIES.—

11 “(1) FOR USE OF GRANT IN VIOLATION OF
12 THIS PART.—If an audit conducted pursuant to
13 chapter 75 of title 31, United States Code, finds
14 that an amount paid to a State under this section
15 for a fiscal year has been used in violation of this
16 part, then the Secretary shall reduce the amount of
17 the grant that would (in the absence of this para-
18 graph) be payable to the State under this section for
19 the immediately succeeding fiscal year by the
20 amount so used, plus 5 percent of the grant paid
21 under this section to the State for such fiscal year.

22 “(2) FOR FAILURE TO MAINTAIN EFFORT.—

23 “(A) IN GENERAL.—If an audit conducted
24 pursuant to chapter 75 of title 31, United
25 States Code, finds that the amount expended by

1 a State (other than from amounts provided by
2 the Federal Government) during the fiscal years
3 specified in subparagraph (B), to carry out the
4 State program funded under this part is less
5 than the applicable percentage specified in such
6 subparagraph of the total amount expended by
7 the State (other than from amounts provided by
8 the Federal Government) during fiscal year
9 1994 under parts B and E of this title (as in
10 effect on the day before the date of the enact-
11 ment of this part), then the Secretary shall re-
12 duce the amount of the grant that would (in
13 the absence of this paragraph) be payable to
14 the State under this section for the immediately
15 succeeding fiscal year by the amount of the dif-
16 ference, plus 5 percent of the grant paid under
17 this section to the State for such fiscal year.

18 “(B) SPECIFICATION OF FISCAL YEARS
19 AND APPLICABLE PERCENTAGES.—The fiscal
20 years and applicable percentages specified in
21 this subparagraph are as follows:

22 “(i) For fiscal years 1997 and 1998,
23 100 percent.

24 “(ii) For fiscal years 1999 through
25 2002, 75 percent.

1 “(3) FOR FAILURE TO SUBMIT REQUIRED RE-
2 PORT.—

3 “(A) IN GENERAL.—The Secretary shall
4 reduce by 3 percent the amount of the grant
5 that would (in the absence of this paragraph)
6 be payable to a State under this section for a
7 fiscal year if the Secretary determines that the
8 State has not submitted the report required by
9 section 424 for the immediately preceding fiscal
10 year, within 6 months after the end of the im-
11 mediately preceding fiscal year.

12 “(B) RESCISSION OF PENALTY.—The Sec-
13 retary shall rescind a penalty imposed on a
14 State under subparagraph (A) with respect to a
15 report for a fiscal year if the State submits the
16 report before the end of the immediately suc-
17 ceeding fiscal year.

18 “(4) STATE FUNDS TO REPLACE REDUCTIONS
19 IN GRANT.—A State which has a penalty imposed
20 against it under this subsection for a fiscal year
21 shall expend additional State funds in an amount
22 equal to the amount of the penalty for the purpose
23 of carrying out the State program under this part
24 during the immediately succeeding fiscal year.

1 “(5) REASONABLE CAUSE EXCEPTION.—Except
2 in the case of the penalty described in paragraph
3 (2), the Secretary may not impose a penalty on a
4 State under this subsection with respect to a re-
5 quirement if the Secretary determines that the State
6 has reasonable cause for failing to comply with the
7 requirement.

8 “(6) CORRECTIVE COMPLIANCE PLAN.—

9 “(A) IN GENERAL.—

10 “(i) NOTIFICATION OF VIOLATION.—

11 Before imposing a penalty against a State
12 under this subsection with respect to a vio-
13 lation of this part, the Secretary shall no-
14 tify the State of the violation and allow the
15 State the opportunity to enter into a cor-
16 rective compliance plan in accordance with
17 this paragraph which outlines how the
18 State will correct the violation and how the
19 State will insure continuing compliance
20 with this part.

21 “(ii) 60-DAY PERIOD TO PROPOSE A
22 CORRECTIVE COMPLIANCE PLAN.—During
23 the 60-day period that begins on the date
24 the State receives a notice provided under
25 clause (i) with respect to a violation, the

1 State may submit to the Federal Govern-
2 ment a corrective compliance plan to cor-
3 rect the violation.

4 “(iii) CONSULTATION ABOUT MODI-
5 FICATIONS.—During the 60-day period
6 that begins with the date the Secretary re-
7 ceives a corrective compliance plan submit-
8 ted by a State in accordance with clause
9 (ii), the Secretary may consult with the
10 State on modifications to the plan.

11 “(iv) ACCEPTANCE OF PLAN.—A cor-
12 rective compliance plan submitted by a
13 State in accordance with clause (ii) is
14 deemed to be accepted by the Secretary if
15 the Secretary does not accept or reject the
16 plan during the 60-day period that begins
17 on the date the plan is submitted.

18 “(B) EFFECT OF CORRECTING VIOLA-
19 TION.—The Secretary may not impose any pen-
20 alty under this subsection with respect to any
21 violation covered by a State corrective compli-
22 ance plan accepted by the Secretary if the State
23 corrects the violation pursuant to the plan.

24 “(C) EFFECT OF FAILING TO CORRECT
25 VIOLATION.—The Secretary shall assess some

1 or all of a penalty imposed on a State under
2 this subsection with respect to a violation if the
3 State does not, in a timely manner, correct the
4 violation pursuant to a State corrective compli-
5 ance plan accepted by the Secretary.

6 “(7) LIMITATION ON AMOUNT OF PENALTY.—

7 “(A) IN GENERAL.—In imposing the pen-
8 alties described in this subsection, the Secretary
9 shall not reduce any quarterly payment to a
10 State by more than 25 percent.

11 “(B) CARRYFORWARD OF UNRECOVERED
12 PENALTIES.—To the extent that subparagraph
13 (A) prevents the Secretary from recovering dur-
14 ing a fiscal year the full amount of all penalties
15 imposed on a State under this subsection for a
16 prior fiscal year, the Secretary shall apply any
17 remaining amount of such penalties to the
18 grant payable to the State under section 423(a)
19 for the immediately succeeding fiscal year.

20 “(f) TREATMENT OF TERRITORIES.—

21 “(1) IN GENERAL.—A territory, as defined in
22 section 1108(b)(1), shall carry out a child protection
23 program in accordance with the provisions of this
24 part.

1 “(2) PAYMENTS.—Subject to the mandatory
2 ceiling amounts specified in section 1108, each terri-
3 tory, as so defined, shall be entitled to receive from
4 the Secretary for any fiscal year an amount equal to
5 the total obligations to the territory under section
6 434 (as in effect on the day before the date of the
7 enactment of this part) for fiscal year 1995.

8 “(g) LIMITATION ON FEDERAL AUTHORITY.—Except
9 as expressly provided in this Act, the Secretary may not
10 regulate the conduct of States under this part or enforce
11 any provision of this part.

12 **“SEC. 424. DATA COLLECTION AND REPORTING.**

13 “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA
14 SYSTEM.—The Secretary shall establish a national data
15 collection and analysis program—

16 “(1) which, to the extent practicable, coordi-
17 nates existing State child abuse and neglect reports
18 and which shall include—

19 “(A) standardized data on substantiated,
20 as well as false, unfounded, or unsubstantiated
21 reports; and

22 “(B) information on the number of deaths
23 due to child abuse and neglect; and

24 “(2) which shall collect, compile, analyze, and
25 make available State child abuse and neglect report-

1 ing information which, to the extent practical, is uni-
2 versal and case-specific and integrated with other
3 case-based foster care and adoption data collected by
4 the Secretary.

5 “(b) ADOPTION AND FOSTER CARE AND ANALYSIS
6 AND REPORTING SYSTEMS.—The Secretary shall imple-
7 ment a system for the collection of data relating to adop-
8 tion and foster care in the United States. Such data collec-
9 tion system shall—

10 “(1) avoid unnecessary diversion of resources
11 from agencies responsible for adoption and foster
12 care;

13 “(2) assure that any data that is collected is re-
14 liable and consistent over time and among jurisdic-
15 tions through the use of uniform definitions and
16 methodologies;

17 “(3) provide comprehensive national informa-
18 tion with respect to—

19 “(A) the demographic characteristics of
20 adoptive and foster children and their biological
21 and adoptive or foster parents;

22 “(B) the status of the foster care popu-
23 lation (including the number of children in fos-
24 ter care, length of placement, type of place-

1 ment, availability for adoption, and goals for
2 ending or continuing foster care);

3 “(C) the number and characteristics of—

4 “(i) children placed in or removed
5 from foster care;

6 “(ii) children adopted or with respect
7 to whom adoptions have been terminated;
8 and

9 “(iii) children placed in foster care
10 outside the State which has placement and
11 care responsibility; and

12 “(D) the extent and nature of assistance
13 provided by Federal, State, and local adoption
14 and foster care programs and the characteris-
15 tics of the children with respect to whom such
16 assistance is provided; and

17 “(4) utilize appropriate requirements and incen-
18 tives to ensure that the system functions reliably
19 throughout the United States.

20 “(c) ADDITIONAL INFORMATION.—The Secretary
21 may require the provision of additional information under
22 the data collection system established under subsection (b)
23 if the addition of such information is agreed to by a major-
24 ity of the States.

1 “(d) ANNUAL REPORT BY THE SECRETARY.—Not
2 later than 6 months after the end of each fiscal year, the
3 Secretary shall prepare a report based on information pro-
4 vided by the States for the fiscal year pursuant to this
5 section, and shall make the report and such information
6 available to the Congress and the public.

7 **“SEC. 425. FUNDING FOR STUDIES OF CHILD WELFARE.**

8 “(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD
9 WELFARE.—There are authorized to be appropriated and
10 there are appropriated to the Secretary for each of fiscal
11 years 1996 through 2002—

12 “(1) \$6,000,000 to conduct a national study
13 based on random samples of children who are at risk
14 of child abuse or neglect, or are determined by
15 States to have been abused or neglected under sec-
16 tion 208 of the Child and Family Services Block
17 Grant Act of 1996; and

18 “(2) \$10,000,000 for such other research as
19 may be necessary under such section.

20 “(b) ASSESSMENT OF STATE COURTS IMPROVEMENT
21 OF HANDLING OF PROCEEDINGS RELATING TO FOSTER
22 CARE AND ADOPTION.—There are authorized to be appro-
23 priated and there are appropriated to the Secretary for
24 each of fiscal years 1996 through 1998 \$10,000,000 for
25 the purpose of carrying out section 13712 of the Omnibus

1 Budget Reconciliation Act of 1993 (42 U.S.C. 670 note).

2 All funds appropriated under this subsection shall be ex-

3 pended not later than September 30, 1999.

4 **“SEC. 426. DEFINITIONS.**

5 “For purposes of this part and part E, the following

6 definitions shall apply:

7 “(1) ADMINISTRATIVE REVIEW.—The term ‘ad-

8 ministrative review’ means a review open to the par-

9 ticipation of the parents of the child, conducted by

10 a panel of appropriate persons at least one of whom

11 is not responsible for the case management of, or

12 the delivery of services to, either the child or the

13 parents who are the subject of the review.

14 “(2) ADOPTION ASSISTANCE AGREEMENT.—The

15 term ‘adoption assistance agreement’ means a writ-

16 ten agreement, binding on the parties to the agree-

17 ment, between the State, other relevant agencies,

18 and the prospective adoptive parents of a minor

19 child which at a minimum—

20 “(A) specifies the nature and amount of

21 any payments, services, and assistance to be

22 provided under such agreement; and

23 “(B) stipulates that the agreement shall

24 remain in effect regardless of the State of

1 which the adoptive parents are residents at any
2 given time.

3 The agreement shall contain provisions for the pro-
4 tection (under an interstate compact approved by
5 the Secretary or otherwise) of the interests of the
6 child in cases where the adoptive parents and child
7 move to another State while the agreement is effec-
8 tive.

9 “(3) CASE PLAN.—The term ‘case plan’ means
10 a written document which includes at least the fol-
11 lowing:

12 “(A) A description of the type of home or
13 institution in which a child is to be placed, in-
14 cluding a discussion of the appropriateness of
15 the placement and how the agency which is re-
16 sponsible for the child plans to carry out the
17 voluntary placement agreement entered into or
18 judicial determination made with respect to the
19 child in accordance with section 472(a)(1).

20 “(B) A plan for assuring that the child re-
21 ceives proper care and that services are pro-
22 vided to the parents, child, and foster parents
23 in order to improve the conditions in the par-
24 ents’ home, facilitate return of the child to his
25 or her own home or the permanent placement

1 of the child, and address the needs of the child
2 while in foster care, including a discussion of
3 the appropriateness of the services that have
4 been provided to the child under the plan.

5 “(C) To the extent available and acces-
6 sible, the health and education records of the
7 child, including—

8 “(i) the names and addresses of the
9 child’s health and educational providers;

10 “(ii) the child’s grade level perform-
11 ance;

12 “(iii) the child’s school record;

13 “(iv) assurances that the child’s place-
14 ment in foster care takes into account
15 proximity to the school in which the child
16 is enrolled at the time of placement;

17 “(v) a record of the child’s immuniza-
18 tions;

19 “(vi) the child’s known medical prob-
20 lems;

21 “(vii) the child’s medications; and

22 “(viii) any other relevant health and
23 education information concerning the child
24 determined to be appropriate by the State.

1 Where appropriate, for a child age 16 or over,
2 the case plan must also include a written de-
3 scription of the programs and services which
4 will help such child prepare for the transition
5 from foster care to independent living.

6 “(4) CASE REVIEW SYSTEM.—The term ‘case
7 review system’ means a procedure for assuring
8 that—

9 “(A) each child has a case plan designed to
10 achieve placement in the least restrictive (most
11 family-like) and most appropriate setting avail-
12 able and in close proximity to the parents’
13 home, consistent with the best interests and
14 special needs of the child, which—

15 “(i) if the child has been placed in a
16 foster family home or child-care institution
17 a substantial distance from the home of
18 the parents of the child, or in a State dif-
19 ferent from the State in which such home
20 is located, sets forth the reasons why such
21 placement is in the best interests of the
22 child; and

23 “(ii) if the child has been placed in
24 foster care outside the State in which the
25 home of the parents of the child is located,

1 requires that, periodically, but not less fre-
2 quently than every 12 months, a case-
3 worker on the staff of the State in which
4 the home of the parents of the child is lo-
5 cated, or of the State in which the child
6 has been placed, visit such child in such
7 home or institution and submit a report on
8 such visit to the State in which the home
9 of the parents of the child is located;

10 “(B) the status of each child is reviewed
11 periodically but no less frequently than once
12 every 6 months by either a court or by adminis-
13 trative review (as defined in paragraph (1)) in
14 order to determine the continuing necessity for
15 and appropriateness of the placement, the ex-
16 tent of compliance with the case plan, and the
17 extent of progress which has been made toward
18 alleviating or mitigating the causes necessitat-
19 ing placement in foster care, and to project a
20 likely date by which the child may be returned
21 to the home or placed for adoption or legal
22 guardianship;

23 “(C) with respect to each such child, pro-
24 cedural safeguards will be applied, among other
25 things, to assure each child in foster care under

1 the supervision of the State of a dispositional
2 hearing to be held, in a family or juvenile court
3 or another court (including a tribal court) of
4 competent jurisdiction, or by an administrative
5 body appointed or approved by the court, no
6 later than 18 months after the original place-
7 ment (and not less frequently than every 12
8 months thereafter during the continuation of
9 foster care), which hearing shall determine the
10 future status of the child (including whether the
11 child should be returned to the parent, should
12 be continued in foster care for a specified pe-
13 riod, should be placed for adoption, or should
14 (because of the child's special needs or cir-
15 cumstances) be continued in foster care on a
16 permanent or long-term basis) and, in the case
17 of a child described in subparagraph (A)(ii),
18 whether the out-of-State placement continues to
19 be appropriate and in the best interests of the
20 child, and, in the case of a child who has at-
21 tained age 16, the services needed to assist the
22 child to make the transition from foster care to
23 independent living; and procedural safeguards
24 shall also be applied with respect to parental
25 rights pertaining to the removal of the child

1 from the home of his parents, to a change in
2 the child's placement, and to any determination
3 affecting visitation privileges of parents; and

4 “(D) a child's health and education record
5 (as described in paragraph (3)(C)) is reviewed
6 and updated, and supplied to the foster parent
7 or foster care provider with whom the child is
8 placed, at the time of each placement of the
9 child in foster care.

10 “(5) CHILD-CARE INSTITUTION.—The term
11 ‘child-care institution’ means a private child-care in-
12 stitution, or a public child-care institution which ac-
13 commodates no more than 25 children, which is li-
14 censed by the State in which it is situated or has
15 been approved, by the agency of such State respon-
16 sible for licensing or approval of institutions of this
17 type, as meeting the standards established for such
18 licensing, but the term shall not include detention
19 facilities, forestry camps, training schools, or any
20 other facility operated primarily for the detention of
21 children who are determined to be delinquent.

22 “(6) FOSTER CARE MAINTENANCE PAY-
23 MENTS.—

24 “(A) IN GENERAL.—The term ‘foster care
25 maintenance payments’ means payments to

1 cover the cost of (and the cost of providing)
2 food, clothing, shelter, daily supervision, school
3 supplies, a child's personal incidentals, liability
4 insurance with respect to a child, and reason-
5 able travel to the child's home for visitation. In
6 the case of institutional care, such term shall
7 include the reasonable costs of administration
8 and operation of such institution as are nec-
9 essarily required to provide the items described
10 in the preceding sentence.

11 “(B) SPECIAL RULE.—In cases where—

12 “(i) a child placed in a foster family
13 home or child-care institution is the parent
14 of a son or daughter who is in the same
15 home or institution; and

16 “(ii) payments described in subpara-
17 graph (A) are being made under this part
18 with respect to such child,

19 the foster care maintenance payments made
20 with respect to such child as otherwise deter-
21 mined under subparagraph (A) shall also in-
22 clude such amounts as may be necessary to
23 cover the cost of the items described in that
24 subparagraph with respect to such son or
25 daughter.

1 “(7) FOSTER FAMILY HOME.—The term ‘foster
2 family home’ means a foster family home for chil-
3 dren which is licensed by the State in which it is sit-
4 uated or has been approved, by the agency of such
5 State having responsibility for licensing homes of
6 this type, as meeting the standards established for
7 such licensing.

8 “(8) PARENTS.—The term ‘parents’ means bio-
9 logical or adoptive parents or legal guardians, as de-
10 termined by applicable State law.

11 “(9) STATE.—The term ‘State’ means the 50
12 States and the District of Columbia.

13 “(10) VOLUNTARY PLACEMENT.—The term
14 ‘voluntary placement’ means an out-of-home place-
15 ment of a minor, by or with participation of the
16 State, after the parents or guardians of the minor
17 have requested the assistance of the State and
18 signed a voluntary placement agreement.

19 “(11) VOLUNTARY PLACEMENT AGREEMENT.—
20 The term ‘voluntary placement agreement’ means a
21 written agreement, binding on the parties to the
22 agreement, between the State, any other agency act-
23 ing on its behalf, and the parents or guardians of a
24 minor child which specifies, at a minimum, the legal
25 status of the child and the rights and obligations of

1 the parents or guardians, the child, and the agency
2 while the child is in placement.”.

3 **SEC. 702. CONFORMING AMENDMENTS.**

4 (a) AMENDMENTS TO PART D OF TITLE IV OF THE
5 SOCIAL SECURITY ACT.—

6 (1) Section 452(a)(10)(C) of the Social Security
7 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-
8 tion 108(b)(2) of this Act, is amended by striking
9 “or under section 471(a)(17)”.

10 (2) Section 452(g)(2)(A) of such Act (42
11 U.S.C. 652(g)(2)(A)), as amended by paragraphs
12 (6) and (7) of section 108(b), is amended by insert-
13 ing “or benefits or services for foster care mainte-
14 nance were being provided under the State program
15 funded under part E” after “part A” each place it
16 appears.

17 (3) Section 466(a)(3)(B) of such Act (42
18 U.S.C. 666(a)(3)(B)), as amended by section
19 108(b)(14), is amended by striking “or 471(a)(17)”.

20 (b) AMENDMENT TO SECTION 9442 OF THE OMNI-
21 BUS BUDGET RECONCILIATION ACT OF 1986.—Section
22 9442(4) of the Omnibus Budget Reconciliation Act of
23 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as
24 in effect before October 1, 1995)” after “Act”.

1 (c) REDESIGNATION AND AMENDMENTS OF SECTION
2 1123.—

3 (1) REDESIGNATION.—The Social Security Act
4 is amended by redesignating section 1123, the sec-
5 ond place it appears (42 U.S.C. 1320a–1a), as sec-
6 tion 1123A.

7 (2) AMENDMENTS.—Section 1123A of such
8 Act, as so redesignated, is amended in subsection
9 (a)—

10 (A) by striking “The Secretary” and in-
11 serting “Notwithstanding section 423(g), the
12 Secretary”; and

13 (B) in paragraph (2), by inserting “under
14 this section” after “promulgated”.

15 **CHAPTER 2—FOSTER CARE, ADOPTION**
16 **ASSISTANCE, AND INDEPENDENT LIV-**
17 **ING PROGRAMS**

18 **SEC. 711. CONFORMING AMENDMENTS TO PART E OF TITLE**

19 **IV.**

20 (a) PURPOSE; APPROPRIATION.—Section 470 of the
21 Social Security Act (42 U.S.C 670) is amended—

22 (1) by amending the heading to read as follows:
23 **“SEC. 470. PURPOSE; APPROPRIATION.”**; and

24 (2) in the second sentence, by striking “this
25 part” and inserting “section 422”.

1 (b) STATE PLAN FOR FOSTER CARE AND ADOPTION
2 ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671)
3 is amended to read as follows:

4 **“SEC. 471. ELIGIBLE STATES.**

5 “In order for a State to be eligible for payments
6 under this part, the State shall have submitted to the Sec-
7 retary a plan which satisfies the requirements of section
8 422.”.

9 (c) FOSTER CARE MAINTENANCE PAYMENTS PRO-
10 GRAM.—Section 472 of such Act (42 U.S.C. 672) is
11 amended to read as follows:

12 **“SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.**

13
14 “(a) IN GENERAL.—Each State operating a program
15 under this part shall make foster care maintenance pay-
16 ments, as defined in section 426(6) with respect to a child
17 who would meet the requirements of section 406(a) (as
18 in effect on the day before the date of the enactment of
19 the Personal Responsibility and Work Opportunity Act of
20 1996) or of section 407 (as so in effect) but for the re-
21 moval of the child from the home of a relative (specified
22 in section 406(a) (as so in effect)), if—

23 “(1) the removal from the home occurred pur-
24 suant to a voluntary placement agreement entered
25 into by the child’s parent or legal guardian, or was

1 the result of a judicial determination to the effect
2 that continuation therein would be contrary to the
3 welfare of such child and that reasonable efforts of
4 the type described in section 422(a)(12) have been
5 made;

6 “(2) such child’s placement and care are the re-
7 sponsibility of—

8 “(A) the State; or

9 “(B) any other public agency with which
10 the State has made an agreement for the ad-
11 ministration of the State program under this
12 part which is still in effect;

13 “(3) such child has been placed in a foster fam-
14 ily home or child-care institution as a result of the
15 voluntary placement agreement or judicial deter-
16 mination referred to in paragraph (1); and

17 “(4) such child—

18 “(A) would have been eligible to receive aid
19 under the eligibility standards under the State
20 plan approved under section 402 (as in effect
21 on the day before the date of the enactment of
22 this part and adjusted for inflation, in accord-
23 ance with regulations issued by the Secretary)
24 in or for the month in which such agreement
25 was entered into or court proceedings leading to

1 the removal of such child from the home were
2 initiated; or

3 “(B) would have received such aid in or for
4 such month if application had been made there-
5 for, or the child had been living with a relative
6 specified in section 406(a) (as so in effect)
7 within 6 months prior to the month in which
8 such agreement was entered into or such pro-
9 ceedings were initiated, and would have received
10 such aid in or for such month if in such month
11 such child had been living with such a relative
12 and application therefor had been made.

13 “(b) LIMITATION ON FOSTER CARE PAYMENTS.—
14 Foster care maintenance payments may be made under
15 this part only on behalf of a child described in subsection
16 (a) of this section who is—

17 “(1) in the foster family home of an individual,
18 whether the payments therefore are made to such in-
19 dividual or to a public or private child placement or
20 child-care agency; or

21 “(2) in a child-care institution, whether the
22 payments therefore are made to such institution or
23 to a public or private child-placement or child-care
24 agency, which payments shall be limited so as to in-
25 clude in such payments only those items which are

1 included in the term ‘foster care maintenance pay-
2 ments’ (as defined in section 426(6)).

3 “(c) VOLUNTARY PLACEMENTS.—

4 “(1) SATISFACTION OF CHILD PROTECTION
5 STANDARDS.—Notwithstanding any other provision
6 of this section, Federal payments may be made
7 under this part with respect to amounts expended by
8 any State as foster care maintenance payments
9 under this part, in the case of children removed
10 from their homes pursuant to voluntary placement
11 agreements as described in subsection (a), only if (at
12 the time such amounts were expended) the State has
13 fulfilled all of the requirements of section
14 422(a)(11).

15 “(2) REMOVAL IN EXCESS OF 180 DAYS.—No
16 Federal payment may be made under this part with
17 respect to amounts expended by any State as foster
18 care maintenance payments, in the case of any child
19 who was removed from such child’s home pursuant
20 to a voluntary placement agreement as described in
21 subsection (a) and has remained in voluntary place-
22 ment for a period in excess of 180 days, unless there
23 has been a judicial determination by a court of com-
24 petent jurisdiction (within the first 180 days of such

1 placement) that such placement is in the best inter-
2 ests of the child.

3 “(3) DEEMED REVOCATION OF AGREEMENTS.—

4 In any case where—

5 “(A) the placement of a minor child in fos-
6 ter care occurred pursuant to a voluntary place-
7 ment agreement entered into by the parents or
8 guardians of such child as provided in sub-
9 section (a); and

10 “(B) such parents or guardians request (in
11 such manner and form as the Secretary may
12 prescribe) that the child be returned to their
13 home or to the home of a relative,

14 the voluntary placement agreement shall be deemed
15 to be revoked unless the State opposes such request
16 and obtains a judicial determination, by a court of
17 competent jurisdiction, that the return of the child
18 to such home would be contrary to the child’s best
19 interests.”.

20 (d) ADOPTION ASSISTANCE PROGRAM.—Section 473
21 of such Act (42 U.S.C. 673) is amended to read as follows:

22 **“SEC. 473. REQUIREMENTS FOR ADOPTION ASSISTANCE**
23 **PAYMENTS.**

24 “(a) IN GENERAL.—A State operating a program
25 under this part shall enter into adoption assistance agree-

1 ments with the adoptive parents of children with special
2 needs.

3 “(b) PAYMENTS UNDER AGREEMENTS.—

4 “(1) IN GENERAL.—Under any adoption assist-
5 ance agreement entered into by a State with parents
6 who adopt a child with special needs, the State—

7 “(A) shall make payments of nonrecurring
8 adoption expenses incurred by or on behalf of
9 such parents in connection with the adoption of
10 such child, directly through the State agency or
11 through another public or nonprofit private
12 agency, in amounts determined under sub-
13 section (d), and

14 “(B) in any case where the child meets the
15 requirements of subsection (c), may make adop-
16 tion assistance payments to such parents, di-
17 rectly through the State agency or through an-
18 other public or nonprofit private agency, in
19 amounts so determined.

20 “(2) DEFINITION OF NONRECURRING ADOPTION
21 EXPENSES.—

22 “(A) IN GENERAL.—For purposes of para-
23 graph (1)(A), the term ‘nonrecurring adoption
24 expenses’ means reasonable and necessary
25 adoption fees, court costs, attorney fees, and

1 other expenses which are directly related to the
2 legal adoption of a child with special needs and
3 which are not incurred in violation of State or
4 Federal law.

5 “(B) TREATMENT AS AN ADMINISTRATIVE
6 EXPENSE.—A State’s payment of nonrecurring
7 adoption expenses under an adoption assistance
8 agreement shall be treated as an expenditure
9 made for the proper and efficient administra-
10 tion of the State plan for purposes of section
11 474(a)(3)(E).

12 “(c) CHILDREN WITH SPECIAL NEEDS.—For pur-
13 poses of subsection (b)(1)(B), a child meets the require-
14 ments of this subsection if such child—

15 “(1)(A) at the time adoption proceedings were
16 initiated, met the requirements of section 406(a) (as
17 in effect on the day before the date of the enactment
18 of the Personal Responsibility and Work Oppor-
19 tunity Act of 1996) or section 407 (as so in effect)
20 or would have met such requirements except for
21 such child’s removal from the home of a relative
22 (specified in section 406(a) (as so in effect)), either
23 pursuant to a voluntary placement agreement with
24 respect to which Federal payments are provided
25 under section 474 (or 403 (as so in effect)) or as

1 a result of a judicial determination to the effect that
2 continuation therein would be contrary to the wel-
3 fare of such child;

4 “(B) meets all of the requirements of title XVI
5 with respect to eligibility for supplemental security
6 income benefits; or

7 “(C) is a child whose costs in a foster family
8 home or child-care institution are covered by the fos-
9 ter care maintenance payments being made with re-
10 spect to his or her minor parent;

11 “(2)(A) would have received aid under the eligi-
12 bility standards under the State plan approved
13 under section 402 (as in effect on the day before the
14 date of the enactment of this part, adjusted for in-
15 flation, in accordance with regulations issued by the
16 Secretary) in or for the month in which such agree-
17 ment was entered into or court proceedings leading
18 to the removal of such child from the home were ini-
19 tiated;

20 “(B) would have received such aid in or for
21 such month if application had been made therefor,
22 or had been living with a relative specified in section
23 406(a) (as so in effect) within 6 months prior to the
24 month in which such agreement was entered into or
25 such proceedings were initiated, and would have re-

1 ceived such aid in or for such month if in such
2 month such child had been living with such a rel-
3 ative and application therefor had been made; or

4 “(C) is a child described in subparagraph (A)
5 or (B); and

6 “(3) has been determined by the State, pursu-
7 ant to subsection (g) of this section, to be a child
8 with special needs.

9 “(d) DETERMINATION OF PAYMENTS.—The amount
10 of the payments to be made in any case under subsection
11 (b) shall be determined through agreement between the
12 adoptive parents and the State or a public or nonprofit
13 private agency administering the program under this part,
14 which shall take into consideration the circumstances of
15 the adopting parents and the needs of the child being
16 adopted, and may be readjusted periodically, with the con-
17 currence of the adopting parents (which may be specified
18 in the adoption assistance agreement), depending upon
19 changes in such circumstances. However, in no case may
20 the amount of the adoption assistance payment exceed the
21 foster care maintenance payment which would have been
22 paid during the period if the child with respect to whom
23 the adoption assistance payment is made had been in a
24 foster family home.

1 “(e) PAYMENT EXCEPTION.—Notwithstanding sub-
2 section (d), no payment may be made to parents with re-
3 spect to any child who has attained the age of 18 (or,
4 where the State determines that the child has a mental
5 or physical disability which warrants the continuation of
6 assistance, the age of 21), and no payment may be made
7 to parents with respect to any child if the State determines
8 that the parents are no longer legally responsible for the
9 support of the child or if the State determines that the
10 child is no longer receiving any support from such parents.
11 Parents who have been receiving adoption assistance pay-
12 ments under this part shall keep the State or public or
13 nonprofit private agency administering the program under
14 this part informed of circumstances which would, pursu-
15 ant to this section, make them ineligible for such assist-
16 ance payments, or eligible for assistance payments in a
17 different amount.

18 “(f) PREADoption PAYMENTS.—For purposes of
19 this part, individuals with whom a child who has been de-
20 termined by the State, pursuant to subsection (g), to be
21 a child with special needs is placed for adoption in accord-
22 ance with applicable State and local law shall be eligible
23 for adoption assistance payments during the period of the
24 placement, on the same terms and subject to the same
25 conditions as if such individuals had adopted such child.

1 “(g) DETERMINATION OF CHILD WITH SPECIAL
2 NEEDS.—For purposes of this section, a child shall not
3 be considered a child with special needs unless—

4 “(1) the State has determined that the child
5 cannot or should not be returned to the home of the
6 child’s parents; and

7 “(2) the State had first determined—

8 “(A) that there exists with respect to the
9 child a specific factor or condition such as the
10 child’s ethnic background, age, or membership
11 in a minority or sibling group, or the presence
12 of factors such as medical conditions or phys-
13 ical, mental, or emotional handicaps because of
14 which it is reasonable to conclude that such
15 child cannot be placed with adoptive parents
16 without providing adoption assistance under
17 this part or medical assistance under title XV
18 or XIX; and

19 “(B) that, except where it would be
20 against the best interests of the child because
21 of such factors as the existence of significant
22 emotional ties with prospective adoptive parents
23 while in the care of such parents as a foster
24 child, a reasonable, but unsuccessful, effort has
25 been made to place the child with appropriate

1 adoptive parents without providing adoption as-
2 sistance under this section or medical assistance
3 under title XV or XIX.”.

4 (e) PAYMENTS TO STATES; ALLOTMENTS TO
5 STATES.—Section 474 of such Act (42 U.S.C. 674) is
6 amended to read as follows:

7 **“SEC. 474. PAYMENTS TO STATES; ALLOTMENTS TO STATES.**

8 “(a) FOSTER CARE, ADOPTION ASSISTANCE, AND
9 INDEPENDENT LIVING PROGRAMS PAYMENTS.—Each eli-
10 gible State, as determined under section 471, shall be enti-
11 tled to receive from the Secretary for each quarter of each
12 fiscal year a payment equal to the sum of—

13 “(1) an amount equal to the Federal medical
14 assistance percentage (as defined in section 1905(b)
15 of this Act as in effect on the day before the date
16 of the enactment of the Personal Responsibility and
17 Work Opportunity Act of 1996) of the total amount
18 expended during such quarter as foster care mainte-
19 nance payments under the child protection program
20 under this part for children in foster family homes
21 or child-care institutions; plus

22 “(2) an amount equal to the Federal medical
23 assistance percentage (as defined in section 1905(b)
24 of this Act (as so in effect)) of the total amount ex-
25 pended during such quarter as adoption assistance

1 payments under the child protection program under
2 this part pursuant to adoption assistance agree-
3 ments; plus

4 “(3) an amount equal to the sum of the follow-
5 ing proportions of the total amounts expended dur-
6 ing such quarter as found necessary by the Sec-
7 retary for the provision of child placement services
8 and for the proper and efficient administration of
9 the State foster care and adoption assistance pro-
10 gram—

11 “(A) 75 percent of so much of such ex-
12 penditures as are for the training (including
13 both short and long-term training at edu-
14 cational institutions through grants to such in-
15 stitutions or by direct financial assistance to
16 students enrolled in such institutions) of per-
17 sonnel employed or preparing for employment
18 by the State agency or by the local agency ad-
19 ministering the plan in the political subdivision;

20 “(B) 75 percent of so much of such ex-
21 penditures (including travel and per diem ex-
22 penses) as are for the short-term training of
23 current or prospective foster or adoptive par-
24 ents and the members of the staff of State-li-
25 censed or State-approved child care institutions

1 providing care to foster and adopted children
2 receiving assistance under this part, in ways
3 that increase the ability of such current or pro-
4 spective parents, staff members, and institu-
5 tions to provide support and assistance to foster
6 and adopted children, whether incurred directly
7 by the State or by contract;

8 “(C) 50 percent of so much of such ex-
9 penditures as are for the planning, design, de-
10 velopment, or installation of statewide mecha-
11 nized data collection and information retrieval
12 systems (including 50 percent of the full
13 amount of expenditures for hardware compo-
14 nents for such systems) but only to the extent
15 that such systems—

16 “(i) meet the requirements imposed
17 by regulations;

18 “(ii) to the extent practicable, are ca-
19 pable of interfacing with the State data
20 collection system that collects information
21 relating to child abuse and neglect;

22 “(iii) to the extent practicable, have
23 the capability of interfacing with, and re-
24 trieving information from, the State data
25 collection system that collects information

1 relating to the eligibility of individuals
2 under part A (for the purposes of facilitat-
3 ing verification of eligibility of foster chil-
4 dren); and

5 “(iv) are determined by the Secretary
6 to be likely to provide more efficient, eco-
7 nomical, and effective administration of
8 the programs carried out under a State
9 plan approved under this part;

10 “(D) 50 percent of so much of such ex-
11 penditures as are for the operation of the state-
12 wide mechanized data collection and informa-
13 tion retrieval systems referred to in subpara-
14 graph (C); and

15 “(E) one-half of the remainder of such ex-
16 penditures; plus

17 “(4) an amount equal to the sum of—

18 “(A) so much of the amounts expended by
19 such State to carry out a program under sec-
20 tion 476, as do not exceed the basic amount for
21 such State determined under subsection (e)(1)
22 of such section; and

23 “(B) the lesser of—

1 “(i) one-half of any additional
2 amounts expended by such State for such
3 programs; or

4 “(ii) the maximum additional amount
5 for such State under subsection (e)(1) of
6 such section.

7 “(b) AUTOMATED DATA COLLECTION EXPENDI-
8 TURES.—The Secretary shall treat as necessary for the
9 proper and efficient administration of the State plan all
10 expenditures of a State necessary in order for the State
11 to plan, design, develop, install, and operate data collec-
12 tion and information retrieval systems, without regard to
13 whether the systems may be used with respect to foster
14 or adoptive children other than those on behalf of whom
15 foster care maintenance payments or adoption assistance
16 payments may be made under this part.

17 “(c) ESTIMATES BY THE SECRETARY.—

18 “(1) IN GENERAL.—The Secretary shall, prior
19 to the beginning of each quarter, estimate the
20 amount which a State will be entitled to receive
21 under subsection (a) for such quarter, such esti-
22 mates to be based on—

23 “(A) a report filed by the State containing
24 its estimate of the total sum to be expended in
25 such quarter in accordance with subsection (a),

1 and stating the amount appropriated or made
2 available by the State and its political subdivi-
3 sions for such expenditures in such quarter, and
4 if such amount is less than the State's propor-
5 tionate share of the total sum of such estimated
6 expenditures, the source or sources from which
7 the difference is expected to be derived;

8 “(B) records showing the number of chil-
9 dren in the State receiving assistance under
10 this part; and

11 “(C) such other information as the Sec-
12 retary may find necessary.

13 “(2) PAYMENTS.—The Secretary shall pay to
14 the States the amounts so estimated under para-
15 graph (1), reduced or increased to the extent of any
16 overpayment or underpayment which the Secretary
17 determines was made under this subsection to such
18 State for any prior quarter and with respect to
19 which adjustment has not already been made under
20 this subsection.

21 “(3) PRO RATA SHARE.— The pro rata share to
22 which the United States is equitably entitled, as de-
23 termined by the Secretary, of the net amount recov-
24 ered during any quarter by the State or any political
25 subdivision thereof with respect to foster care and

1 adoption assistance furnished under this part shall
2 be considered an overpayment to be adjusted under
3 this subsection.

4 “(d) ALLOWANCE OR DISALLOWANCE OF CLAIM.—

5 “(1) IN GENERAL.—Within 60 days after re-
6 ceipt of a State claim for expenditures pursuant to
7 subsection (b)(1), the Secretary shall allow, disallow,
8 or defer such claim.

9 “(2) NOTICE.—Within 15 days after a decision
10 to defer a State claim, the Secretary shall notify the
11 State of the reasons for the deferral and of the addi-
12 tional information necessary to determine the allow-
13 ability of the claim.

14 “(3) DECISION.—Within 90 days after receiving
15 such necessary information (in readily reviewable
16 form), the Secretary shall—

17 “(A) disallow the claim, if able to complete
18 the review and determine that the claim is not
19 allowable; or

20 “(B) in any other case, allow the claim,
21 subject to disallowance (as necessary)—

22 “(i) upon completion of the review, if
23 it is determined that the claim is not allow-
24 able; or

1 “(ii) on the basis of findings of an
2 audit or financial management review.”.

3 (f) DEFINITIONS.—Section 475 of such Act (42
4 U.S.C. 675) is amended to read as follows:

5 **“SEC. 475. DEFINITIONS.**

6 For definitions of terms used in this part, see section
7 426.”.

8 (g) TECHNICAL ASSISTANCE; DATA COLLECTION
9 AND EVALUATION.—Part E of title IV of such Act is
10 amended by striking section 476.

11 (h) INDEPENDENT LIVING INITIATIVES.—Part E of
12 title IV of such Act (42 U.S.C. 670 et seq.), as amended
13 by subsection (g), is amended—

14 (1) by redesignating section 477 as section 476;

15 and

16 (2) by amending section 476, as so redesign-
17 nated, to read as follows:

18 **“SEC. 476. REQUIREMENTS FOR INDEPENDENT LIVING**
19 **PROGRAMS.**

20 “(a) PAYMENTS FOR INDEPENDENT LIVING PRO-
21 GRAMS.—

22 “(1) IN GENERAL.—Payments shall be made in
23 accordance with this section for the purpose of as-
24 sisting States and localities in establishing and car-
25 rying out programs designed to assist children de-

1 scribed in paragraph (2) who have attained age 16
2 in making the transition from foster care to inde-
3 pendent living. Any State which provides for the es-
4 tablishment and carrying out of one or more such
5 programs in accordance with this section for a fiscal
6 year shall be entitled to receive payments under this
7 section for such fiscal year, in an amount deter-
8 mined under subsection (e).

9 “(2) PROGRAM REQUIREMENTS.—A program
10 established and carried out under paragraph (1)—

11 “(A) shall be designed to assist children
12 with respect to whom foster care maintenance
13 payments are being made by the State under
14 this part;

15 “(B) may at the option of the State also
16 include any or all other children in foster care
17 under the responsibility of the State; and

18 “(C) may at the option of the State also
19 include any child who has not attained age 21
20 to whom foster care maintenance payments
21 were previously made by a State under this part
22 and whose payments were discontinued on or
23 after the date such child attained age 16, and
24 any child who previously was in foster care de-
25 scribed in subparagraph (B) and for whom such

1 care was discontinued on or after the date such
2 child attained age 16; and a written transitional
3 independent living plan of the type described in
4 subsection (d)(6) shall be developed for such
5 child as a part of such program.

6 “(b) USE OF FUNDS.—Payment under this section
7 shall be made to the State, and shall be used for the pur-
8 pose of conducting and providing in accordance with this
9 section (directly or under contracts with local govern-
10 mental entities or private nonprofit organizations) the ac-
11 tivities and services required to carry out the program or
12 programs involved.

13 “(c) SUBMISSION OF PROGRAM DESCRIPTION AND
14 ASSURANCES.—In order for a State to receive payments
15 under this section for any fiscal year, the State, prior to
16 February 1 of such fiscal year, must submit to the Sec-
17 retary, in such manner and form as the Secretary may
18 prescribe, a description of the program together with satis-
19 factory assurances that the program will be operated in
20 an effective and efficient manner and will otherwise meet
21 the requirements of this section.

22 “(d) PROGRAM OBJECTIVES.—In carrying out the
23 purpose described in subsection (a), it shall be the objec-
24 tive of each program established under this section to help
25 the individuals participating in such program to prepare

1 to live independently upon leaving foster care. Such pro-
2 grams may include (subject to the availability of funds)
3 programs to—

4 “(1) enable participants to seek a high school
5 diploma or its equivalent or to take part in appro-
6 priate vocational training;

7 “(2) provide training in daily living skills, budg-
8 eting, locating and maintaining housing, and career
9 planning;

10 “(3) provide for individual and group counsel-
11 ing;

12 “(4) integrate and coordinate services otherwise
13 available to participants;

14 “(5) provide for the establishment of outreach
15 programs designed to attract individuals who are eli-
16 gible to participate in the program;

17 “(6) provide each participant a written transi-
18 tional independent living plan which shall be based
19 on an assessment of his needs, and which shall be
20 incorporated into his case plan, as defined in section
21 426(3); and

22 “(7) provide participants with other services
23 and assistance designed to improve their transition
24 to independent living.

25 “(e) DETERMINATION OF PAYMENTS.—

1 “(1) BASIC AMOUNT.—

2 “(A) IN GENERAL.—The basic amount to
3 which a State shall be entitled under section
4 474(a)(4) for a fiscal year shall be an amount
5 which bears the same ratio to the basic ceiling
6 for such fiscal year as such State’s average
7 number of children receiving foster care mainte-
8 nance payments under part E in fiscal year
9 1984 bore to the total of the average number
10 of children receiving such payments under such
11 part for all States for fiscal year 1984.

12 “(B) MAXIMUM ADDITIONAL AMOUNT.—
13 The maximum additional amount to which a
14 State shall be entitled under section 474(a)(4)
15 for a fiscal year shall be an amount which bears
16 the same ratio to the additional ceiling for such
17 fiscal year as the basic amount of such State
18 bears to \$45,000,000.

19 “(C) DEFINITIONS.—For purposes of this
20 section:

21 “(i) BASIC CEILING.—The term ‘basic
22 ceiling’ means, for any fiscal year,
23 \$45,000,000.

1 “(ii) ADDITIONAL CEILING.—The
2 term ‘additional ceiling’ means, for any fis-
3 cal year, \$25,000,000.

4 “(2) REALLOCATION OF FUNDS.—If any State
5 does not apply for funds under this section for any
6 fiscal year within the time provided in subsection
7 (c), the funds to which such State would have been
8 entitled for such fiscal year shall be reallocated to
9 one or more other States on the basis of their re-
10 lative need for additional payments under this section
11 (as determined by the Secretary).

12 “(3) SUPPLEMENT TO OTHER FUNDS.—Any
13 amounts payable to States under this section shall
14 be in addition to amounts payable to States under
15 paragraphs (1), (2), and (3) of section 474(a), and
16 shall supplement and not replace any other funds
17 which may be available for the same general pur-
18 poses in the localities involved.

19 “(f) LIMITATION ON USE OF FUNDS.—Payments
20 made to a State under this section for any fiscal year—

21 “(1) shall be used only for the specific purposes
22 described in this section;

23 “(2) may not be used for the provision of room
24 or board;

1 “(3) may be made on an estimated basis in ad-
2 vance of the determination of the exact amount, with
3 appropriate subsequent adjustments to take account
4 of any error in the estimates; and

5 “(4) shall be expended by such State in such
6 fiscal year or in the succeeding fiscal year.

7 “(g) REPORTING REQUIREMENTS.—Not later than
8 the first January 1 following the end of each fiscal year,
9 each State shall submit to the Secretary a report on the
10 programs carried out during such fiscal year with the
11 amounts received under this section. Such report shall be
12 in such form and contain such information as may be nec-
13 essary to provide an accurate description of such activities,
14 to provide a complete record of the purposes for which
15 the funds were spent, and to indicate the extent to which
16 the expenditure of such funds succeeded in accomplishing
17 the purpose described in subsection (a).

18 “(h) ASSISTANCE NOT CONSIDERED INCOME OR RE-
19 SOURCES.—Notwithstanding any other provision of this
20 title, payments made and services provided to participants
21 in a program under this section, as a direct consequence
22 of their participation in such program, shall not be consid-
23 ered as income or resources for purposes of determining
24 eligibility (or the eligibility of any other persons) for as-
25 sistance under the State’s plan approved under this part

1 or part A, or for purposes of determining the level of such
2 assistance.”.

3 (i) COLLECTION OF DATA RELATING TO ADOPTION
4 AND FOSTER CARE.—Part E of title IV of such Act (42
5 U.S.C. 670 et seq.) is amended—

6 (1) by redesignating section 479 as section 477;

7 and

8 (2) by amending section 477, as so redesignig-
9 nated, to read as follows:

10 **“SEC. 477. COLLECTION OF DATA RELATING TO ADOPTION**
11 **AND FOSTER CARE.**

12 “For requirements with respect to the collection of
13 data relating to adoption and foster care, see section
14 424.”.

15 **CHAPTER 3—MISCELLANEOUS**

16 **SEC. 731. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**
17 **POSAL FOR TECHNICAL AND CONFORMING**
18 **AMENDMENTS.**

19 Not later than 90 days after the date of the enact-
20 ment of this subtitle, the Secretary of Health and Human
21 Services, in consultation, as appropriate, with the heads
22 of other Federal agencies, shall submit to the appropriate
23 committees of Congress a legislative proposal providing for
24 such technical and conforming amendments in the law as
25 are required by the provisions of this subtitle.

1 **SEC. 732. SENSE OF THE CONGRESS REGARDING TIMELY**
2 **ADOPTION OF CHILDREN.**

3 It is the sense of the Congress that—

4 (1) too many children who wish to be adopted
5 are spending inordinate amounts of time in foster
6 care;

7 (2) there is an urgent need for States to in-
8 crease the number of waiting children being adopted
9 in a timely and lawful manner;

10 (3) studies have shown that States spend an ex-
11 cess of \$15,000 each year on each special needs
12 child in foster care, and would save significant
13 amounts of money if they offered incentives to fami-
14 lies to adopt special needs children;

15 (4) States should allocate sufficient funds under
16 this title for adoption assistance and medical assist-
17 ance to encourage more families to adopt children
18 who otherwise would languish in the foster care sys-
19 tem for a period that many experts consider det-
20 rimental to their development;

21 (5) States should offer incentives for families
22 that adopt special needs children to make adoption
23 more affordable for middle-class families;

24 (6) when it is necessary for a State to remove
25 a child from the home of the child's biological par-
26 ents, the State should strive—

1 (A) to provide the child with a single foster
2 care placement and a single coordinated case
3 team; and

4 (B) to conclude an adoption of the child,
5 when adoption is the goal of the child and the
6 State, within one year of the child's placement
7 in foster care; and

8 (7) States should participate in local, regional,
9 or national programs to enable maximum visibility of
10 waiting children to potential parents. Such programs
11 should include a nationwide, interactive computer
12 network to disseminate information on children eligi-
13 ble for adoption to help match them with families
14 around the country.

15 **SEC. 733. EFFECTIVE DATE; TRANSITION RULES.**

16 (a) **EFFECTIVE DATE.**—

17 (1) **IN GENERAL.**—Except as provided in para-
18 graph (2), this subtitle and the amendments made
19 by this subtitle shall be effective on and after Octo-
20 ber 1, 1996.

21 (2) **EXCEPTION.**—Section 425 of part B of title
22 IV of the Social Security Act, as added by section
23 701, section 702(a), and section 704 shall take ef-
24 fect on the date of the enactment of this subtitle.

1 (3) TEMPORARY REDESIGNATION OF SECTION
2 425.—During the period beginning on the date of the
3 enactment of this subtitle and ending on October 1,
4 1996, section 425 of part B of title IV of the Social
5 Security Act, as added by section 701, shall be re-
6 designated as section 425A.

7 (b) TRANSITION RULES.—

8 (1) CLAIMS, ACTIONS, AND PROCEEDINGS.—
9 The amendments made by this subtitle shall not
10 apply with respect to—

11 (A) powers, duties, functions, rights,
12 claims, penalties, or obligations applicable to
13 aid, assistance, or services provided before the
14 effective date of this subtitle under the provi-
15 sions amended; and

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

20 (2) CLOSING OUT ACCOUNT FOR THOSE PRO-
21 GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED
22 BY THIS SUBTITLE.—In closing out accounts, Fed-
23 eral and State officials may use scientifically accept-
24 able statistical sampling techniques. Claims made
25 under programs which are repealed or substantially

1 amended in this subtitle and which involve State ex-
2 penditures in cases where assistance or services were
3 provided during a prior fiscal year, shall be treated
4 as expenditures during fiscal year 1995 for purposes
5 of reimbursement even if payment was made by a
6 State on or after October 1, 1995. States shall com-
7 plete the filing of all claims no later than September
8 30, 1997. Federal department heads shall—

9 (A) use the single audit procedure to re-
10 view and resolve any claims in connection with
11 the closeout of programs; and

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

17 **Subtitle B—Child and Family**
18 **Services Block Grant**

19 **SEC. 751. CHILD AND FAMILY SERVICES BLOCK GRANT.**

20 The Child Abuse Prevention and Treatment Act (42
21 U.S.C. 5101 et seq.) is amended to read as follows:

22 **“SECTION 1. SHORT TITLE.**

23 “This Act may be cited as the ‘Child and Family
24 Services Block Grant Act of 1996’.

1 **“SEC. 2. FINDINGS.**

2 “The Congress finds the following:

3 “(1) Each year, close to 1,000,000 American
4 children are victims of abuse and neglect.

5 “(2) Many of these children and their families
6 fail to receive adequate protection or treatment.

7 “(3) The problem of child abuse and neglect re-
8 quires a comprehensive approach that—

9 “(A) integrates the work of social service,
10 legal, health, mental health, education, and sub-
11 stance abuse agencies and organizations;

12 “(B) strengthens coordination among all
13 levels of government, and with private agencies,
14 civic, religious, and professional organizations,
15 and individual volunteers;

16 “(C) emphasizes the need for abuse and
17 neglect prevention, assessment, investigation,
18 and treatment at the neighborhood level;

19 “(D) ensures properly trained and support
20 staff with specialized knowledge, to carry out
21 their child protection duties; and

22 “(E) is sensitive to ethnic and cultural di-
23 versity.

24 “(4) The child protection system should be
25 comprehensive, child-centered, family-focused, and
26 community-based, should incorporate all appropriate

1 measures to prevent the occurrence or recurrence of
2 child abuse and neglect, and should promote physical
3 and psychological recovery and social reintegration
4 in an environment that fosters the health, safety,
5 self-respect, and dignity of the child.

6 “(5) The Federal Government should provide
7 leadership and assist communities in their child and
8 family protection efforts by—

9 “(A) generating and sharing knowledge
10 relevant to child and family protection, includ-
11 ing the development of models for service deliv-
12 ery;

13 “(B) strengthening the capacity of States
14 to assist communities;

15 “(C) helping communities to carry out
16 their child and family protection plans by pro-
17 moting the competence of professional, para-
18 professional, and volunteer resources; and

19 “(D) providing leadership to end the abuse
20 and neglect of the Nation’s children and youth.

21 **“SEC. 3. PURPOSES.**

22 “The purposes of this Act are the following:

23 “(1) To assist each State in improving the child
24 protective service systems of such State by—

1 “(A) improving risk and safety assessment
2 tools and protocols;

3 “(B) developing, strengthening, and facili-
4 tating training opportunities for individuals who
5 are mandated to report child abuse or neglect
6 or otherwise overseeing, investigating, prosecut-
7 ing, or providing services to children and fami-
8 lies who are at risk of abusing or neglecting
9 their children; and

10 “(C) developing, implementing, or operat-
11 ing information, education, training, or other
12 programs designed to assist and provide serv-
13 ices for families of disabled infants with life-
14 threatening conditions.

15 “(2) To support State efforts to develop, oper-
16 ate, expand and enhance a network of community-
17 based, prevention-focused, family resource and sup-
18 port programs that are culturally competent and
19 that coordinate resources among existing education,
20 vocational rehabilitation, disability, respite, health,
21 mental health, job readiness, self-sufficiency, child
22 and family development, community action, Head
23 Start, child care, child abuse and neglect prevention,
24 juvenile justice, domestic violence prevention and

1 intervention, housing, and other human service orga-
2 nizations within the State.

3 “(3) To facilitate the elimination of barriers to
4 adoption and to provide permanent and loving home
5 environments for children who would benefit from
6 adoption, particularly children with special needs, in-
7 cluding disabled infants with life-threatening condi-
8 tions, by—

9 “(A) promoting model adoption legislation
10 and procedures in the States and territories of
11 the United States in order to eliminate jurisdic-
12 tional and legal obstacles to adoption;

13 “(B) providing a mechanism for the De-
14 partment of Health and Human Services to—

15 “(i) promote quality standards for
16 adoption services, preplacement, post-
17 placement, and post-legal adoption counsel-
18 ing, and standards to protect the rights of
19 children in need of adoption;

20 “(ii) maintain a national adoption in-
21 formation exchange system to bring to-
22 gether children who would benefit from
23 adoption and qualified prospective adoptive
24 parents who are seeking such children, and
25 conduct national recruitment efforts in

1 order to reach prospective parents for chil-
2 dren awaiting adoption; and

3 “(iii) demonstrate expeditious ways to
4 free children for adoption for whom it has
5 been determined that adoption is the ap-
6 propriate plan; and

7 “(C) facilitating the identification and re-
8 cruitment of foster and adoptive families that
9 can meet children’s needs.

10 “(4) To respond to the needs of children, in
11 particular those who are drug exposed or afflicted
12 with Acquired Immune Deficiency Syndrome
13 (AIDS), by supporting activities aimed at preventing
14 the abandonment of children, providing support to
15 children and their families, and facilitating the re-
16 cruitment and training of health and social service
17 personnel.

18 “(5) To carry out any other activities as the
19 Secretary determines are consistent with this Act.

20 **“SEC. 4. DEFINITIONS.**

21 “As used in this Act:

22 “(1) CHILD.—The term ‘child’ means a person
23 who has not attained the lesser of—

24 “(A) the age of 18; or

1 “(B) except in the case of sexual abuse,
2 the age specified by the child protection law of
3 the State in which the child resides.

4 “(2) CHILD ABUSE AND NEGLECT.—The term
5 ‘child abuse and neglect’ means, at a minimum, any
6 recent act or failure to act on the part of a parent
7 or caretaker, which results in death, serious physical
8 or emotional harm, sexual abuse or exploitation, or
9 an act or failure to act which presents an imminent
10 risk of serious harm.

11 “(3) FAMILY RESOURCE AND SUPPORT PRO-
12 GRAMS.—The term ‘family resource and support
13 program’ means a community-based, prevention-fo-
14 cused entity that—

15 “(A) provides, through direct service, the
16 core services required under this Act, includ-
17 ing—

18 “(i) parent education, support and
19 leadership services, together with services
20 characterized by relationships between par-
21 ents and professionals that are based on
22 equality and respect, and designed to assist
23 parents in acquiring parenting skills, learn-
24 ing about child development, and respond-

1 ing appropriately to the behavior of their
2 children;

3 “(ii) services to facilitate the ability of
4 parents to serve as resources to one an-
5 other (such as through mutual support and
6 parent self-help groups);

7 “(iii) early developmental screening of
8 children to assess any needs of children,
9 and to identify types of support that may
10 be provided;

11 “(iv) outreach services provided
12 through voluntary home visits and other
13 methods to assist parents in becoming
14 aware of and able to participate in family
15 resources and support program activities;

16 “(v) community and social services to
17 assist families in obtaining community re-
18 sources; and

19 “(vi) followup services;

20 “(B) provides, or arranges for the provi-
21 sion of, other core services through contracts or
22 agreements with other local agencies; and

23 “(C) provides access to optional services,
24 directly or by contract, purchase of service, or
25 interagency agreement, including—

1 “(i) child care, early childhood devel-
2 opment and early intervention services;

3 “(ii) self-sufficiency and life manage-
4 ment skills training;

5 “(iii) education services, such as scho-
6 lastic tutoring, literacy training, and Gen-
7 eral Educational Degree services;

8 “(iv) job readiness skills;

9 “(v) child abuse and neglect preven-
10 tion activities;

11 “(vi) services that families with chil-
12 dren with disabilities or special needs may
13 require;

14 “(vii) community and social service re-
15 ferral;

16 “(viii) peer counseling;

17 “(ix) referral for substance abuse
18 counseling and treatment; and

19 “(x) help line services.

20 “(4) INDIAN TRIBE AND TRIBAL ORGANIZA-
21 TION.—The terms ‘Indian tribe’ and ‘tribal organi-
22 zation’ shall have the same meanings given such
23 terms in subsections (e) and (l), respectively, of sec-
24 tion 4 of the Indian Self-Determination and Edu-
25 cation Assistance Act (25 U.S.C. 450b(e) and (l)).

1 “(5) RESPITE SERVICES.—The term ‘respite
2 services’ means short-term care services provided in
3 the temporary absence of the regular caregiver (par-
4 ent, other relative, foster parent, adoptive parent, or
5 guardian) to children who—

6 “(A) are in danger of abuse or neglect;

7 “(B) have experienced abuse or neglect; or

8 “(C) have disabilities, chronic, or terminal
9 illnesses.

10 Such services shall be provided within or outside the
11 home of the child, be short-term care (ranging from
12 a few hours to a few weeks of time, per year), and
13 be intended to enable the family to stay together and
14 to keep the child living in the home and community
15 of the child.

16 “(6) SECRETARY.—The term ‘Secretary’ means
17 the Secretary of Health and Human Services.

18 “(7) SEXUAL ABUSE.—The term ‘sexual abuse’
19 includes—

20 “(A) the employment, use, persuasion, in-
21 ducement, enticement, or coercion of any child
22 to engage in, or assist any other person to en-
23 gage in, any sexually explicit conduct or simula-
24 tion of such conduct for the purpose of produc-
25 ing a visual depiction of such conduct; or

1 “(B) the rape, molestation, prostitution, or
2 other form of sexual exploitation of children, or
3 incest with children.

4 “(8) STATE.—The term ‘State’ means each of
5 the several States, the District of Columbia, the
6 Commonwealth of Puerto Rico, the Virgin Islands,
7 Guam, American Samoa, the Commonwealth of the
8 Northern Mariana Islands, and the Trust Territory
9 of the Pacific Islands.

10 “(9) WITHHOLDING OF MEDICALLY INDICATED
11 TREATMENT.—The term ‘withholding of medically
12 indicated treatment’ means the failure to respond to
13 the infant’s life-threatening conditions by providing
14 treatment (including appropriate nutrition, hydra-
15 tion, and medication) which, in the treating physi-
16 cian’s or physicians’ reasonable medical judgment,
17 will be most likely to be effective in ameliorating or
18 correcting all such conditions, except that the term
19 does not include the failure to provide treatment
20 (other than appropriate nutrition, hydration, or
21 medication) to an infant when, in the treating physi-
22 cian’s or physicians’ reasonable medical judgment—

23 “(A) the infant is chronically and irrevers-
24 ibly comatose;

1 “(B) the provision of such treatment
2 would—

3 “(i) merely prolong dying;

4 “(ii) not be effective in ameliorating
5 or correcting all of the infant’s life-threat-
6 ening conditions; or

7 “(iii) otherwise be futile in terms of
8 the survival of the infant; or

9 “(C) the provision of such treatment would
10 be virtually futile in terms of the survival of the
11 infant and the treatment itself under such cir-
12 cumstances would be inhumane.

13 **“TITLE I—GENERAL BLOCK**
14 **GRANT**

15 **“SEC. 101. CHILD AND FAMILY SERVICES BLOCK GRANTS.**

16 “(a) **ELIGIBILITY.**—The Secretary shall award
17 grants to eligible States that file a State plan that is ap-
18 proved under section 102 and that otherwise meet the eli-
19 gibility requirements for grants under this title.

20 “(b) **AMOUNT OF GRANT.**—The amount of a grant
21 made to each State under subsection (a) for a fiscal year
22 shall be based on the population of children under the age
23 of 18 residing in each State that applies for a grant under
24 this section.

1 “(c) USE OF AMOUNTS.—Amounts received by a
2 State under a grant awarded under subsection (a) shall
3 be used to carry out the purposes described in section 3.

4 **“SEC. 102. ELIGIBLE STATES.**

5 “(a) IN GENERAL.—As used in this title, the term
6 ‘eligible State’ means a State that has submitted to the
7 Secretary, not later than October 1, 1996, and every 3
8 years thereafter, a plan which has been signed by the chief
9 executive officer of the State and that includes the follow-
10 ing:

11 “(1) OUTLINE OF CHILD PROTECTION PRO-
12 GRAM.—A written document that outlines the activi-
13 ties the State intends to conduct to achieve the pur-
14 pose of this title, including the procedures to be used
15 for—

16 “(A) receiving and assessing reports of
17 child abuse or neglect;

18 “(B) investigating such reports;

19 “(C) with respect to families in which
20 abuse or neglect has been confirmed, providing
21 services or referral for services for families and
22 children where the State makes a determination
23 that the child may safely remain with the fam-
24 ily;

1 “(D) protecting children by removing them
2 from dangerous settings and ensuring their
3 placement in a safe environment;

4 “(E) providing training for individuals
5 mandated to report suspected cases of child
6 abuse or neglect;

7 “(F) protecting children in foster care;

8 “(G) promoting timely adoptions;

9 “(H) protecting the rights of families,
10 using adult relatives as the preferred placement
11 for children separated from their parents where
12 such relatives meet the relevant State child pro-
13 tection standards; and

14 “(I) providing services to individuals, fami-
15 lies, or communities, either directly or through
16 referral, that are aimed at preventing the occur-
17 rence of child abuse and neglect.

18 “(2) CERTIFICATION OF STATE LAW REQUIRING
19 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
20 A certification that the State has in effect laws that
21 require public officials and other professionals to re-
22 port, in good faith, actual or suspected instances of
23 child abuse or neglect.

24 “(3) CERTIFICATION OF PROCEDURES FOR
25 SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in
2 effect procedures for receiving and responding to re-
3 ports of child abuse or neglect, including the reports
4 described in paragraph (2), and for the immediate
5 screening, safety assessment, and prompt investiga-
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
9 GLECTED CHILDREN.—A certification that the State
10 has in effect procedures for the removal from fami-
11 lies and placement of abused or neglected children
12 and of any other child in the same household who
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMUN-
15 NITY FROM PROSECUTION.—A certification that the
16 State has in effect laws requiring immunity from
17 prosecution under State and local laws and regula-
18 tions for individuals making good faith reports of
19 suspected or known instances of child abuse or ne-
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-
22 CEDURES RELATING TO APPEALS.—A certification
23 that not later than 2 years after the date of the en-
24 actment of this Act, the State shall have laws and
25 procedures in effect affording individuals an oppor-

1 tunity to appeal an official finding of abuse or ne-
2 glect.

3 “(7) CERTIFICATION OF STATE PROCEDURES
4 FOR DEVELOPING AND REVIEWING WRITTEN PLANS
5 FOR PERMANENT PLACEMENT OF REMOVED CHIL-
6 DREN.—A certification that the State has in effect
7 procedures for ensuring that a written plan is pre-
8 pared for children who have been removed from their
9 families. Such plan shall specify the goals for achiev-
10 ing a permanent placement for the child in a timely
11 fashion, for ensuring that the written plan is re-
12 viewed every 6 months (until such placement is
13 achieved), and for ensuring that information about
14 such children is collected regularly and recorded in
15 case records, and include a description of such pro-
16 cedures.

17 “(8) CERTIFICATION OF STATE PROGRAM TO
18 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
19 tification that the State has in effect a program to
20 provide independent living services, for assistance in
21 making the transition to self-sufficient adulthood, to
22 individuals in the child protection program of the
23 State who are 16, but who are not 20 (or, at the op-
24 tion of the State, 22), years of age, and who do not
25 have a family to which to be returned.

1 “(9) CERTIFICATION OF STATE PROCEDURES
2 TO RESPOND TO REPORTING OF MEDICAL NEGLECT
3 OF DISABLED INFANTS.—

4 “(A) IN GENERAL.—A certification that
5 the State has in place for the purpose of re-
6 sponding to the reporting of medical neglect of
7 infants (including instances of withholding of
8 medically indicated treatment from disabled in-
9 fants with life-threatening conditions), proce-
10 dures or programs, or both (within the State
11 child protective services system), to provide
12 for—

13 “(i) coordination and consultation
14 with individuals designated by and within
15 appropriate health-care facilities;

16 “(ii) prompt notification by individ-
17 uals designated by and within appropriate
18 health-care facilities of cases of suspected
19 medical neglect (including instances of
20 withholding of medically indicated treat-
21 ment from disabled infants with life-threat-
22 ening conditions); and

23 “(iii) authority, under State law, for
24 the State child protective service to pursue
25 any legal remedies, including the authority

1 to initiate legal proceedings in a court of
2 competent jurisdiction, as may be nec-
3 essary to prevent the withholding of medi-
4 cally indicated treatment from disabled in-
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-
7 CATED TREATMENT.—As used in subparagraph
8 (A), the term ‘withholding of medically indi-
9 cated treatment’ means the failure to respond
10 to the infant’s life-threatening conditions by
11 providing treatment (including appropriate nu-
12 trition, hydration, and medication) which, in the
13 treating physician’s or physicians’ reasonable
14 medical judgment, will be most likely to be ef-
15 fective in ameliorating or correcting all such
16 conditions, except that such term does not in-
17 clude the failure to provide treatment (other
18 than appropriate nutrition, hydration, or medi-
19 cation) to an infant when, in the treating physi-
20 cian’s or physicians’ reasonable medical judg-
21 ment—

22 “(i) the infant is chronically and irre-
23 versibly comatose;

24 “(ii) the provision of such treatment
25 would—

1 “(I) merely prolong dying;

2 “(II) not be effective in amelio-
3 rating or correcting all of the infant’s
4 life-threatening conditions; or

5 “(III) otherwise be futile in
6 terms of the survival of the infant; or

7 “(iii) the provision of such treatment
8 would be virtually futile in terms of the
9 survival of the infant and the treatment it-
10 self under such circumstances would be in-
11 humane.

12 “(10) IDENTIFICATION OF CHILD PROTECTION
13 GOALS.—The quantitative goals of the State child
14 protection program.

15 “(11) CERTIFICATION OF CHILD PROTECTION
16 STANDARDS.—With respect to fiscal years beginning
17 on or after April 1, 1996, a certification that the
18 State—

19 “(A) has completed an inventory of all
20 children who, before the inventory, had been in
21 foster care under the responsibility of the State
22 for 6 months or more, which determined—

23 “(i) the appropriateness of, and neces-
24 sity for, the foster care placement;

1 “(ii) whether the child could or should
2 be returned to the parents of the child or
3 should be freed for adoption or other per-
4 manent placement; and

5 “(iii) the services necessary to facili-
6 tate the return of the child or the place-
7 ment of the child for adoption or legal
8 guardianship;

9 “(B) is operating, to the satisfaction of the
10 Secretary—

11 “(i) a statewide information system
12 from which can be readily determined the
13 status, demographic characteristics, loca-
14 tion, and goals for the placement of every
15 child who is (or, within the immediately
16 preceding 12 months, has been) in foster
17 care;

18 “(ii) a case review system for each
19 child receiving foster care under the super-
20 vision of the State;

21 “(iii) a service program designed to
22 help children—

23 “(I) where appropriate, return to
24 families from which they have been
25 removed; or

1 “(II) be placed for adoption, with
2 a legal guardian, or if adoption or
3 legal guardianship is determined not
4 to be appropriate for a child, in some
5 other planned, permanent living ar-
6 rangement; and

7 “(iv) a preplacement preventive serv-
8 ices program designed to help children at
9 risk for foster care placement remain with
10 their families; and

11 “(C)(i) has reviewed (or not later than Oc-
12 tober 1, 1997, will review) State policies and
13 administrative and judicial procedures in effect
14 for children abandoned at or shortly after birth
15 (including policies and procedures providing for
16 legal representation of such children); and

17 “(ii) is implementing (or not later than Oc-
18 tober 1, 1997, will implement) such policies and
19 procedures as the State determines, on the
20 basis of the review described in clause (i), to be
21 necessary to enable permanent decisions to be
22 made expeditiously with respect to the place-
23 ment of such children.

24 “(12) CERTIFICATION OF REASONABLE EF-
25 FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1 TER CARE.—A certification that the State in each
2 case will—

3 “(A) make reasonable efforts prior to the
4 placement of a child in foster care, to prevent
5 or eliminate the need for removal of the child
6 from the child’s home, and to make it possible
7 for the child to return home; and

8 “(B) with respect to families in which
9 abuse or neglect has been confirmed, provide
10 services or referral for services for families and
11 children where the State makes a determination
12 that the child may safely remain with the fam-
13 ily.

14 “(13) CERTIFICATION OF CONFIDENTIALITY
15 AND REQUIREMENTS FOR INFORMATION DISCLO-
16 SURE.—

17 “(A) IN GENERAL.—A certification that
18 the State has in effect and operational—

19 “(i) requirements ensuring that re-
20 ports and records made and maintained
21 pursuant to the purposes of this part shall
22 only be made available to—

23 “(I) individuals who are the sub-
24 ject of the report;

- 1 “(II) Federal, State, or local gov-
2 ernment entities, or any agent of such
3 entities, having a need for such infor-
4 mation in order to carry out their re-
5 sponsibilities under law to protect
6 children from abuse and neglect;
- 7 “(III) child abuse citizen review
8 panels;
- 9 “(IV) child fatality review panels;
- 10 “(V) a grand jury or court, upon
11 a finding that information in the
12 record is necessary for the determina-
13 tion of an issue before the court or
14 grand jury; and
- 15 “(VI) other entities or classes of
16 individuals statutorily authorized by
17 the State to receive such information
18 pursuant to a legitimate State pur-
19 pose; and
- 20 “(ii) provisions that allow for public
21 disclosure of the findings or information
22 about cases of child abuse or neglect that
23 have resulted in a child fatality or near fa-
24 tality.

1 “(B) LIMITATION.—Disclosures made pur-
2 suant to clause (i) or (ii) shall not include the
3 identifying information concerning the individ-
4 ual initiating a report or complaint alleging sus-
5 pected instances of child abuse or neglect.

6 “(C) DEFINITION.—For purposes of this
7 paragraph, the term ‘near fatality’ means an
8 act that, as certified by a physician, places the
9 child in serious or critical condition.

10 “(b) DETERMINATIONS.—The Secretary shall deter-
11 mine whether a plan submitted pursuant to subsection (a)
12 contains the material required by subsection (a), other
13 than the material described in paragraph (9) of such sub-
14 section. The Secretary may not require a State to include
15 in such a plan any material not described in subsection
16 (a).

17 **“SEC. 103. DATA COLLECTION AND REPORTING.**

18 “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA
19 SYSTEM.—The Secretary shall establish a national data
20 collection and analysis program—

21 “(1) which, to the extent practicable, coordi-
22 nates existing State child abuse and neglect reports
23 and which shall include—

1 “(A) standardized data on substantiated,
2 as well as false, unfounded, or unsubstantiated
3 reports; and

4 “(B) information on the number of deaths
5 due to child abuse and neglect; and

6 “(2) which shall collect, compile, analyze, and
7 make available State child abuse and neglect report-
8 ing information which, to the extent practical, is uni-
9 versal and case-specific and integrated with other
10 case-based foster care and adoption data collected by
11 the Secretary.

12 “(b) ADOPTION AND FOSTER CARE AND ANALYSIS
13 AND REPORTING SYSTEMS.—The Secretary shall imple-
14 ment a system for the collection of data relating to adop-
15 tion and foster care in the United States. Such data collec-
16 tion system shall—

17 “(1) avoid unnecessary diversion of resources
18 from agencies responsible for adoption and foster
19 care;

20 “(2) assure that any data that is collected is re-
21 liable and consistent over time and among jurisdic-
22 tions through the use of uniform definitions and
23 methodologies;

24 “(3) provide comprehensive national informa-
25 tion with respect to—

1 “(A) the demographic characteristics of
2 adoptive and foster children and their biological
3 and adoptive or foster parents;

4 “(B) the status of the foster care popu-
5 lation (including the number of children in fos-
6 ter care, length of placement, type of place-
7 ment, availability for adoption, and goals for
8 ending or continuing foster care);

9 “(C) the number and characteristics of—

10 “(i) children placed in or removed
11 from foster care;

12 “(ii) children adopted or with respect
13 to whom adoptions have been terminated;
14 and

15 “(iii) children placed in foster care
16 outside the State which has placement and
17 care responsibility; and

18 “(D) the extent and nature of assistance
19 provided by Federal, State, and local adoption
20 and foster care programs and the characteris-
21 tics of the children with respect to whom such
22 assistance is provided; and

23 “(4) utilize appropriate requirements and incen-
24 tives to ensure that the system functions reliably
25 throughout the United States.

1 “(c) ADDITIONAL INFORMATION.—The Secretary
 2 may require the provision of additional information under
 3 the data collection system established under subsection (b)
 4 if the addition of such information is agreed to by a major-
 5 ity of the States.

6 “(d) ANNUAL REPORT BY THE SECRETARY.—Within
 7 6 months after the end of each fiscal year, the Secretary
 8 shall prepare a report based on information provided by
 9 the States for the fiscal year pursuant to this section, and
 10 shall make the report and such information available to
 11 the Congress and the public.

12 **“TITLE II—RESEARCH, DEM-**
 13 **ONSTRATIONS, TRAINING,**
 14 **AND TECHNICAL ASSISTANCE**

15 **“SEC. 201. RESEARCH GRANTS.**

16 “(a) IN GENERAL.—The Secretary, in consultation
 17 with appropriate Federal officials and recognized experts
 18 in the field, shall award grants or contracts for the con-
 19 duct of research in accordance with subsection (b).

20 “(b) RESEARCH.—Research projects to be conducted
 21 using amounts received under this section—

22 “(1) shall be designed to provide information to
 23 better protect children from abuse or neglect and to
 24 improve the well-being of abused or neglected chil-

1 dren, with at least a portion of any such research
2 conducted under a project being field initiated;

3 “(2) shall at a minimum, focus on—

4 “(A) the nature and scope of child abuse
5 and neglect;

6 “(B) the causes, prevention, assessment,
7 identification, treatment, cultural and socio-
8 economic distinctions, and the consequences of
9 child abuse and neglect;

10 “(C) appropriate, effective and culturally
11 sensitive investigative, administrative, and judi-
12 cial procedures with respect to cases of child
13 abuse; and

14 “(D) the national incidence of child abuse
15 and neglect, including—

16 “(i) the extent to which incidents of
17 child abuse are increasing or decreasing in
18 number and severity;

19 “(ii) the incidence of substantiated
20 and unsubstantiated reported child abuse
21 cases;

22 “(iii) the number of substantiated
23 cases that result in a judicial finding of
24 child abuse or neglect or related criminal
25 court convictions;

1 “(iv) the extent to which the number
2 of unsubstantiated, unfounded and false
3 reported cases of child abuse or neglect
4 have contributed to the inability of a State
5 to respond effectively to serious cases of
6 child abuse or neglect;

7 “(v) the extent to which the lack of
8 adequate resources and the lack of ade-
9 quate training of reporters have contrib-
10 uted to the inability of a State to respond
11 effectively to serious cases of child abuse
12 and neglect;

13 “(vi) the number of unsubstantiated,
14 false, or unfounded reports that have re-
15 sulted in a child being placed in substitute
16 care, and the duration of such placement;

17 “(vii) the extent to which unsubstan-
18 tiated reports return as more serious cases
19 of child abuse or neglect;

20 “(viii) the incidence and prevalence of
21 physical, sexual, and emotional abuse and
22 physical and emotional neglect in sub-
23 stitute care;

24 “(ix) the incidence and outcomes of
25 abuse allegations reported within the con-

1 text of divorce, custody, or other family
2 court proceedings, and the interaction be-
3 tween this venue and the child protective
4 services system; and

5 “(x) the cases of children reunited
6 with their families or receiving family pres-
7 ervation services that result in subsequent
8 substantiated reports of child abuse and
9 neglect, including the death of the child;
10 and

11 “(3) may include the appointment of an advi-
12 sory board to—

13 “(A) provide recommendations on coordi-
14 nating Federal, State, and local child abuse and
15 neglect activities at the State level with similar
16 activities at the State and local level pertaining
17 to family violence prevention;

18 “(B) consider specific modifications needed
19 in State laws and programs to reduce the num-
20 ber of unfounded or unsubstantiated reports of
21 child abuse or neglect while enhancing the abil-
22 ity to identify and substantiate legitimate cases
23 of abuse or neglect which place a child in dan-
24 ger; and

1 “(C) provide recommendations for modi-
2 fications needed to facilitate coordinated na-
3 tional and Statewide data collection with re-
4 spect to child protection and child welfare.

5 **“SEC. 202. NATIONAL CLEARINGHOUSE FOR INFORMATION**
6 **RELATING TO CHILD ABUSE.**

7 “(a) ESTABLISHMENT.—The Secretary shall,
8 through the Department of Health and Human Services,
9 or by one or more contracts of not less than 3 years dura-
10 tion provided through a competition, establish a national
11 clearinghouse for information relating to child abuse.

12 “(b) FUNCTIONS.—The Secretary shall, through the
13 clearinghouse established by subsection (a)—

14 “(1) maintain, coordinate, and disseminate in-
15 formation on all programs, including private pro-
16 grams, that show promise of success with respect to
17 the prevention, assessment, identification, and treat-
18 ment of child abuse and neglect;

19 “(2) maintain and disseminate information re-
20 lating to—

21 “(A) the incidence of cases of child abuse
22 and neglect in the United States;

23 “(B) the incidence of such cases in popu-
24 lations determined by the Secretary under sec-
25 tion 105(a)(1) of the Child Abuse Prevention,

1 Adoption, and Family Services Act of 1988 (as
2 such section was in effect on the day before the
3 date of enactment of this Act); and

4 “(C) the incidence of any such cases relat-
5 ed to alcohol or drug abuse;

6 “(3) disseminate information related to data
7 collected and reported by States pursuant to section
8 103;

9 “(4) compile, analyze, and publish a summary
10 of the research conducted under section 201; and

11 “(5) solicit public comment on the components
12 of such clearinghouse.

13 **“SEC. 203. GRANTS FOR DEMONSTRATION PROJECTS.**

14 “(a) AWARDING OF GENERAL GRANTS.—The Sec-
15 retary may make grants to, and enter into contracts with,
16 public and nonprofit private agencies or organizations (or
17 combinations of such agencies or organizations) for the
18 purpose of developing, implementing, and operating time
19 limited, demonstration programs and projects for the fol-
20 lowing purposes:

21 “(1) INNOVATIVE PROGRAMS AND PROJECTS.—

22 The Secretary may award grants to public agencies
23 that demonstrate innovation in responding to reports
24 of child abuse and neglect including programs of col-
25 laborative partnerships between the State child pro-

1 tective service agency, community social service
2 agencies and family support programs, schools,
3 churches and synagogues, and other community
4 agencies to allow for the establishment of a triage
5 system that—

6 “(A) accepts, screens and assesses reports
7 received to determine which such reports re-
8 quire an intensive intervention and which re-
9 quire voluntary referral to another agency, pro-
10 gram or project;

11 “(B) provides, either directly or through
12 referral, a variety of community-linked services
13 to assist families in preventing child abuse and
14 neglect; and

15 “(C) provides further investigation and in-
16 tensive intervention where the child’s safety is
17 in jeopardy.

18 “(2) KINSHIP CARE PROGRAMS AND
19 PROJECTS.—The Secretary may award grants to
20 public entities to assist such entities in developing or
21 implementing procedures using adult relatives as the
22 preferred placement for children removed from their
23 home, where such relatives are determined to be ca-
24 pable of providing a safe nurturing environment for
25 the child and where, to the maximum extent prac-

1 ticable, such relatives comply with relevant State
2 child protection standards.

3 “(3) ADOPTION OPPORTUNITIES.—The Sec-
4 retary may award grants to public entities to assist
5 such entities in developing or implementing pro-
6 grams to expand opportunities for the adoption of
7 children with special needs.

8 “(4) FAMILY RESOURCE CENTERS.—The Sec-
9 retary may award grants to public or nonprofit pri-
10 vate entities to provide for the establishment of fam-
11 ily resource programs and support services that—

12 “(A) develop, expand, and enhance state-
13 wide networks of community-based, prevention-
14 focused centers, programs, or services that pro-
15 vide comprehensive support for families;

16 “(B) promote the development of parental
17 competencies and capacities in order to increase
18 family stability;

19 “(C) support the additional needs of fami-
20 lies with children with disabilities;

21 “(D) foster the development of a contin-
22 uum of preventive services for children and
23 families through State and community-based
24 collaborations and partnerships (both public
25 and private); and

1 “(E) maximize funding for the financing,
2 planning, community mobilization, collabora-
3 tion, assessment, information and referral,
4 startup, training and technical assistance, infor-
5 mation management, reporting, and evaluation
6 costs for establishing, operating, or expanding a
7 statewide network of community-based, preven-
8 tion-focused family resource and support serv-
9 ices.

10 “(5) OTHER INNOVATIVE PROGRAMS.—The
11 Secretary may award grants to public or private
12 nonprofit organizations to assist such entities in de-
13 veloping or implementing innovative programs and
14 projects that show promise of preventing and treat-
15 ing cases of child abuse and neglect (such as Par-
16 ents Anonymous).

17 “(b) GRANTS FOR ABANDONED INFANT PRO-
18 GRAMS.—The Secretary may award grants to public and
19 nonprofit private entities to assist such entities in develop-
20 ing or implementing procedures—

21 “(1) to prevent the abandonment of infants and
22 young children, including the provision of services to
23 members of the natural family for any condition that
24 increases the probability of abandonment of an in-
25 fant or young child;

1 “(2) to identify and address the needs of aban-
2 doned infants and young children;

3 “(3) to assist abandoned infants and young
4 children to reside with their natural families or in
5 foster care, as appropriate;

6 “(4) to recruit, train, and retain foster families
7 for abandoned infants and young children;

8 “(5) to carry out residential care programs for
9 abandoned infants and young children who are un-
10 able to reside with their families or to be placed in
11 foster care;

12 “(6) to carry out programs of respite care for
13 families and foster families of infants and young
14 children; and

15 “(7) to recruit and train health and social serv-
16 ices personnel to work with families, foster care fam-
17 ilies, and residential care programs for abandoned
18 infants and young children.

19 “(c) EVALUATION.—In making grants for demonstra-
20 tion projects under this section, the Secretary shall require
21 all such projects to be evaluated for their effectiveness.
22 Funding for such evaluations shall be provided either as
23 a stated percentage of a demonstration grant or as a sepa-
24 rate grant entered into by the Secretary for the purpose

1 of evaluating a particular demonstration project or group
2 of projects.

3 **“SEC. 204. TECHNICAL ASSISTANCE.**

4 “(a) CHILD ABUSE AND NEGLECT.—

5 “(1) IN GENERAL.—The Secretary shall provide
6 technical assistance under this title to States to as-
7 sist such States in planning, improving, developing,
8 and carrying out programs and activities relating to
9 the prevention, assessment identification, and treat-
10 ment of child abuse and neglect.

11 “(2) EVALUATION.—Technical assistance pro-
12 vided under paragraph (1) may include an evalua-
13 tion or identification of—

14 “(A) various methods and procedures for
15 the investigation, assessment, and prosecution
16 of child physical and sexual abuse cases;

17 “(B) ways to mitigate psychological trau-
18 ma to the child victim; and

19 “(C) effective programs carried out by the
20 States under this Act.

21 “(b) ADOPTION OPPORTUNITIES.—The Secretary
22 shall provide, directly or by grant to or contract with pub-
23 lic or private nonprofit agencies or organizations—

24 “(1) technical assistance and resource and re-
25 ferral information to assist State or local govern-

1 ments with termination of parental rights issues, in
2 recruiting and retaining adoptive families, in the
3 successful placement of children with special needs,
4 and in the provision of pre- and post-placement serv-
5 ices, including post-legal adoption services; and

6 “(2) other assistance to help State and local
7 governments replicate successful adoption-related
8 projects from other areas in the United States.

9 **“SEC. 205. TRAINING RESOURCES.**

10 “(a) TRAINING PROGRAMS.—The Secretary may
11 award grants to public or private nonprofit organiza-
12 tions—

13 “(1) for the training of professional and para-
14 professional personnel in the fields of medicine, law,
15 education, law enforcement, social work, and other
16 relevant fields who are engaged in, or intend to work
17 in, the field of prevention, identification, and treat-
18 ment of child abuse and neglect, including the links
19 between domestic violence and child abuse;

20 “(2) to provide culturally specific instruction in
21 methods of protecting children from child abuse and
22 neglect to children and to persons responsible for the
23 welfare of children, including parents of and persons
24 who work with children with disabilities; and

1 “(3) to improve the recruitment, selection, and
2 training of volunteers serving in private and public
3 nonprofit children, youth and family service organi-
4 zations in order to prevent child abuse and neglect
5 through collaborative analysis of current recruit-
6 ment, selection, and training programs and develop-
7 ment of model programs for dissemination and rep-
8 lication nationally.

9 “(b) DISSEMINATION OF INFORMATION.—The Sec-
10 retary may provide for and disseminate information relat-
11 ing to various training resources available at the State and
12 local level to—

13 “(1) individuals who are engaged, or who intend
14 to engage, in the prevention, identification, assess-
15 ment, and treatment of child abuse and neglect; and

16 “(2) appropriate State and local officials, in-
17 cluding prosecutors, to assist in training law en-
18 forcement, legal, judicial, medical, mental health,
19 education, and child welfare personnel in appropriate
20 methods of interacting during investigative, adminis-
21 trative, and judicial proceedings with children who
22 have been subjected to abuse.

1 **“SEC. 206. APPLICATIONS AND AMOUNTS OF GRANTS.**

2 “(a) REQUIREMENT OF APPLICATION.—The Sec-
3 retary may not make a grant to a State or other entity
4 under this title unless—

5 “(1) an application for the grant is submitted
6 to the Secretary;

7 “(2) with respect to carrying out the purpose
8 for which the grant is to be made, the application
9 provides assurances of compliance satisfactory to the
10 Secretary; and

11 “(3) the application otherwise is in such form,
12 is made in such manner, and contains such agree-
13 ments, assurances, and information as the Secretary
14 determines to be necessary to carry out this title.

15 “(b) AMOUNT OF GRANT.—The Secretary shall de-
16 termine the amount of a grant to be awarded under this
17 title.

18 **“SEC. 207. PEER REVIEW FOR GRANTS.**

19 “(a) ESTABLISHMENT OF PEER REVIEW PROCESS.—

20 “(1) IN GENERAL.—The Secretary shall, in con-
21 sultation with experts in the field and other Federal
22 agencies, establish a formal, rigorous, and meritori-
23 ous peer review process for purposes of evaluating
24 and reviewing applications for grants under this title
25 and determining the relative merits of the projects
26 for which such assistance is requested. The purpose

1 of this process is to enhance the quality and useful-
2 ness of research in the field of child abuse and ne-
3 glect.

4 “(2) REQUIREMENTS FOR MEMBERS.—In estab-
5 lishing the process required by paragraph (1), the
6 Secretary shall appoint to the peer review panels
7 only members who are experts in the field of child
8 abuse and neglect or related disciplines, with appro-
9 priate expertise in the application to be reviewed,
10 and who are not individuals who are officers or em-
11 ployees of the Administration for Children and Fam-
12 ilies. The panels shall meet as often as is necessary
13 to facilitate the expeditious review of applications for
14 grants and contracts under this title, but may not
15 meet less than once a year. The Secretary shall en-
16 sure that the peer review panel utilizes scientifically
17 valid review criteria and scoring guidelines for re-
18 view committees.

19 “(b) REVIEW OF APPLICATIONS FOR ASSISTANCE.—
20 Each peer review panel established under subsection
21 (a)(1) that reviews any application for a grant shall—

22 “(1) determine and evaluate the merit of each
23 project described in such application;

24 “(2) rank such application with respect to all
25 other applications it reviews in the same priority

1 area for the fiscal year involved, according to the rel-
2 ative merit of all of the projects that are described
3 in such application and for which financial assist-
4 ance is requested; and

5 “(3) make recommendations to the Secretary
6 concerning whether the application for the project
7 shall be approved.

8 The Secretary shall award grants under this title on the
9 basis of competitive review.

10 “(c) NOTICE OF APPROVAL.—

11 “(1) IN GENERAL.—The Secretary shall provide
12 grants under this title from among the projects
13 which the peer review panels established under sub-
14 section (a)(1) have determined to have merit.

15 “(2) REQUIREMENT OF EXPLANATION.—In the
16 instance in which the Secretary approves an applica-
17 tion for a program under this title without having
18 approved all applications ranked above such applica-
19 tion, the Secretary shall append to the approved ap-
20 plication a detailed explanation of the reasons relied
21 on for approving the application and for failing to
22 approve each pending application that is superior in
23 merit.

1 **“SEC. 208. NATIONAL RANDOM SAMPLE STUDY OF CHILD**
2 **WELFARE.**

3 “(a) IN GENERAL.—The Secretary shall conduct a
4 national study based on random samples of children who
5 are at risk of child abuse or neglect, or are determined
6 by States to have been abused or neglected, and such other
7 research as may be necessary.

8 “(b) REQUIREMENTS.—The study required by sub-
9 section (a) shall—

10 “(1) have a longitudinal component; and

11 “(2) yield data reliable at the State level for as
12 many States as the Secretary determines is feasible.

13 “(c) PREFERRED CONTENTS.—In conducting the
14 study required by subsection (a), the Secretary should—

15 “(1) collect data on the child protection pro-
16 grams of different small States (or different groups
17 of such States) in different years to yield an occa-
18 sional picture of the child protection programs of
19 such States;

20 “(2) carefully consider selecting the sample
21 from cases of confirmed abuse or neglect; and

22 “(3) follow each case for several years while ob-
23 taining information on, among other things—

24 “(A) the type of abuse or neglect involved;

25 “(B) the frequency of contact with State
26 or local agencies;

1 “(C) whether the child involved has been
2 separated from the family, and, if so, under
3 what circumstances;

4 “(D) the number, type, and characteristics
5 of out-of-home placements of the child; and

6 “(E) the average duration of each place-
7 ment.

8 “(d) REPORTS.—

9 “(1) IN GENERAL.—From time to time, the
10 Secretary shall prepare reports summarizing the re-
11 sults of the study required by subsection (a).

12 “(2) AVAILABILITY.—The Secretary shall make
13 available to the public any report prepared under
14 paragraph (1), in writing or in the form of an elec-
15 tronic data tape.

16 “(3) AUTHORITY TO CHARGE FEE.—The Sec-
17 retary may charge and collect a fee for the furnish-
18 ing of reports under paragraph (2).

19 “(4) FUNDING.—The Secretary shall carry out
20 this section using amounts made available under sec-
21 tion 425 of the Social Security Act.

1 **“TITLE III—GENERAL**
2 **PROVISIONS**

3 **“SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

4 “(a) TITLE I.—There are authorized to be appro-
5 priated to carry out title I, \$230,000,000 for fiscal year
6 1996, and such sums as may be necessary for each of the
7 fiscal years 1997 through 2002.

8 “(b) TITLE II.—

9 “(1) IN GENERAL.—Of the amount appro-
10 priated under subsection (a) for a fiscal year, the
11 Secretary shall make available 12 percent of such
12 amount to carry out title II (except for sections 203
13 and 208).

14 “(2) GRANTS FOR DEMONSTRATION
15 PROJECTS.—Of the amount made available under
16 paragraph (1) for a fiscal year, the Secretary shall
17 make available not less than 40 percent of such
18 amount to carry out section 203.

19 “(c) INDIAN TRIBES.—Of the amount appropriated
20 under subsection (a) for a fiscal year, the Secretary shall
21 make available 1 percent of such amount to provide grants
22 and contracts to Indian tribes and Tribal Organizations.

23 “(d) AVAILABILITY OF APPROPRIATIONS.—Amounts
24 appropriated under subsection (a) shall remain available
25 until expended.

1 **“SEC. 302. GRANTS TO STATES FOR PROGRAMS RELATING**
2 **TO THE INVESTIGATION AND PROSECUTION**
3 **OF CHILD ABUSE AND NEGLECT CASES.**

4 “(a) GRANTS TO STATES.—The Secretary, in con-
5 sultation with the Attorney General, is authorized to make
6 grants to the States for the purpose of assisting States
7 in developing, establishing, and operating programs de-
8 signed to improve—

9 “(1) the handling of child abuse and neglect
10 cases, particularly cases of child sexual abuse and
11 exploitation, in a manner which limits additional
12 trauma to the child victim;

13 “(2) the handling of cases of suspected child
14 abuse or neglect related fatalities; and

15 “(3) the investigation and prosecution of cases
16 of child abuse and neglect, particularly child sexual
17 abuse and exploitation.

18 “(b) ELIGIBILITY REQUIREMENTS.—In order for a
19 State to qualify for assistance under this section, such
20 State shall—

21 “(1) be an eligible State under section 102;

22 “(2) establish a task force as provided in sub-
23 section (c);

24 “(3) fulfill the requirements of subsection (d);

25 “(4) submit annually an application to the Sec-
26 retary at such time and containing such information

1 and assurances as the Secretary considers necessary,
2 including an assurance that the State will—

3 “(A) make such reports to the Secretary as
4 may reasonably be required; and

5 “(B) maintain and provide access to
6 records relating to activities under subsection
7 (a); and

8 “(5) submit annually to the Secretary a report
9 on the manner in which assistance received under
10 this program was expended throughout the State,
11 with particular attention focused on the areas de-
12 scribed in paragraphs (1) through (3) of subsection
13 (a).

14 “(c) STATE TASK FORCES.—

15 “(1) GENERAL RULE.—Except as provided in
16 paragraph (2), a State requesting assistance under
17 this section shall establish or designate, and main-
18 tain, a State multidisciplinary task force on chil-
19 dren’s justice (hereafter in this section referred to as
20 ‘State task force’) composed of professionals with
21 knowledge and experience relating to the criminal
22 justice system and issues of child physical abuse,
23 child neglect, child sexual abuse and exploitation,
24 and child maltreatment related fatalities. The State
25 task force shall include—

1 “(A) individuals representing the law en-
2 forcement community;

3 “(B) judges and attorneys involved in both
4 civil and criminal court proceedings related to
5 child abuse and neglect (including individuals
6 involved with the defense as well as the prosecu-
7 tion of such cases);

8 “(C) child advocates, including both attor-
9 neys for children and, where such programs are
10 in operation, court appointed special advocates;

11 “(D) health and mental health profes-
12 sionals;

13 “(E) individuals representing child protec-
14 tive service agencies;

15 “(F) individuals experienced in working
16 with children with disabilities;

17 “(G) parents; and

18 “(H) representatives of parents’ groups.

19 “(2) EXISTING TASK FORCE.—As determined
20 by the Secretary, a State commission or task force
21 established after January 1, 1983, with substantially
22 comparable membership and functions, may be con-
23 sidered the State task force for purposes of this sub-
24 section.

1 “(d) STATE TASK FORCE STUDY.—Before a State
2 receives assistance under this section, and at 3-year inter-
3 vals thereafter, the State task force shall comprehen-
4 sively—

5 “(1) review and evaluate State investigative, ad-
6 ministrative and both civil and criminal judicial han-
7 dling of cases of child abuse and neglect, particularly
8 child sexual abuse and exploitation, as well as cases
9 involving suspected child maltreatment related fatali-
10 ties and cases involving a potential combination of
11 jurisdictions, such as interstate, Federal-State, and
12 State-Tribal; and

13 “(2) make policy and training recommendations
14 in each of the categories described in subsection (e).
15 The task force may make such other comments and rec-
16 ommendations as are considered relevant and useful.

17 “(e) ADOPTION OF STATE TASK FORCE REC-
18 OMMENDATIONS.—

19 “(1) GENERAL RULE.—Subject to the provi-
20 sions of paragraph (2), before a State receives as-
21 sistance under this section, a State shall adopt rec-
22 ommendations of the State task force in each of the
23 following categories—

24 “(A) investigative, administrative, and ju-
25 dicial handling of cases of child abuse and ne-

1 neglect, particularly child sexual abuse and exploi-
2 tation, as well as cases involving suspected child
3 maltreatment related fatalities and cases involv-
4 ing a potential combination of jurisdictions,
5 such as interstate, Federal-State, and State-
6 Tribal, in a manner which reduces the addi-
7 tional trauma to the child victim and the vic-
8 tim's family and which also ensures procedural
9 fairness to the accused;

10 “(B) experimental, model and demonstra-
11 tion programs for testing innovative approaches
12 and techniques which may improve the prompt
13 and successful resolution of civil and criminal
14 court proceedings or enhance the effectiveness
15 of judicial and administrative action in child
16 abuse and neglect cases, particularly child sex-
17 ual abuse and exploitation cases, including the
18 enhancement of performance of court-appointed
19 attorneys and guardians ad litem for children;
20 and

21 “(C) reform of State laws, ordinances, reg-
22 ulations, protocols and procedures to provide
23 comprehensive protection for children from
24 abuse, particularly child sexual abuse and ex-

1 ploitation, while ensuring fairness to all affected
2 persons.

3 “(2) EXEMPTION.—As determined by the Sec-
4 retary, a State shall be considered to be in fulfill-
5 ment of the requirements of this subsection if—

6 “(A) the State adopts an alternative to the
7 recommendations of the State task force, which
8 carries out the purpose of this section, in each
9 of the categories under paragraph (1) for which
10 the State task force’s recommendations are not
11 adopted; or

12 “(B) the State is making substantial
13 progress toward adopting recommendations of
14 the State task force or a comparable alternative
15 to such recommendations.

16 “(f) FUNDS AVAILABLE.—For grants under this sec-
17 tion, the Secretary shall use the amount authorized by sec-
18 tion 1404A of the Victims of Crime Act of 1984.

19 **“SEC. 303. TRANSITIONAL PROVISION.**

20 “A State or other entity that has a grant, contract,
21 or cooperative agreement in effect, on the date of enact-
22 ment of this Act, under the Family Resource and Support
23 Program, the Community-Based Family Resource Pro-
24 gram, the Family Support Center Program, the Emer-
25 gency Child Abuse Prevention Grant Program, or the

1 Temporary Child Care for Children with Disabilities and
2 Crisis Nurseries Programs shall continue to receive funds
3 under such grant, contract, or cooperative agreement, sub-
4 ject to the original terms under which such funds were
5 provided, through the end of the applicable grant, con-
6 tract, or agreement cycle.

7 **“SEC. 304. RULE OF CONSTRUCTION.**

8 “(a) IN GENERAL.—Nothing in this Act, or in part
9 B or E of title IV of the Social Security Act, shall be con-
10 strued—

11 “(1) as establishing a Federal requirement that
12 a parent or legal guardian provide a child any medi-
13 cal service or treatment against the religious beliefs
14 of the parent or legal guardian; and

15 “(2) to require that a State find, or to prohibit
16 a State from finding, abuse or neglect in cases in
17 which a parent or legal guardian relies solely or par-
18 tially upon spiritual means rather than medical
19 treatment, in accordance with the religious beliefs of
20 the parent or legal guardian.

21 “(b) STATE REQUIREMENT.—Notwithstanding sub-
22 section (a), a State shall have in place authority under
23 State law to permit the child protective service system of
24 the State to pursue any legal remedies, including the au-
25 thority to initiate legal proceedings in a court of competent

1 jurisdiction, to provide medical care or treatment for a
2 child when such care or treatment is necessary to prevent
3 or remedy serious harm to the child, or to prevent the
4 withholding of medically indicated treatment from children
5 with life threatening conditions. Except with respect to the
6 withholding of medically indicated treatments from dis-
7 abled infants with life threatening conditions, case by case
8 determinations concerning the exercise of the authority of
9 this subsection shall be within the sole discretion of the
10 State.”.

11 **SEC. 752. REAUTHORIZATIONS.**

12 (a) MISSING CHILDREN’S ASSISTANCE ACT.—Section
13 408 of the Missing Children’s Assistance Act (42 U.S.C.
14 5777) is amended—

15 (1) by striking “To” and inserting “(a) IN
16 GENERAL.—”

17 (2) by striking “and 1996” and inserting
18 “1996, and 1997”; and

19 (3) by adding at the end thereof the following
20 new subsection:

21 “(b) EVALUATION.—The Administrator shall use not
22 more than 5 percent of the amount appropriated for a fis-
23 cal year under subsection (a) to conduct an evaluation of
24 the effectiveness of the programs and activities established
25 and operated under this title.”.

1 (b) VICTIMS OF CHILD ABUSE ACT OF 1990.—Sec-
2 tion 214B of the Victims of Child Abuse Act of 1990 (42
3 U.S.C. 13004) is amended—

4 (1) in subsection (a)(2), by striking “and 1996”
5 and inserting “1996, and 1997”; and

6 (2) in subsection (b)(2), by striking “and
7 1996” and inserting “1996 and 1997”.

8 **SEC. 753. REPEALS.**

9 (a) IN GENERAL.—The following provisions of law
10 are repealed:

11 (1) Title II of the Child Abuse Prevention and
12 Treatment and Adoption Reform Act of 1978 (42
13 U.S.C. 5111 et seq.).

14 (2) The Abandoned Infants Assistance Act of
15 1988 (42 U.S.C. 670 note).

16 (3) The Temporary Child Care for Children
17 with Disabilities and Crisis Nurseries Act of 1986
18 (42 U.S.C. 5117 et seq.).

19 (4) Subtitle F of title VII of the Stewart B.
20 McKinney Homeless Assistance Act (42 U.S.C.
21 11481 et seq.).

22 (b) CONFORMING AMENDMENTS.—

23 (1) RECOMMENDED LEGISLATION.—After con-
24 sultation with the appropriate committees of the
25 Congress and the Director of the Office of Manage-

1 ment and Budget, the Secretary of Health and
2 Human Services shall prepare and submit to the
3 Congress a legislative proposal in the form of an im-
4 plementing bill containing technical and conforming
5 amendments to reflect the repeals made by this sec-
6 tion.

7 (2) SUBMISSION TO CONGRESS.—Not later than
8 6 months after the date of enactment of this chap-
9 ter, the Secretary of Health and Human Services
10 shall submit the implementing bill referred to under
11 paragraph (1).

12 **TITLE VIII—CHILD CARE**

13 **SEC. 801. SHORT TITLE AND REFERENCES.**

14 (a) SHORT TITLE.—This title may be cited as the
15 “Child Care and Development Block Grant Amendments
16 of 1996”.

17 (b) REFERENCES.—Except as otherwise expressly
18 provided, whenever in this title an amendment or repeal
19 is expressed in terms of an amendment to, or repeal of,
20 a section or other provision, the reference shall be consid-
21 ered to be made to a section or other provision of the Child
22 Care and Development Block Grant Act of 1990 (42
23 U.S.C. 9858 et seq.).

1 **SEC. 802. GOALS.**

2 (a) GOALS.—Section 658A (42 U.S.C. 9801 note) is
3 amended—

4 (1) in the section heading by inserting “AND
5 GOALS” after “TITLE”;

6 (2) by inserting “(a) SHORT TITLE.—” before
7 “This”; and

8 (3) by adding at the end the following:

9 “(b) GOALS.—The goals of this subchapter are—

10 “(1) to allow each State maximum flexibility in
11 developing child care programs and policies that best
12 suit the needs of children and parents within such
13 State;

14 “(2) to promote parental choice to empower
15 working parents to make their own decisions on the
16 child care that best suits their family’s needs;

17 “(3) to encourage States to provide consumer
18 education information to help parents make in-
19 formed choices about child care;

20 “(4) to assist States to provide child care to
21 parents trying to achieve independence from public
22 assistance; and

23 “(5) to assist States in implementing the
24 health, safety, licensing, and registration standards
25 established in State regulations.”.

1 **SEC. 803. AUTHORIZATION OF APPROPRIATIONS AND EN-**
2 **TITLEMENT AUTHORITY.**

3 (a) IN GENERAL.—Section 658B (42 U.S.C. 9858)
4 is amended to read as follows:

5 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

6 “There is authorized to be appropriated to carry out
7 this subchapter \$1,000,000,000 for each of the fiscal
8 years 1996 through 2002.”.

9 (b) SOCIAL SECURITY ACT.—Part A of title IV of
10 the Social Security Act (as amended by section 103) is
11 amended—

12 (1) by redesignating section 418 as section 419;

13 and

14 (2) by inserting after section 417, the following
15 new section:

16 **“SEC. 418. FUNDING FOR CHILD CARE.**

17 **“(a) GENERAL CHILD CARE ENTITLEMENT.—**

18 **“(1) GENERAL ENTITLEMENT.—**Subject to the
19 amount appropriated under paragraph (3), each
20 State shall, for the purpose of providing child care
21 assistance, be entitled to payments under a grant
22 under this subsection for a fiscal year in an amount
23 equal to—

24 **“(A)** the sum of the total amount required
25 to be paid to the State under former section
26 403 for fiscal year 1994 or 1995 (whichever is

1 greater) with respect to amounts expended for
2 child care under section—

3 “(i) 402(g) of this Act (as such sec-
4 tion was in effect before October 1, 1995);
5 and

6 “(ii) 403(i) of this Act (as so in ef-
7 fect); or

8 “(B) the average of the total amounts re-
9 quired to be paid to the State for fiscal years
10 1992 through 1994 under the sections referred
11 to in subparagraph (A);

12 whichever is greater.

13 “(2) REMAINDER.—

14 “(A) GRANTS.—The Secretary shall use
15 any amounts appropriated for a fiscal year
16 under paragraph (3), and remaining after the
17 reservation described in paragraph (4) and
18 after grants are awarded under paragraph (1),
19 to make grants to States under this paragraph.

20 “(B) AMOUNT.—Subject to subparagraph
21 (C), the amount of a grant awarded to a State
22 for a fiscal year under this paragraph shall be
23 based on the formula used for determining the
24 amount of Federal payments to the State under

1 section 403(n) (as such section was in effect be-
2 fore October 1, 1995).

3 “(C) MATCHING REQUIREMENT.—The Sec-
4 retary shall pay to each eligible State in a fiscal
5 year an amount, under a grant under subpara-
6 graph (A), equal to the Federal medical assist-
7 ance percentage for such State for fiscal year
8 1995 (as defined in section 1905(b)) of so
9 much of the expenditures by the State for child
10 care in such year as exceed the State set-aside
11 for such State under paragraph (1)(A) for such
12 year and the amount of State expenditures in
13 fiscal year 1994 that equal the non-Federal
14 share for the programs described in subpara-
15 graph (A) of paragraph (1).

16 “(D) REDISTRIBUTION.—

17 “(i) IN GENERAL.—With respect to
18 any fiscal year, if the Secretary determines
19 (in accordance with clause (ii)) that
20 amounts under any grant awarded to a
21 State under this paragraph for such fiscal
22 year will not be used by such State during
23 such fiscal year for carrying out the pur-
24 pose for which the grant is made, the Sec-
25 retary shall make such amounts available

1 in the subsequent fiscal year for carrying
2 out such purpose to 1 or more States
3 which apply for such funds to the extent
4 the Secretary determines that such States
5 will be able to use such additional amounts
6 for carrying out such purpose. Such avail-
7 able amounts shall be redistributed to a
8 State pursuant to section 402(i) (as such
9 section was in effect before October 1,
10 1995) by substituting ‘the number of chil-
11 dren residing in all States applying for
12 such funds’ for ‘the number of children re-
13 siding in the United States in the second
14 preceding fiscal year’.

15 “(ii) TIME OF DETERMINATION AND
16 DISTRIBUTION.—The determination of the
17 Secretary under clause (i) for a fiscal year
18 shall be made not later than the end of the
19 first quarter of the subsequent fiscal year.
20 The redistribution of amounts under clause
21 (i) shall be made as close as practicable to
22 the date on which such determination is
23 made. Any amount made available to a
24 State from an appropriation for a fiscal
25 year in accordance with this subparagraph

1 shall, for purposes of this part, be re-
2 garded as part of such State's payment (as
3 determined under this subsection) for the
4 fiscal year in which the redistribution is
5 made.

6 “(3) APPROPRIATION.—There are authorized to
7 be appropriated, and there are appropriated, to
8 carry out this section—

9 “(A) \$1,967,000,000 for fiscal year 1997;

10 “(B) \$2,067,000,000 for fiscal year 1998;

11 “(C) \$2,167,000,000 for fiscal year 1999;

12 “(D) \$2,367,000,000 for fiscal year 2000;

13 “(E) \$2,567,000,000 for fiscal year 2001;

14 and

15 “(F) \$2,717,000,000 for fiscal year 2002.

16 “(4) INDIAN TRIBES.—The Secretary shall re-
17 serve not more than 1 percent of the aggregate
18 amount appropriated to carry out this section in
19 each fiscal year for payments to Indian tribes and
20 tribal organizations.

21 “(b) USE OF FUNDS.—

22 “(1) IN GENERAL.—Amounts received by a
23 State under this section shall only be used to provide
24 child care assistance. Amounts received by a State
25 under a grant under subsection (a)(1) shall be avail-

1 able for use by the State without fiscal year limita-
2 tion.

3 “(2) USE FOR CERTAIN POPULATIONS.—A
4 State shall ensure that not less than 70 percent of
5 the total amount of funds received by the State in
6 a fiscal year under this section are used to provide
7 child care assistance to families who are receiving
8 assistance under a State program under this part,
9 families who are attempting through work activities
10 to transition off of such assistance program, and
11 families who are at risk of becoming dependent on
12 such assistance program.

13 “(c) APPLICATION OF CHILD CARE AND DEVELOP-
14 MENT BLOCK GRANT ACT of 1990.—Notwithstanding any
15 other provision of law, amounts provided to a State under
16 this section shall be transferred to the lead agency under
17 the Child Care and Development Block Grant Act of 1990,
18 integrated by the State into the programs established by
19 the State under such Act, and be subject to requirements
20 and limitations of such Act.

21 “(d) DEFINITION.—As used in this section, the term
22 ‘State’ means each of the 50 States or the District of Co-
23 lumbia.”.

24 **SEC. 804. LEAD AGENCY.**

25 Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

1 (1) in paragraph (1)—

2 (A) in subparagraph (A), by striking
3 “State” the first place that such appears and
4 inserting “governmental or nongovernmental”;
5 and

6 (B) in subparagraph (C), by inserting
7 “with sufficient time and Statewide distribution
8 of the notice of such hearing,” after “hearing in
9 the State”; and

10 (2) in paragraph (2), by striking the second
11 sentence.

12 **SEC. 805. APPLICATION AND PLAN.**

13 Section 658E (42 U.S.C. 9858c) is amended—

14 (1) in subsection (b)—

15 (A) by striking “implemented—” and all
16 that follows through “(2)” and inserting “im-
17 plemented”; and

18 (B) by striking “for subsequent State
19 plans”;

20 (2) in subsection (c)—

21 (A) in paragraph (2)—

22 (i) in subparagraph (A)—

23 (I) in clause (i) by striking “,
24 other than through assistance pro-
25 vided under paragraph (3)(C),”; and

1 (II) by striking “except” and all
2 that follows through “1992”, and in-
3 sserting “and provide a detailed de-
4 scription of the procedures the State
5 will implement to carry out the re-
6 quirements of this subparagraph”;

7 (ii) in subparagraph (B)—

8 (I) by striking “Provide assur-
9 ances” and inserting “Certify”; and

10 (II) by inserting before the pe-
11 riod at the end “and provide a de-
12 tailed description of such procedures”;

13 (iii) in subparagraph (C)—

14 (I) by striking “Provide assur-
15 ances” and inserting “Certify”; and

16 (II) by inserting before the pe-
17 riod at the end “and provide a de-
18 tailed description of how such record
19 is maintained and is made available”;

20 (iv) by amending subparagraph (D) to
21 read as follows:

22 “(D) CONSUMER EDUCATION INFORMA-
23 TION.—Certify that the State will collect and
24 disseminate to parents of eligible children and
25 the general public, consumer education informa-

1 tion that will promote informed child care
2 choices.”;

3 (v) in subparagraph (E), to read as
4 follows:

5 “(E) COMPLIANCE WITH STATE LICENSING
6 REQUIREMENTS.—

7 “(i) IN GENERAL.—Certify that the
8 State has in effect licensing requirements
9 applicable to child care services provided
10 within the State, and provide a detailed de-
11 scription of such requirements and of how
12 such requirements are effectively enforced.
13 Nothing in the preceding sentence shall be
14 construed to require that licensing require-
15 ments be applied to specific types of pro-
16 viders of child care services.

17 “(ii) INDIAN TRIBES AND TRIBAL OR-
18 GANIZATIONS.—In lieu of any licensing
19 and regulatory requirements applicable
20 under State and local law, the Secretary,
21 in consultation with Indian tribes and trib-
22 al organizations, shall develop minimum
23 child care standards (that appropriately re-
24 flect tribal needs and available resources)
25 that shall be applicable to Indian tribes

- 1 and tribal organization receiving assistance
2 under this subchapter.”;
- 3 (vi) by striking subparagraph (F);
- 4 (vii) in subparagraph (G)—
- 5 (I) by redesignating such sub-
6 paragraph as subparagraph (F);
- 7 (II) by striking “Provide assur-
8 ances” and inserting “Certify”; and
- 9 (III) by striking “as described in
10 subparagraph (F)”;
- 11 (viii) by striking subparagraphs (H),
12 (I), and (J) and inserting the following:
- 13 “(G) MEETING THE NEEDS OF CERTAIN
14 POPULATIONS.—Demonstrate the manner in
15 which the State will meet the specific child care
16 needs of families who are receiving assistance
17 under a State program under part A of title IV
18 of the Social Security Act, families who are at-
19 tempting through work activities to transition
20 off of such assistance program, and families
21 that are at risk of becoming dependent on such
22 assistance program.”;
- 23 (B) in paragraph (3)—

1 (i) in subparagraph (A), by striking
2 “(B) and (C)” and inserting “(B) through
3 (D)”;

4 (ii) in subparagraph (B)—

5 (I) by striking “.—Subject to the
6 reservation contained in subparagraph
7 (C), the” and inserting “AND RELAT-
8 ED ACTIVITIES.—The”;

9 (II) in clause (i) by striking “;
10 and” at the end and inserting a pe-
11 riod;

12 (III) by striking “for—” and all
13 that follows through “section
14 658E(c)(2)(A)” and inserting “for
15 child care services on sliding fee scale
16 basis, activities that improve the qual-
17 ity or availability of such services, and
18 any other activity that the State
19 deems appropriate to realize any of
20 the goals specified in paragraphs (2)
21 through (5) of section 658A(b)”;

22 (IV) by striking clause (ii);

23 (iii) by amending subparagraph (C) to
24 read as follows:

1 “(C) LIMITATION ON ADMINISTRATIVE
2 COSTS.—Not more than 5 percent of the aggre-
3 gate amount of funds available to the State to
4 carry out this subchapter by a State in each fis-
5 cal year may be expended for administrative
6 costs incurred by such State to carry out all of
7 its functions and duties under this subchapter.
8 As used in the preceding sentence, the term
9 ‘administrative costs’ shall not include the costs
10 of providing direct services.”; and

11 (iv) by adding at the end thereof the
12 following:

13 “(D) ASSISTANCE FOR CERTAIN FAMI-
14 LIES.—A State shall ensure that a substantial
15 portion of the amounts available (after the
16 State has complied with the requirement of sec-
17 tion 418(b)(2) of the Social Security Act with
18 respect to each of the fiscal years 1997 through
19 2002) to the State to carry out activities under
20 this subchapter in each fiscal year is used to
21 provide assistance to low-income working fami-
22 lies other than families described in paragraph
23 (2)(F).”; and

24 (C) in paragraph (4)(A)—

1 (i) by striking “provide assurances”
2 and inserting “certify”;

3 (ii) in the first sentence by inserting
4 “and shall provide a summary of the facts
5 relied on by the State to determine that
6 such rates are sufficient to ensure such ac-
7 cess” before the period; and

8 (iii) by striking the last sentence.

9 **SEC. 806. LIMITATION ON STATE ALLOTMENTS.**

10 Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

11 (1) in paragraph (1), by striking “No” and in-
12 serting “Except as provided for in section
13 658O(c)(6), no”; and

14 (2) in paragraph (2), by striking “referred to in
15 section 658E(c)(2)(F)”.

16 **SEC. 807. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD**
17 **CARE.**

18 Section 658G (42 U.S.C. 9858e) is amended to read
19 as follows:

20 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**
21 **CHILD CARE.**

22 “A State that receives funds to carry out this sub-
23 chapter for a fiscal year, shall use not less than 3 percent
24 of the amount of such funds for activities that are de-
25 signed to provide comprehensive consumer education to

1 parents and the public, activities that increase parental
2 choice, and activities designed to improve the quality and
3 availability of child care (such as resource and referral
4 services).”.

5 **SEC. 808. REPEAL OF EARLY CHILDHOOD DEVELOPMENT**
6 **AND BEFORE- AND AFTER-SCHOOL CARE RE-**
7 **QUIREMENT.**

8 Section 658H (42 U.S.C. 9858f) is repealed.

9 **SEC. 809. ADMINISTRATION AND ENFORCEMENT.**

10 Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

11 (1) in paragraph (1), by striking “, and shall
12 have” and all that follows through “(2)”; and

13 (2) in the matter following clause (ii) of para-
14 graph (2)(A), by striking “finding and that” and all
15 that follows through the period and inserting “find-
16 ing and shall require that the State reimburse the
17 Secretary for any funds that were improperly ex-
18 pended for purposes prohibited or not authorized by
19 this subchapter, that the Secretary deduct from the
20 administrative portion of the State allotment for the
21 following fiscal year an amount that is less than or
22 equal to any improperly expended funds, or a com-
23 bination of such options.”.

1 **SEC. 810. PAYMENTS.**

2 Section 658J(c) (42 U.S.C. 9858h(c)) is amended by
3 striking “expended” and inserting “obligated”.

4 **SEC. 811. ANNUAL REPORT AND AUDITS.**

5 Section 658K (42 U.S.C. 9858i) is amended—

6 (1) in the section heading by striking “ANNUAL
7 REPORT” and inserting “REPORTS”;

8 (2) in subsection (a), to read as follows:

9 “(a) REPORTS.—

10 “(1) COLLECTION OF INFORMATION BY
11 STATES.—

12 “(A) IN GENERAL.—A State that receives
13 funds to carry out this subchapter shall collect
14 the information described in subparagraph (B)
15 on a monthly basis.

16 “(B) REQUIRED INFORMATION.—The in-
17 formation required under this subparagraph
18 shall include, with respect to a family unit re-
19 ceiving assistance under this subchapter infor-
20 mation concerning—

21 “(i) family income;

22 “(ii) county of residence;

23 “(iii) the gender, race, and age of
24 children receiving such assistance;

25 “(iv) whether the family includes only
26 1 parent;

1 “(v) the sources of family income, in-
2 cluding the amount obtained from (and
3 separately identified)—

4 “(I) employment, including self-
5 employment;

6 “(II) cash or other assistance
7 under part A of title IV of the Social
8 Security Act;

9 “(III) housing assistance;

10 “(IV) assistance under the Food
11 Stamp Act of 1977; and

12 “(V) other assistance programs;

13 “(vi) the number of months the family
14 has received benefits;

15 “(vii) the type of child care in which
16 the child was enrolled (such as family child
17 care, home care, or center-based child
18 care);

19 “(viii) whether the child care provider
20 involved was a relative;

21 “(ix) the cost of child care for such
22 families; and

23 “(x) the average hours per week of
24 such care;

1 during the period for which such information is
2 required to be submitted.

3 “(C) SUBMISSION TO SECRETARY.—A
4 State described in subparagraph (A) shall, on a
5 quarterly basis, submit the information required
6 to be collected under subparagraph (B) to the
7 Secretary.

8 “(D) SAMPLING.—The Secretary may dis-
9 approve the information collected by a State
10 under this paragraph if the State uses sampling
11 methods to collect such information.

12 “(2) BIENNIAL REPORTS.—Not later than De-
13 cember 31, 1997, and every 6 months thereafter, a
14 State described in paragraph (1)(A) shall prepare
15 and submit to the Secretary a report that includes
16 aggregate data concerning—

17 “(A) the number of child care providers
18 that received funding under this subchapter as
19 separately identified based on the types of pro-
20 viders listed in section 658P(5);

21 “(B) the monthly cost of child care serv-
22 ices, and the portion of such cost that is paid
23 for with assistance provided under this sub-
24 chapter, listed by the type of child care services
25 provided;

1 “(C) the number of payments made by the
2 State through vouchers, contracts, cash, and
3 disregards under public benefit programs, listed
4 by the type of child care services provided;

5 “(D) the manner in which consumer edu-
6 cation information was provided to parents and
7 the number of parents to whom such informa-
8 tion was provided; and

9 “(E) the total number (without duplica-
10 tion) of children and families served under this
11 subchapter;

12 during the period for which such report is required
13 to be submitted.”; and

14 (2) in subsection (b)—

15 (A) in paragraph (1) by striking “a appli-
16 cation” and inserting “an application”;

17 (B) in paragraph (2) by striking “any
18 agency administering activities that receive”
19 and inserting “the State that receives”; and

20 (C) in paragraph (4) by striking “entitles”
21 and inserting “entitled”.

22 **SEC. 812. REPORT BY THE SECRETARY.**

23 Section 658L (42 U.S.C. 9858j) is amended—

24 (1) by striking “1993” and inserting “1997”;

1 (2) by striking “annually” and inserting “bien-
2 nially”; and

3 (3) by striking “Education and Labor” and in-
4 serting “Economic and Educational Opportunities”.

5 **SEC. 813. ALLOTMENTS.**

6 Section 6580 (42 U.S.C. 9858m) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1)

9 (i) by striking “POSSESSIONS” and in-
10 serting “POSSESSIONS”;

11 (ii) by inserting “and” after
12 “States,”; and

13 (iii) by striking “, and the Trust Ter-
14 ritory of the Pacific Islands”; and

15 (B) in paragraph (2), by striking “3 per-
16 cent” and inserting “1 percent”;

17 (2) in subsection (c)—

18 (A) in paragraph (5) by striking “our” and
19 inserting “out”; and

20 (B) by adding at the end thereof the fol-
21 lowing new paragraph:

22 “(6) CONSTRUCTION OR RENOVATION OF FA-
23 CILITIES.—

24 “(A) REQUEST FOR USE OF FUNDS.—An
25 Indian tribe or tribal organization may submit

1 to the Secretary a request to use amounts pro-
2 vided under this subsection for construction or
3 renovation purposes.

4 “(B) DETERMINATION.—With respect to a
5 request submitted under subparagraph (A), and
6 except as provided in subparagraph (C), upon a
7 determination by the Secretary that adequate
8 facilities are not otherwise available to an In-
9 dian tribe or tribal organization to enable such
10 tribe or organization to carry out child care
11 programs in accordance with this subchapter,
12 and that the lack of such facilities will inhibit
13 the operation of such programs in the future,
14 the Secretary may permit the tribe or organiza-
15 tion to use assistance provided under this sub-
16 section to make payments for the construction
17 or renovation of facilities that will be used to
18 carry out such programs.

19 “(C) LIMITATION.—The Secretary may not
20 permit an Indian tribe or tribal organization to
21 use amounts provided under this subsection for
22 construction or renovation if such use will re-
23 sult in a decrease in the level of child care serv-
24 ices provided by the tribe or organization as
25 compared to the level of such services provided

1 by the tribe or organization in the fiscal year
2 preceding the year for which the determination
3 under subparagraph (A) is being made.

4 “(D) UNIFORM PROCEDURES.—The Sec-
5 retary shall develop and implement uniform
6 procedures for the solicitation and consideration
7 of requests under this paragraph.”; and

8 (3) in subsection (e), by adding at the end
9 thereof the following new paragraph:

10 “(4) INDIAN TRIBES OR TRIBAL ORGANIZA-
11 TIONS.—Any portion of a grant or contract made to
12 an Indian tribe or tribal organization under sub-
13 section (c) that the Secretary determines is not
14 being used in a manner consistent with the provision
15 of this subchapter in the period for which the grant
16 or contract is made available, shall be allotted by the
17 Secretary to other tribes or organizations that have
18 submitted applications under subsection (c) in ac-
19 cordance with their respective needs.”.

20 **SEC. 814. DEFINITIONS.**

21 Section 658P (42 U.S.C. 9858n) is amended—

22 (1) in paragraph (2), in the first sentence by
23 inserting “or as a deposit for child care services if
24 such a deposit is required of other children being

1 cared for by the provider” after “child care serv-
2 ices”; and

3 (2) by striking paragraph (3);

4 (3) in paragraph (4)(B), by striking “75 per-
5 cent” and inserting “85 percent”;

6 (4) in paragraph (5)(B)—

7 (A) by inserting “great grandchild, sibling
8 (if such provider lives in a separate residence),”
9 after “grandchild,”;

10 (B) by striking “is registered and”; and

11 (C) by striking “State” and inserting “ap-
12 plicable”.

13 (5) by striking paragraph (10);

14 (6) in paragraph (13)—

15 (A) by inserting “or” after “Samoa,”; and

16 (B) by striking “, and the Trust Territory
17 of the Pacific Islands”;

18 (7) in paragraph (14)—

19 (A) by striking “The term” and inserting
20 the following:

21 “(A) IN GENERAL.—The term”; and

22 (B) by adding at the end thereof the fol-
23 lowing new subparagraph:

24 “(B) OTHER ORGANIZATIONS.—Such term
25 includes a Native Hawaiian Organization, as

1 defined in section 4009(4) of the Augustus F.
2 Hawkins-Robert T. Stafford Elementary and
3 Secondary School Improvement Amendments of
4 1988 (20 U.S.C. 4909(4)) and a private non-
5 profit organization established for the purpose
6 of serving youth who are Indians or Native Ha-
7 waiians.”.

8 **SEC. 815. REPEALS.**

9 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
10 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-
11 ices Reauthorization Act of 1986 (42 U.S.C. 10901–
12 10905) is repealed.

13 (b) STATE DEPENDENT CARE DEVELOPMENT
14 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A
15 of title VI of the Omnibus Budget Reconciliation Act of
16 1981 (42 U.S.C. 9871–9877) is repealed.

17 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title
18 X of the Elementary and Secondary Education Act of
19 1965, as amended by Public Law 103–382 (108 Stat.
20 3809 et seq.), is amended—

21 (1) in section 10413(a) by striking paragraph
22 (4),
23 (2) in section 10963(b)(2) by striking subpara-
24 graph (G), and

1 (3) in section 10974(a)(6) by striking subpara-
2 graph (G).

3 (d) **NATIVE HAWAIIAN FAMILY-BASED EDUCATION**
4 **CENTERS.**—Section 9205 of the Native Hawaiian Edu-
5 cation Act (Public Law 103–382; 108 Stat. 3794) is re-
6 pealed.

7 **SEC. 816. EFFECTIVE DATE.**

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

11 (b) **EXCEPTION.**—The amendment made by section
12 803(a) shall take effect on the date of enactment of this
13 Act.

14 **TITLE IX—CHILD NUTRITION**
15 **PROGRAMS**
16 **Subtitle A—National School Lunch**
17 **Act**

18 **SEC. 901. STATE DISBURSEMENT TO SCHOOLS.**

19 (a) **IN GENERAL.**—Section 8 of the National School
20 Lunch Act (42 U.S.C. 1757) is amended—

21 (1) in the third sentence, by striking “Nothing”
22 and all that follows through “educational agency to”
23 and inserting “The State educational agency may”;

24 (2) by striking the fourth, fifth, and eighth sen-
25 tences;

1 (3) by redesignating the first through sixth sen-
2 tences, as amended by paragraph (1), as subsections
3 (a) through (f), respectively;

4 (4) in subsection (b), as redesignated by para-
5 graph (3), by striking “the preceding sentence” and
6 inserting “subsection (a)”; and

7 (5) in subsection (d), as redesignated by para-
8 graph (3), by striking “Such food costs” and insert-
9 ing “Use of funds paid to States”.

10 (b) DEFINITION OF CHILD.—Section 12(d) of the Act
11 (42 U.S.C. 1760(d)) is amended by adding at the end the
12 following:

13 “(9) ‘child’ includes an individual, regardless of
14 age, who—

15 “(A) is determined by a State educational
16 agency, in accordance with regulations pre-
17 scribed by the Secretary, to have 1 or more
18 mental or physical disabilities; and

19 “(B) is attending any institution, as de-
20 fined in section 17(a), or any nonresidential
21 public or nonprofit private school of high school
22 grade or under, for the purpose of participating
23 in a school program established for individuals
24 with mental or physical disabilities.

1 No institution that is not otherwise eligible to par-
2 ticipate in the program under section 17 shall be
3 considered eligible because of this paragraph.”.

4 **SEC. 902. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
5 **MENTS.**

6 (a) NUTRITIONAL STANDARDS.—Section 9(a) of the
7 National School Lunch Act (42 U.S.C. 1758(a)) is amend-
8 ed—

9 (1) in paragraph (2)—

10 (A) by striking “(2)(A) Lunches” and in-
11 serting “(2) Lunches”;

12 (B) by striking subparagraph (B); and

13 (C) by redesignating clauses (i) and (ii) as
14 subparagraphs (A) and (B), respectively;

15 (2) by striking paragraph (3); and

16 (3) by redesignating paragraph (4) as para-
17 graph (3).

18 (b) ELIGIBILITY GUIDELINES.—Section 9(b) of the
19 Act is amended—

20 (1) in paragraph (2)—

21 (A) by striking subparagraph (A); and

22 (B) by redesignating subparagraphs (B)
23 and (C) as subparagraphs (A) and (B), respec-
24 tively;

1 (2) in paragraph (5), by striking the third sen-
2 tence; and

3 (3) in paragraph (6), by striking “paragraph
4 (2)(C)” and inserting “paragraph (2)(B)”.

5 (c) UTILIZATION OF AGRICULTURAL COMMOD-
6 ITIES.—Section 9(c) of the Act is amended by striking the
7 second, fourth, and sixth sentences.

8 (d) CONFORMING AMENDMENT.—The last sentence
9 of section 9(d)(1) of the Act is amended by striking “sub-
10 section (b)(2)(C)” and inserting “subsection (b)(2)(B)”.

11 (e) NUTRITIONAL INFORMATION.—Section 9(f) of the
12 Act is amended—

13 (1) by striking paragraph (1);

14 (2) by striking “(2)”;

15 (3) by redesignating subparagraphs (A) through
16 (D) as paragraphs (1) through (4), respectively;

17 (4) by striking paragraph (1), as redesignated
18 by paragraph (3), and inserting the following:

19 “(1) NUTRITIONAL REQUIREMENTS.—Except as
20 provided in paragraph (2), not later than the first
21 day of the 1996–1997 school year, schools that are
22 participating in the school lunch or school breakfast
23 program shall serve lunches and breakfasts under
24 the program that—

1 “(A) are consistent with the goals of the
2 most recent Dietary Guidelines for Americans
3 published under section 301 of the National
4 Nutrition Monitoring and Related Research Act
5 of 1990 (7 U.S.C. 5341); and

6 “(B) provide, on the average over each
7 week, at least—

8 “(i) with respect to school lunches, $\frac{1}{3}$
9 of the daily recommended dietary allow-
10 ance established by the Food and Nutrition
11 Board of the National Research Council of
12 the National Academy of Sciences; and

13 “(ii) with respect to school breakfasts,
14 $\frac{1}{4}$ of the daily recommended dietary allow-
15 ance established by the Food and Nutrition
16 Board of the National Research Council of
17 the National Academy of Sciences.”;

18 (5) in paragraph (3), as redesignated by para-
19 graph (3)—

20 (A) by redesignating clauses (i) and (ii) as
21 subparagraphs (A) and (B), respectively; and

22 (B) in subparagraph (A), as so redesi-
23 gnated, by redesignating subclauses (I) and (II)
24 as clauses (i) and (ii), respectively; and

1 (6) in paragraph (4), as redesignated by para-
2 graph (3), by striking “subparagraph (C)” and in-
3 serting “paragraph (3)”.

4 (f) USE OF RESOURCES.—Section 9 of the Act is
5 amended by striking subsection (h).

6 **SEC. 903. FREE AND REDUCED PRICE POLICY STATEMENT.**

7 Section 9(b)(2) of the National School Lunch Act (42
8 U.S.C. 1758(b)(2)), as amended by section 902(b)(1), is
9 further amended by adding at the end the following:

10 “(C) FREE AND REDUCED PRICE POLICY
11 STATEMENT.—After the initial submission, a
12 school shall not be required to submit a free
13 and reduced price policy statement to a State
14 educational agency under this Act unless there
15 is a substantive change in the free and reduced
16 price policy of the school. A routine change in
17 the policy of a school, such as an annual adjust-
18 ment of the income eligibility guidelines for free
19 and reduced price meals, shall not be sufficient
20 cause for requiring the school to submit a policy
21 statement.”.

22 **SEC. 904. SPECIAL ASSISTANCE.**

23 (a) FINANCING BASED ON NEED.—Section 11(b) of
24 the National School Lunch Act (42 U.S.C. 1759a(b)) is
25 amended—

1 (1) in the second sentence, by striking “, with-
2 in” and all that follows through “all States,”; and

3 (2) by striking the third sentence.

4 (b) **APPLICABILITY OF OTHER PROVISIONS.**—Section
5 11 of the Act is amended—

6 (1) by striking subsection (d);

7 (2) in subsection (e)(2)—

8 (A) by striking “The” and inserting “On
9 request of the Secretary, the”; and

10 (B) by striking “each month”; and

11 (3) by redesignating subsections (e) and (f), as
12 so amended, as subsections (d) and (e), respectively.

13 **SEC. 905. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

14 (a) **ACCOUNTS AND RECORDS.**—Section 12(a) of the
15 National School Lunch Act (42 U.S.C. 1760(a)) is amend-
16 ed by striking “at all times be available” and inserting
17 “be available at any reasonable time”.

18 (b) **RESTRICTION ON REQUIREMENTS.**—Section
19 12(c) of the Act is amended by striking “neither the Sec-
20 retary nor the State shall” and inserting “the Secretary
21 shall not”.

22 (c) **DEFINITIONS.**—Section 12(d) of the Act, as
23 amended by section 901(b), is further amended—

1 (1) in paragraph (1), by striking “the Trust
2 Territory of the Pacific Islands” and inserting “the
3 Commonwealth of the Northern Mariana Islands”;

4 (2) by striking paragraphs (3) and (4); and

5 (3) by redesignating paragraphs (1), (2), and
6 (5) through (9) as paragraphs (6), (7), (3), (4), (2),
7 (5), and (1), respectively, and rearranging the para-
8 graphs so as to appear in numerical order.

9 (d) ADJUSTMENTS TO NATIONAL AVERAGE PAY-
10 MENT RATES.—Section 12(f) of the Act is amended by
11 striking “the Trust Territory of the Pacific Islands,”.

12 (e) EXPEDITED RULEMAKING.—Section 12(k) of the
13 Act is
14 amended—

15 (1) by striking paragraphs (1), (2), and (5);

16 and

17 (2) by redesignating paragraphs (3) and (4) as
18 paragraphs (1) and (2), respectively.

19 (f) WAIVER.—Section 12(l) of the Act is amended—

20 (1) in paragraph (2)—

21 (A) by striking “(A)”;

22 (B) in clause (iii), by adding “and” at the
23 end;

24 (C) in clause (iv), by striking the semicolon
25 at the end and inserting a period;

- 1 (D) by striking clauses (v) through (vii);
2 (E) by striking subparagraph (B); and
3 (F) by redesignating clauses (i) through
4 (iv), as so amended, as subparagraphs (A)
5 through (D), respectively;
- 6 (2) in paragraph (3)—
7 (A) by striking “(A)”; and
8 (B) by striking subparagraphs (B) through
9 (D);
- 10 (3) in paragraph (4)—
11 (A) in the matter preceding subparagraph
12 (A), by striking “of any requirement relating”
13 and inserting “that increases Federal costs or
14 that relates”;
- 15 (B) by striking subparagraphs (B), (D),
16 (F), (H), (J), (K), and (L);
- 17 (C) by redesignating subparagraphs (C),
18 (E), (G), (I), (M), and (N) as subparagraphs
19 (B) through (G), respectively; and
- 20 (D) in subparagraph (F), as redesignated
21 by subparagraph (C), by striking “and” at the
22 end and inserting “or”; and
- 23 (4) in paragraph (6)—
24 (A) by striking “(A)(i)” and all that fol-
25 lows through “(B)”; and

1 (B) by redesignating clauses (i) through
2 (iv) as subparagraphs (A) through (D), respec-
3 tively.

4 (g) FOOD AND NUTRITION PROJECTS.—Section 12
5 of the Act is amended by striking subsection (m).

6 **SEC. 906. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
7 **DREN.**

8 (a) ESTABLISHMENT OF PROGRAM.—Section 13(a)
9 of the National School Lunch Act (42 U.S.C. 1761(a))
10 is amended—

11 (1) in paragraph (1)—

12 (A) in the first sentence, by striking “initi-
13 ate, maintain, and expand” and inserting “initi-
14 ate and maintain”; and

15 (B) in subparagraph (E) of the second
16 sentence, by striking “the Trust Territory of
17 the Pacific Islands,”; and

18 (2) in paragraph (7)(A), by striking “Except as
19 provided in subparagraph (C), private” and inserting
20 “Private”.

21 (b) SERVICE INSTITUTIONS.—Section 13(b) of the
22 Act is amended by striking “(b)(1)” and all that follows
23 through the end of paragraph (1) and inserting the follow-
24 ing:

25 “(b) SERVICE INSTITUTIONS.—

1 “(1) PAYMENTS.—

2 “(A) IN GENERAL.—Except as otherwise
3 provided in this paragraph, payments to service
4 institutions shall equal the full cost of food
5 service operations (which cost shall include the
6 costs of obtaining, preparing, and serving food,
7 but shall not include administrative costs).

8 “(B) MAXIMUM AMOUNTS.—Subject to
9 subparagraph (C), payments to any institution
10 under subparagraph (A) shall not exceed—

11 “(i) \$1.82 for each lunch and supper
12 served;

13 “(ii) \$1.13 for each breakfast served;
14 and

15 “(iii) 46 cents for each meal supple-
16 ment served.

17 “(C) ADJUSTMENTS.—Amounts specified
18 in subparagraph (B) shall be adjusted on Janu-
19 ary 1, 1997, and each January 1 thereafter, to
20 the nearest lower cent increment in accordance
21 with the changes for the 12-month period end-
22 ing the preceding November 30 in the series for
23 food away from home of the Consumer Price
24 Index for All Urban Consumers published by
25 the Bureau of Labor Statistics of the Depart-

1 ment of Labor. Each adjustment shall be based
2 on the unrounded adjustment for the prior 12-
3 month period.”.

4 (c) ADMINISTRATION OF SERVICE INSTITUTIONS.—
5 Section 13(b)(2) of the Act is amended—

6 (1) in the first sentence, by striking “four
7 meals” and inserting “3 meals, or 2 meals and 1
8 supplement,”; and

9 (2) by striking the second sentence.

10 (d) REIMBURSEMENTS.—Section 13(c)(2) of the Act
11 is amended—

12 (1) by striking subparagraph (A);

13 (2) in subparagraph (B)—

14 (A) in the first sentence—

15 (i) by striking “, and such higher edu-
16 cation institutions,”; and

17 (ii) by striking “without application”
18 and inserting “upon showing residence in
19 areas in which poor economic conditions
20 exist or on the basis of income eligibility
21 statements for children enrolled in the pro-
22 gram”; and

23 (B) by adding at the end the following:

24 “The higher education institutions referred to
25 in the preceding sentence shall be eligible to

1 participate in the program under this para-
2 graph without application.”;

3 (3) in subparagraph (C)(ii), by striking “severe
4 need”; and

5 (4) by redesignating subparagraphs (B)
6 through (E), as so amended, as subparagraphs (A)
7 through (D), respectively.

8 (e) ADVANCE PROGRAM PAYMENTS.—Section
9 13(e)(1) of the Act is amended—

10 (1) by striking “institution: *Provided*, That (A)
11 the” and inserting “institution. The”;

12 (2) by inserting “(excluding a school)” after
13 “any service institution”; and

14 (3) by striking “responsibilities, and (B) no”
15 and inserting “responsibilities. No”.

16 (f) FOOD REQUIREMENTS.—Section 13(f) of the Act
17 is amended—

18 (1) by redesignating the first through seventh
19 sentences as paragraphs (1) through (7), respec-
20 tively;

21 (2) by striking paragraph (3), as redesignated
22 by paragraph (1);

23 (3) in paragraph (4), as redesignated by para-
24 graph (1), by striking “the first sentence” and in-
25 serting “paragraph (1)”;

1 (4) in paragraph (6), as redesignated by para-
2 graph (1), by striking “that bacteria levels” and all
3 that follows through the period at the end and in-
4 serting “conformance with standards set by local
5 health authorities.”; and

6 (5) by redesignating paragraphs (4) through
7 (7), as redesignated by paragraph (1), as para-
8 graphs (3) through (6), respectively.

9 (g) PERMITTING OFFER VERSUS SERVE.—Section
10 13(f) of the Act, as amended by subsection (f), is further
11 amended by adding at the end the following:

12 “(7) OFFER VERSUS SERVE.—A school food au-
13 thority participating as a service institution may
14 permit a child attending a site on school premises
15 operated directly by the authority to refuse not more
16 than 1 item of a meal that the child does not intend
17 to consume. A refusal of an offered food item shall
18 not affect the amount of payments made under this
19 section to a school for the meal.”.

20 (h) HEALTH DEPARTMENT INSPECTIONS.—Section
21 13(k) of the Act is amended by striking paragraph (3).

22 (i) FOOD SERVICE MANAGEMENT COMPANIES.—Sec-
23 tion 13(l) of the Act is amended—

24 (1) by striking paragraph (4);

1 (2) in paragraph (5), by striking the first sen-
2 tence; and

3 (3) by redesignating paragraph (5), as so
4 amended, as paragraph (4).

5 (j) RECORDS.—The second sentence of section 13(m)
6 of the Act is amended by striking “at all times be avail-
7 able” and inserting “be available at any reasonable time”.

8 (k) REMOVING MANDATORY NOTICE TO INSTITU-
9 TIONS.—Section 13(n)(2) of the Act is amended by strik-
10 ing “, and its plans and schedule for informing service
11 institutions of the availability of the program”.

12 (l) PLAN.—Section 13(n) of the Act is amended—

13 (1) in paragraph (2), by striking “including the
14 State’s methods of assessing need”;

15 (2) by striking paragraph (3);

16 (3) in paragraph (4), by striking “and sched-
17 ule”; and

18 (4) by redesignating paragraphs (4) through
19 (7), as so amended, as paragraphs (3) through (6),
20 respectively.

21 (m) MONITORING AND TRAINING.—Section 13(q) of
22 the Act is amended—

23 (1) by striking paragraphs (2) and (4);

1 (2) in paragraph (3), by striking “paragraphs
2 (1) and (2) of this subsection” and inserting “para-
3 graph (1)”; and

4 (3) by redesignating paragraph (3), as so
5 amended, as paragraph (2).

6 (n) EXPIRED PROGRAM.—Section 13 of the Act is
7 amended—

8 (1) by striking subsection (p); and

9 (2) by redesignating subsections (q) and (r), as
10 so amended, as subsections (p) and (q), respectively.

11 (o) EFFECTIVE DATE.—The amendments made by
12 subsection (b) shall become effective on January 1, 1997.

13 **SEC. 907. COMMODITY DISTRIBUTION.**

14 (a) CEREAL AND SHORTENING IN COMMODITY DO-
15 NATIONS.—Section 14(b) of the National School Lunch
16 Act (42 U.S.C. 1762a(b)) is amended—

17 (1) by striking paragraph (1); and

18 (2) by redesignating paragraphs (2) and (3) as
19 paragraphs (1) and (2), respectively.

20 (b) IMPACT STUDY AND PURCHASING PROCE-
21 DURES.—Section 14(d) of the Act is amended by striking
22 the second and third sentences.

23 (c) CASH COMPENSATION FOR PILOT PROJECT
24 SCHOOLS.—Section 14(g) of the Act is amended by strik-
25 ing paragraph (3).

1 (d) STATE ADVISORY COUNCIL.—Section 14 is
2 amended—

3 (1) by striking subsection (e); and

4 (2) by redesignating subsections (f) and (g), as
5 so amended, as subsections (e) and (f), respectively.

6 **SEC. 908. CHILD CARE FOOD PROGRAM.**

7 (a) ESTABLISHMENT OF PROGRAM.—Section 17 of
8 the National School Lunch Act (42 U.S.C. 1766) is
9 amended—

10 (1) in the section heading, by striking “AND
11 ADULT”; and

12 (2) in the first sentence of subsection (a), by
13 striking “initiate, maintain, and expand” and insert-
14 ing “initiate and maintain”.

15 (b) PAYMENTS TO SPONSOR EMPLOYEES.—Para-
16 graph (2) of the last sentence of section 17(a) of the Act
17 (42 U.S.C. 1766(a)) is amended—

18 (1) by striking “and” at the end of subpara-
19 graph (B);

20 (2) by striking the period at the end of sub-
21 paragraph (C) and inserting “; and”; and

22 (3) by adding at the end the following:

23 “(D) in the case of a family or group day
24 care home sponsoring organization that employs
25 more than 1 employee, the organization does

1 not base payments to an employee of the orga-
2 nization on the number of family or group day
3 care homes recruited.”.

4 (c) TECHNICAL ASSISTANCE.—The last sentence of
5 section 17(d)(1) of the Act is amended by striking “, and
6 shall provide technical assistance” and all that follows
7 through “its application”.

8 (d) REIMBURSEMENT OF CHILD CARE INSTITU-
9 TIONS.—Section 17(f)(2)(B) of the Act (42 U.S.C.
10 1766(f)(2)(B)) is amended by striking “two meals and two
11 supplements or three meals and one supplement” and in-
12 serting “two meals and one supplement”.

13 (e) IMPROVED TARGETING OF DAY CARE HOME RE-
14 IMBURSEMENTS.—

15 (1) RESTRUCTURED DAY CARE HOME REIM-
16 BURSEMENTS.—Section 17(f)(3) of the Act is
17 amended by striking “(3)(A) Institutions” and all
18 that follows through the end of subparagraph (A)
19 and inserting the following:

20 “(3) REIMBURSEMENT OF FAMILY OR GROUP
21 DAY CARE HOME SPONSORING ORGANIZATIONS.—

22 “(A) REIMBURSEMENT FACTOR.—

23 “(i) IN GENERAL.—An institution
24 that participates in the program under this
25 section as a family or group day care home

1 sponsoring organization shall be provided,
2 for payment to a home sponsored by the
3 organization, reimbursement factors in ac-
4 cordance with this subparagraph for the
5 cost of obtaining and preparing food and
6 prescribed labor costs involved in providing
7 meals under this section.

8 “(ii) TIER I FAMILY OR GROUP DAY
9 CARE HOMES.—

10 “(I) DEFINITION.—In this para-
11 graph, the term ‘tier I family or group
12 day care home’ means—

13 “(aa) a family or group day
14 care home that is located in a ge-
15 ographic area, as defined by the
16 Secretary based on census data,
17 in which at least 50 percent of
18 the children residing in the area
19 are members of households whose
20 incomes meet the income eligi-
21 bility guidelines for free or re-
22 duced price meals under section
23 9;

24 “(bb) a family or group day
25 care home that is located in an

1 area served by a school enrolling
2 elementary students in which at
3 least 50 percent of the total num-
4 ber of children enrolled are cer-
5 tified eligible to receive free or
6 reduced price school meals under
7 this Act or the Child Nutrition
8 Act of 1966 (42 U.S.C. 1771 et
9 seq.); or

10 “(cc) a family or group day
11 care home that is operated by a
12 provider whose household meets
13 the income eligibility guidelines
14 for free or reduced price meals
15 under section 9 and whose in-
16 come is verified by the sponsor-
17 ing or organization of the home
18 under regulations established by
19 the Secretary.

20 “(II) REIMBURSEMENT.—Except
21 as provided in subclause (III), a tier
22 I family or group day care home shall
23 be provided reimbursement factors
24 under this clause without a require-
25 ment for documentation of the costs

1 described in clause (i), except that re-
2 imbursement shall not be provided
3 under this subclause for meals or sup-
4 plements served to the children of a
5 person acting as a family or group
6 day care home provider unless the
7 children meet the income eligibility
8 guidelines for free or reduced price
9 meals under section 9.

10 “(III) FACTORS.—Except as pro-
11 vided in subclause (IV), the reim-
12 bursement factors applied to a home
13 referred to in subclause (II) shall be
14 the factors in effect on July 1, 1996.

15 “(IV) ADJUSTMENTS.—The re-
16 imbursement factors under this sub-
17 paragraph shall be adjusted on July
18 1, 1997, and each July 1 thereafter,
19 to reflect changes in the Consumer
20 Price Index for food at home for the
21 most recent 12-month period for
22 which the data are available. The re-
23 imbursement factors under this sub-
24 paragraph shall be rounded to the
25 nearest lower cent increment and

1 based on the unrounded adjustment in
2 effect on June 30 of the preceding
3 school year.

4 “(iii) TIER II FAMILY OR GROUP DAY
5 CARE HOMES.—

6 “(I) IN GENERAL.—

7 “(aa) FACTORS.—Except as
8 provided in subclause (II), with
9 respect to meals or supplements
10 served under this clause by a
11 family or group day care home
12 that does not meet the criteria
13 set forth in clause (ii)(I), the re-
14 imbursement factors shall be 90
15 cents for lunches and suppers, 25
16 cents for breakfasts, and 10
17 cents for supplements.

18 “(bb) ADJUSTMENTS.—The
19 factors shall be adjusted on July
20 1, 1997, and each July 1 there-
21 after, to reflect changes in the
22 Consumer Price Index for food at
23 home for the most recent 12-
24 month period for which the data
25 are available. The reimbursement

1 factors under this item shall be
2 rounded down to the nearest
3 lower cent increment and based
4 on the unrounded adjustment for
5 the preceding 12-month period.

6 “(cc) REIMBURSEMENT.—A
7 family or group day care home
8 shall be provided reimbursement
9 factors under this subclause with-
10 out a requirement for docu-
11 mentation of the costs described
12 in clause (i), except that reim-
13 bursement shall not be provided
14 under this subclause for meals or
15 supplements served to the chil-
16 dren of a person acting as a fam-
17 ily or group day care home pro-
18 vider unless the children meet the
19 income eligibility guidelines for
20 free or reduced price meals under
21 section 9.

22 “(II) OTHER FACTORS.—A fam-
23 ily or group day care home that does
24 not meet the criteria set forth in
25 clause (ii)(I) may elect to be provided

1 reimbursement factors determined in
2 accordance with the following require-
3 ments:

4 “(aa) CHILDREN ELIGIBLE
5 FOR FREE OR REDUCED PRICE
6 MEALS.—In the case of meals or
7 supplements served under this
8 subsection to children who are
9 members of households whose in-
10 comes meet the income eligibility
11 guidelines for free or reduced
12 price meals under section 9, the
13 family or group day care home
14 shall be provided reimbursement
15 factors set by the Secretary in
16 accordance with clause (ii)(III).

17 “(bb) INELIGIBLE CHIL-
18 DREN.—In the case of meals or
19 supplements served under this
20 subsection to children who are
21 members of households whose in-
22 comes do not meet the income
23 eligibility guidelines, the family
24 or group day care home shall be

1 provided reimbursement factors
2 in accordance with subclause (I).

3 “(III) INFORMATION AND DE-
4 TERMINATIONS.—

5 “(aa) IN GENERAL.—If a
6 family or group day care home
7 elects to claim the factors de-
8 scribed in subclause (II), the
9 family or group day care home
10 sponsoring organization serving
11 the home shall collect the nec-
12 essary income information, as de-
13 termined by the Secretary, from
14 any parent or other caretaker to
15 make the determinations speci-
16 fied in subclause (II) and shall
17 make the determinations in ac-
18 cordance with rules prescribed by
19 the Secretary.

20 “(bb) CATEGORICAL ELIGI-
21 BILITY.—In making a determina-
22 tion under item (aa), a family or
23 group day care home sponsoring
24 organization may consider a child
25 participating in or subsidized

1 under, or a child with a parent
2 participating in or subsidized
3 under, a federally or State sup-
4 ported child care or other benefit
5 program with an income eligi-
6 bility limit that does not exceed
7 the eligibility standard for free or
8 reduced price meals under section
9 9 to be a child who is a member
10 of a household whose income
11 meets the income eligibility
12 guidelines under section 9.

13 “(cc) FACTORS FOR CHIL-
14 DREN ONLY.—A family or group
15 day care home may elect to re-
16 ceive the reimbursement factors
17 prescribed under clause (ii)(III)
18 solely for the children participat-
19 ing in a program referred to in
20 item (bb) if the home elects not
21 to have income statements col-
22 lected from parents or other care-
23 takers.

24 “(IV) SIMPLIFIED MEAL COUNT-
25 ING AND REPORTING PROCEDURES.—

1 The Secretary shall prescribe sim-
2 plified meal counting and reporting
3 procedures for use by a family or
4 group day care home that elects to
5 claim the factors under subclause (II)
6 and by a family or group day care
7 home sponsoring organization that
8 sponsors the home. The procedures
9 the Secretary prescribes may include
10 1 or more of the following:

11 “(aa) Setting an annual per-
12 centage for each home of the
13 number of meals served that are
14 to be reimbursed in accordance
15 with the reimbursement factors
16 prescribed under clause (ii)(III)
17 and an annual percentage of the
18 number of meals served that are
19 to be reimbursed in accordance
20 with the reimbursement factors
21 prescribed under subclause (I),
22 based on the family income of
23 children enrolled in the home in a
24 specified month or other period.

1 “(bb) Placing a home into 1
2 of 2 or more reimbursement cat-
3 egories annually based on the
4 percentage of children in the
5 home whose households have in-
6 comes that meet the income eligi-
7 bility guidelines under section 9,
8 with each such reimbursement
9 category carrying a set of reim-
10 bursement factors such as the
11 factors prescribed under clause
12 (ii)(III) or subclause (I) or fac-
13 tors established within the range
14 of factors prescribed under clause
15 (ii)(III) and subclause (I).

16 “(cc) Such other simplified
17 procedures as the Secretary may
18 prescribe.

19 “(V) MINIMUM VERIFICATION
20 REQUIREMENTS.—The Secretary may
21 establish any necessary minimum ver-
22 ification requirements.”.

23 (2) GRANTS TO STATES TO PROVIDE ASSIST-
24 ANCE TO FAMILY OR GROUP DAY CARE HOMES.—

1 Section 17(f)(3) of the Act is amended by adding at
2 the end the following:

3 “(D) GRANTS TO STATES TO PROVIDE AS-
4 SISTANCE TO FAMILY OR GROUP DAY CARE
5 HOMES.—

6 “(i) IN GENERAL.—

7 “(I) RESERVATION.—From
8 amounts made available to carry out
9 this section, the Secretary shall re-
10 serve \$5,000,000 of the amount made
11 available for fiscal year 1997.

12 “(II) PURPOSE.—The Secretary
13 shall use the funds made available
14 under subclause (I) to provide grants
15 to States for the purpose of provid-
16 ing—

17 “(aa) assistance, including
18 grants, to family and day care
19 home sponsoring organizations
20 and other appropriate organiza-
21 tions, in securing and providing
22 training, materials, automated
23 data processing assistance, and
24 other assistance for the staff of
25 the sponsoring organizations; and

1 “(bb) training and other as-
2 sistance to family and group day
3 care homes in the implementation
4 of the amendment to subpara-
5 graph (A) made by section
6 908(e)(1) of the Personal Re-
7 sponsibility and Work Oppor-
8 tunity Act of 1996.

9 “(ii) ALLOCATION.—The Secretary
10 shall allocate from the funds reserved
11 under clause (i)(I)—

12 “(I) \$30,000 in base funding to
13 each State; and

14 “(II) any remaining amount
15 among the States, based on the num-
16 ber of family day care homes partici-
17 pating in the program in a State dur-
18 ing fiscal year 1995 as a percentage
19 of the number of all family day care
20 homes participating in the program
21 during fiscal year 1995.

22 “(iii) RETENTION OF FUNDS.—Of the
23 amount of funds made available to a State
24 for fiscal year 1997 under clause (i), the
25 State may retain not to exceed 30 percent

1 of the amount to carry out this subpara-
2 graph.

3 “(iv) ADDITIONAL PAYMENTS.—Any
4 payments received under this subpara-
5 graph shall be in addition to payments
6 that a State receives under subparagraph
7 (A).”.

8 (3) PROVISION OF DATA.—Section 17(f)(3) of
9 the Act, as amended by paragraph (2), is further
10 amended by adding at the end the following:

11 “(E) PROVISION OF DATA TO FAMILY OR
12 GROUP DAY CARE HOME SPONSORING ORGANI-
13 ZATIONS.—

14 “(i) CENSUS DATA.—The Secretary
15 shall provide to each State agency admin-
16 istering a child care food program under
17 this section data from the most recent de-
18 cennial census survey or other appropriate
19 census survey for which the data are avail-
20 able showing which areas in the State meet
21 the requirements of subparagraph
22 (A)(ii)(I)(aa). The State agency shall pro-
23 vide the data to family or group day care
24 home sponsoring organizations located in
25 the State.

1 “(ii) SCHOOL DATA.—

2 “(I) IN GENERAL.—A State
3 agency administering the school lunch
4 program under this Act or the school
5 breakfast program under the Child
6 Nutrition Act of 1966 (42 U.S.C.
7 1771 et seq.) shall provide to ap-
8 proved family or group day care home
9 sponsoring organizations a list of
10 schools serving elementary school chil-
11 dren in the State in which not less
12 than $\frac{1}{2}$ of the children enrolled are
13 certified to receive free or reduced
14 price meals. The State agency shall
15 collect the data necessary to create
16 the list annually and provide the list
17 on a timely basis to any approved
18 family or group day care home spon-
19 soring organization that requests the
20 list.

21 “(II) USE OF DATA FROM PRE-
22 CEDING SCHOOL YEAR.—In determin-
23 ing for a fiscal year or other annual
24 period whether a home qualifies as a
25 tier I family or group day care home

1 under subparagraph (A)(ii)(I), the
2 State agency administering the pro-
3 gram under this section, and a family
4 or group day care home sponsoring
5 organization, shall use the most cur-
6 rent available data at the time of the
7 determination.

8 “(iii) DURATION OF DETERMINA-
9 TION.—For purposes of this section, a de-
10 termination that a family or group day
11 care home is located in an area that quali-
12 fies the home as a tier I family or group
13 day care home (as the term is defined in
14 subparagraph (A)(ii)(I)), shall be in effect
15 for 3 years (unless the determination is
16 made on the basis of census data, in which
17 case the determination shall remain in ef-
18 fect until more recent census data are
19 available) unless the State agency deter-
20 mines that the area in which the home is
21 located no longer qualifies the home as a
22 tier I family or group day care home.”.

23 (4) CONFORMING AMENDMENTS.—Section 17(c)
24 of the Act is amended by inserting “except as pro-
25 vided in subsection (f)(3),” after “For purposes of

1 this section,” each place it appears in paragraphs
2 (1), (2), and (3).

3 (f) REIMBURSEMENT.—Section 17(f) of the Act is
4 amended—

5 (1) in paragraph (3)—

6 (A) in subparagraph (B), by striking the
7 third and fourth sentences; and

8 (B) in subparagraph (C)—

9 (i) in clause (i)—

10 (I) by striking “(i)”;

11 (II) in the first sentence, by
12 striking “and expansion funds” and
13 all that follows through “rural areas”;

14 (III) by striking the second sen-
15 tence; and

16 (IV) by striking “and expansion
17 funds” each place it appears; and

18 (ii) by striking clause (ii); and

19 (2) by striking paragraph (4).

20 (g) NUTRITIONAL REQUIREMENTS.—Section
21 17(g)(1) of the Act is amended—

22 (1) in subparagraph (A), by striking the second
23 sentence; and

24 (2) in subparagraph (B), by striking the second
25 sentence.

1 (h) ELIMINATION OF STATE PAPERWORK AND OUT-
 2 REACH BURDEN.—Section 17 of the Act is amended by
 3 striking subsection (k) and inserting the following:

4 “(k) TRAINING AND TECHNICAL ASSISTANCE.—A
 5 State participating in the program established under this
 6 section shall provide sufficient training, technical assist-
 7 ance, and monitoring to facilitate effective operation of the
 8 program. The Secretary shall assist the State in develop-
 9 ing plans to fulfill the requirements of this subsection.”.

10 (i) RECORDS.—The second sentence of section 17(m)
 11 of the Act is amended by striking “at all times” and in-
 12 serting “at any reasonable time”.

13 (j) MODIFICATION OF ADULT CARE FOOD PRO-
 14 GRAM.—Section 17(o) of the Act is amended—

15 (1) in the first sentence of paragraph (1)—

16 (A) by striking “adult day care centers”
 17 and inserting “day care centers for chronically
 18 impaired disabled persons”; and

19 (B) by striking “to persons 60 years of age
 20 or older or”; and

21 (2) in paragraph (2)—

22 (A) in subparagraph (A)—

23 (i) by striking “adult day care center”
 24 and inserting “day care center for chron-
 25 ically impaired disabled persons”; and

- 1 (ii) in clause (i)—
2 (I) by striking “adult”;
3 (II) by striking “adults” and in-
4 sserting “persons”; and
5 (III) by striking “or persons 60
6 years of age or older”; and
7 (B) in subparagraph (B), by striking
8 “adult day care services” and inserting “day
9 care services for chronically impaired disabled
10 persons”.

11 (k) UNNEEDED PROVISION.—Section 17 of the Act
12 is amended by striking subsection (q).

13 (l) CONFORMING AMENDMENTS.—

14 (1) Section 17B(f) of the Act (42 U.S.C.
15 1766b(f)) is amended—

16 (A) in the subsection heading, by striking
17 “AND ADULT”; and

18 (B) in paragraph (1), by striking “and
19 adult”.

20 (2) Section 18(e)(3)(B) of the Act (42 U.S.C.
21 1769(e)(3)(B)) is amended by striking “and adult”.

22 (3) Section 25(b)(1)(C) of the Act (42 U.S.C.
23 1769f(b)(1)(C)) is amended by striking “and adult”.

1 (4) Section 3(1) of the Healthy Meals for
2 Healthy Americans Act of 1994 (Public Law 103–
3 448) is amended by striking “and adult”.

4 (m) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), the amendments made by this section
7 shall become effective on the date of enactment of
8 this Act.

9 (2) IMPROVED TARGETING OF DAY CARE HOME
10 REIMBURSEMENTS.—The amendments made by
11 paragraphs (1) and (4) of subsection (e) shall be-
12 come effective on July 1, 1997.

13 (3) REGULATIONS.—

14 (A) INTERIM REGULATIONS.—Not later
15 than January 1, 1997, the Secretary shall issue
16 interim regulations to implement—

17 (i) the amendments made by para-
18 graphs (1), (3), and (4) of subsection (e);

19 and

20 (ii) section 17(f)(3)(C) of the National
21 School Lunch Act (42 U.S.C.
22 1766(f)(3)(C)).

23 (B) FINAL REGULATIONS.—Not later than
24 July 1, 1997, the Secretary shall issue final

1 regulations to implement the provisions of law
2 referred to in subparagraph (A).

3 (n) STUDY OF IMPACT OF AMENDMENTS ON PRO-
4 GRAM PARTICIPATION AND FAMILY DAY CARE LICENS-
5 ING.—

6 (1) IN GENERAL.—The Secretary of Agri-
7 culture, in conjunction with the Secretary of Health
8 and Human Services, shall study the impact of the
9 amendments made by this section on—

10 (A) the number of family day care homes
11 participating in the child care food program es-
12 tablished under section 17 of the National
13 School Lunch Act (42 U.S.C. 1766);

14 (B) the number of day care home sponsor-
15 ing organizations participating in the program;

16 (C) the number of day care homes that are
17 licensed, certified, registered, or approved by
18 each State in accordance with regulations is-
19 sued by the Secretary;

20 (D) the rate of growth of the numbers re-
21 ferred to in subparagraphs (A) through (C);

22 (E) the nutritional adequacy and quality of
23 meals served in family day care homes that—

24 (i) received reimbursement under the
25 program prior to the amendments made by

1 this section but do not receive reimburse-
2 ment after the amendments made by this
3 section; or

4 (ii) received full reimbursement under
5 the program prior to the amendments
6 made by this section but do not receive full
7 reimbursement after the amendments
8 made by this section; and

9 (F) the proportion of low-income children
10 participating in the program prior to the
11 amendments made by this section and the pro-
12 portion of low-income children participating in
13 the program after the amendments made by
14 this section.

15 (2) REQUIRED DATA.—Each State agency par-
16 ticipating in the child care food program under sec-
17 tion 17 of the National School Lunch Act (42
18 U.S.C. 1766) shall submit to the Secretary data
19 on—

20 (A) the number of family day care homes
21 participating in the program on June 30, 1997,
22 and June 30, 1998;

23 (B) the number of family day care homes
24 licensed, certified, registered, or approved for

1 service on June 30, 1997, and June 30, 1998;
2 and

3 (C) such other data as the Secretary may
4 require to carry out this subsection.

5 (3) SUBMISSION OF REPORT.—Not later than 2
6 years after the effective date of this section, the Sec-
7 retary shall submit the study required under this
8 subsection to the Committee on Economic and Edu-
9 cational Opportunities of the House of Representa-
10 tives and the Committee on Agriculture, Nutrition,
11 and Forestry of the Senate.

12 **SEC. 909. PILOT PROJECTS.**

13 (a) UNIVERSAL FREE PILOT.—Section 18(d) of the
14 National School Lunch Act (42 U.S.C. 1769(d)) is amend-
15 ed—

16 (1) by striking paragraph (3); and

17 (2) by redesignating paragraphs (4) and (5) as
18 paragraphs (3) and (4), respectively.

19 (b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Sec-
20 tion 18(e) of the Act is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A)—

23 (i) by striking “(A)”; and

24 (ii) by striking “shall” and inserting
25 “may”; and

1 (B) by striking subparagraph (B); and

2 (2) by striking paragraph (5) and inserting the
3 following:

4 “(5) AUTHORIZATION OF APPROPRIATIONS.—
5 There are authorized to be appropriated to carry out
6 this subsection such sums as are necessary for each
7 of fiscal years 1997 and 1998.”.

8 (c) ELIMINATING PROJECTS.—Section 18 of the Act
9 is amended—

10 (1) by striking subsections (a) and (g) through
11 (i); and

12 (2) by redesignating subsections (b) through
13 (f), as so amended, as subsections (a) through (e),
14 respectively.

15 (d) CONFORMING AMENDMENT.—Section
16 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is
17 amended by striking “18(c)” and inserting “18(b)”.

18 **SEC. 910. REDUCTION OF PAPERWORK.**

19 Section 19 of the National School Lunch Act (42
20 U.S.C. 1769a) is repealed.

21 **SEC. 911. INFORMATION ON INCOME ELIGIBILITY.**

22 Section 23 of the National School Lunch Act (42
23 U.S.C. 1769d) is repealed.

1 **SEC. 912. NUTRITION GUIDANCE FOR CHILD NUTRITION**
2 **PROGRAMS.**

3 Section 24 of the National School Lunch Act (42
4 U.S.C. 1769e) is repealed.

5 **SEC. 913. INFORMATION CLEARINGHOUSE.**

6 Section 26 of the National School Lunch Act (42
7 U.S.C. 1769g) is repealed.

8 **Subtitle B—Child Nutrition Act of**
9 **1966**

10 **SEC. 921. SPECIAL MILK PROGRAM.**

11 Section 3(a)(3) of the Child Nutrition Act of 1966
12 (42 U.S.C. 1772(a)(3)) is amended by striking “the Trust
13 Territory of the Pacific Islands” and inserting “the Com-
14 monwealth of the Northern Mariana Islands”.

15 **SEC. 922. FREE AND REDUCED PRICE POLICY STATEMENT.**

16 Section 4(b)(1) of the Child Nutrition Act of 1966
17 (42 U.S.C. 1773(b)(1)) is amended by adding at the end
18 the following:

19 “(E) FREE AND REDUCED PRICE POLICY
20 STATEMENT.—After the initial submission, a
21 school shall not be required to submit a free
22 and reduced price policy statement to a State
23 educational agency under this Act unless there
24 is a substantive change in the free and reduced
25 price policy of the school. A routine change in
26 the policy of a school, such as an annual adjust-

1 ment of the income eligibility guidelines for free
 2 and reduced price meals, shall not be sufficient
 3 cause for requiring the school to submit a policy
 4 statement.”.

5 **SEC. 923. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.**

6 (a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD
 7 PREPARATION.—Section 4(e)(1) of the Child Nutrition
 8 Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

9 (1) in subparagraph (A), by striking “(A)”; and
 10 (2) by striking subparagraph (B).

11 (b) EXPANSION OF PROGRAM; STARTUP AND EXPAN-
 12 SION COSTS.—

13 (1) IN GENERAL.—Section 4 of the Act is
 14 amended by striking subsections (f) and (g).

15 (2) EFFECTIVE DATE.—The amendments made
 16 by paragraph (1) shall become effective on October
 17 1, 1996.

18 **SEC. 924. STATE ADMINISTRATIVE EXPENSES.**

19 (a) USE OF FUNDS FOR COMMODITY DISTRIBUTION
 20 ADMINISTRATION; STUDIES.—Section 7 of the Child Nu-
 21 trition Act of 1966 (42 U.S.C. 1776) is amended—

22 (1) by striking subsections (e) and (h); and
 23 (2) by redesignating subsections (f), (g), and (i)
 24 as subsections (e), (f), and (g), respectively.

1 (b) APPROVAL OF CHANGES.—Section 7(e) of the
2 Act, as so redesignated, is amended—

3 (1) by striking “each year an annual plan” and
4 inserting “the initial fiscal year a plan”; and

5 (2) by adding at the end the following: “After
6 submitting the initial plan, a State shall only be re-
7 quired to submit to the Secretary for approval a
8 substantive change in the plan.”.

9 **SEC. 925. REGULATIONS.**

10 Section 10 of the Child Nutrition Act of 1966 (42
11 U.S.C. 1779) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (1), by striking “(1)”;

14 and

15 (B) by striking paragraphs (2) through

16 (4); and

17 (2) in subsection (c), by striking “may” and in-
18 serting “shall”.

19 **SEC. 926. PROHIBITIONS.**

20 Section 11(a) of the Child Nutrition Act of 1966 (42
21 U.S.C. 1780(a)) is amended by striking “neither the Sec-
22 retary nor the State shall” and inserting “the Secretary
23 shall not”.

1 **SEC. 927. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

2 Section 15 of the Child Nutrition Act of 1966 (42
3 U.S.C. 1784) is amended—

4 (1) in paragraph (1), by striking “the Trust
5 Territory of the Pacific Islands” and inserting “the
6 Commonwealth of the Northern Mariana Islands”;
7 and

8 (2) in the first sentence of paragraph (3)—

9 (A) in subparagraph (A), by inserting
10 “and” at the end; and

11 (B) by striking “, and (C)” and all that
12 follows through “Governor of Puerto Rico”.

13 **SEC. 928. ACCOUNTS AND RECORDS.**

14 The second sentence of section 16(a) of the Child Nu-
15 trition Act of 1966 (42 U.S.C. 1785(a)) is amended by
16 striking “at all times be available” and inserting “be avail-
17 able at any reasonable time”.

18 **SEC. 929. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
19 **FOR WOMEN, INFANTS, AND CHILDREN.**

20 (a) DEFINITIONS.—Section 17(b) of the Child Nutri-
21 tion Act of 1966 (42 U.S.C. 1786(b)) is amended—

22 (1) in paragraph (15)(B)(iii), by inserting “of
23 not more than 90 days” after “accommodation”;
24 and

25 (2) in paragraph (16)—

1 (A) in subparagraph (A), by adding “and”
2 at the end; and

3 (B) in subparagraph (B), by striking “;
4 and” and inserting a period; and

5 (C) by striking subparagraph (C).

6 (b) SECRETARY’S PROMOTION OF WIC.—Section
7 17(e) of the Act is amended by striking paragraph (5).

8 (c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the
9 Act is amended by striking paragraph (4).

10 (d) NUTRITION EDUCATION AND DRUG ABUSE EDU-
11 CATION.—Section 17(e) of the Act is amended—

12 (1) in the first sentence of paragraph (1), by
13 striking “shall ensure” and all that follows through
14 “is provided” and inserting “shall provide nutrition
15 education and may provide drug abuse education”;

16 (2) in paragraph (2), by striking the third sen-
17 tence;

18 (3) by striking paragraph (4) and inserting the
19 following:

20 “(4) INFORMATION.—The State agency may
21 provide a local agency with materials describing
22 other programs for which participants in the pro-
23 gram may be eligible.”;

1 (4) in paragraph (5), by striking “The State”
2 and all that follows through “local agency shall” and
3 inserting “A local agency may”; and

4 (5) by striking paragraph (6).

5 (e) STATE PLAN.—Section 17(f) of the Act is amend-
6 ed—

7 (1) in paragraph (1)—

8 (A) in subparagraph (A)—

9 (i) by striking “annually to the Sec-
10 retary, by a date specified by the Sec-
11 retary, a” and inserting “to the Secretary,
12 by a date specified by the Secretary, an
13 initial”; and

14 (ii) by adding at the end the follow-
15 ing: “After submitting the initial plan, a
16 State shall only be required to submit to
17 the Secretary for approval a substantive
18 change in the plan.”;

19 (B) in subparagraph (C)—

20 (i) by striking clause (iii) and insert-
21 ing the following:

22 “(iii) a plan to coordinate operations under the
23 program with other services or programs that may
24 benefit participants in, and applicants for, the pro-
25 gram;”;

- 1 (ii) in clause (vi), by inserting after
2 “in the State” the following: “(including a
3 plan to improve access to the program for
4 participants and prospective applicants
5 who are employed, or who reside in rural
6 areas)”;
- 7 (iii) by striking clauses (vii), (ix), (x),
8 and (xii);
- 9 (iv) in clause (xiii), by striking “may
10 require” and inserting “may reasonably re-
11 quire”; and
- 12 (v) by redesignating clauses (viii),
13 (xi), and (xiii), as so amended, as clauses
14 (vii), (viii), and (ix), respectively;
15 (C) by striking subparagraph (D); and
16 (D) by redesignating subparagraph (E) as
17 subparagraph (D);
- 18 (2) by striking paragraphs (2), (6), (8), (20),
19 (22), and (24);
- 20 (3) in the second sentence of paragraph (5), by
21 striking “at all times be available” and inserting “be
22 available at any reasonable time”;
- 23 (4) in paragraph (9)(B), by striking the second
24 sentence;

1 (5) in the first sentence of paragraph (11), by
2 striking “, including standards that will ensure suffi-
3 cient State agency staff”;

4 (6) in paragraph (12), by striking the third sen-
5 tence;

6 (7) in paragraph (14), by striking “shall” and
7 inserting “may”;

8 (8) in paragraph (17), by striking “and to ac-
9 commodate” and all that follows through “facili-
10 ties”;

11 (9) in paragraph (19), by striking “shall” and
12 inserting “may”; and

13 (10) by redesignating paragraphs (3), (4), (5),
14 (7), (9) through (19), (21), and (23), as so amend-
15 ed, as paragraphs (2), (3), (4), (5), (6) through
16 (16), (17), and (18), respectively.

17 (f) INFORMATION.—Section 17(g) of the Act is
18 amended—

19 (1) in paragraph (5), by striking “the report re-
20 quired under subsection (d)(4)” and inserting “re-
21 ports on program participant characteristics”; and

22 (2) by striking paragraph (6).

23 (g) PROCUREMENT OF INFANT FORMULA.—

24 (1) IN GENERAL.—Section 17(h) of the Act is
25 amended—

- 1 (A) in paragraph (4)(E), by striking “and,
2 on” and all that follows through “(d)(4)”;
- 3 (B) in paragraph (8)—
- 4 (i) by striking subparagraphs (A),
5 (C), and (M);
- 6 (ii) in subparagraph (G)—
- 7 (I) in clause (i), by striking “(i)”;
8 and
- 9 (II) by striking clauses (ii)
10 through (ix);
- 11 (iii) in subparagraph (I), by striking
12 “Secretary—” and all that follows through
13 “(v) may” and inserting “Secretary may”;
- 14 (iv) by redesignating subparagraphs
15 (B) and (D) through (L) as subparagraphs
16 (A) and (B) through (J), respectively;
- 17 (v) in subparagraph (A)(i), as so re-
18 designated, by striking “subparagraphs
19 (C), (D), and (E)(iii), in carrying out sub-
20 paragraph (A),” and inserting “subpara-
21 graphs (B) and (C)(iii),”;
- 22 (vi) in subparagraph (B)(i), as so re-
23 designated, by striking “subparagraph
24 (B)” each place it appears and inserting
25 “subparagraph (A)”;

1 (vii) in subparagraph (C)(iii), as so
2 redesignated, by striking “subparagraph
3 (B)” and inserting “subparagraph (A)”;
4 and
5 (C) in paragraph (10)(A), by striking
6 “shall” and inserting “may”.

7 (2) APPLICATION.—The amendments made by
8 paragraph (1) shall not apply to a contract for the
9 procurement of infant formula under section
10 17(h)(8) of the Act that is in effect on the effective
11 date of this subsection.

12 (h) NATIONAL ADVISORY COUNCIL ON MATERNAL,
13 INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of
14 the Act is amended by striking “Secretary shall designate”
15 and inserting “Council shall elect”.

16 (i) COMPLETED STUDY; COMMUNITY COLLEGE DEM-
17 ONSTRATION; GRANTS FOR INFORMATION AND DATA SYS-
18 TEM.—Section 17 of the Act is amended by striking sub-
19 sections (n), (o), and (p).

20 (j) DISQUALIFICATION OF VENDORS WHO ARE DIS-
21 QUALIFIED UNDER THE FOOD STAMP PROGRAM.—Sec-
22 tion 17 of the Act, as so amended, is further amended
23 by adding at the end the following:

24 “(n) DISQUALIFICATION OF VENDORS WHO ARE
25 DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

1 “(1) IN GENERAL.—The Secretary shall issue
2 regulations providing criteria for the disqualification
3 under this section of an approved vendor that is dis-
4 qualified from accepting benefits under the food
5 stamp program established under the Food Stamp
6 Act of 1977 (7 U.S.C. 2011 et seq.).

7 “(2) TERMS.—A disqualification under para-
8 graph (1)—

9 “(A) shall be for the same period as the
10 disqualification from the program referred to in
11 paragraph (1);

12 “(B) may begin at a later date than the
13 disqualification from the program referred to in
14 paragraph (1); and

15 “(C) shall not be subject to judicial or ad-
16 ministrative review.”.

17 **SEC. 930. CASH GRANTS FOR NUTRITION EDUCATION.**

18 Section 18 of the Child Nutrition Act of 1966 (42
19 U.S.C. 1787) is repealed.

20 **SEC. 931. NUTRITION EDUCATION AND TRAINING.**

21 (a) FINDINGS.—Section 19 of the Child Nutrition
22 Act of 1966 (42 U.S.C. 1788) is amended—

23 (1) in subsection (a), by striking “that—” and
24 all that follows through the period at the end and
25 inserting “that effective dissemination of scientifi-

1 ically valid information to children participating or
2 eligible to participate in the school lunch and related
3 child nutrition programs should be encouraged.”;
4 and

5 (2) in subsection (b), by striking “encourage”
6 and all that follows through “establishing” and in-
7 serting “establish”.

8 (b) USE OF FUNDS.—Section 19(f) of the Act is
9 amended—

10 (1) in paragraph (1)—

11 (A) by striking subparagraph (B); and

12 (B) in subparagraph (A)—

13 (i) by striking “(A)”;

14 (ii) by striking clauses (ix) through
15 (xix);

16 (iii) by redesignating clauses (i)
17 through (viii) and (xx) as subparagraphs
18 (A) through (H) and (I), respectively; and

19 (iv) in subparagraph (H), as so redesi-
20 gnated, by inserting “and” at the end;

21 (2) by striking paragraphs (2) and (4); and

22 (3) by redesignating paragraph (3) as para-
23 graph (2).

24 (c) ACCOUNTS, RECORDS, AND REPORTS.—The sec-
25 ond sentence of section 19(g)(1) of the Act is amended

1 by striking “at all times be available” and inserting “be
2 available at any reasonable time”.

3 (d) STATE COORDINATORS FOR NUTRITION; STATE
4 PLAN.—Section 19(h) of the Act is amended—

5 (1) in the second sentence of paragraph (1)—

6 (A) by striking “as provided in paragraph

7 (2) of this subsection”; and

8 (B) by striking “as provided in paragraph

9 (3) of this subsection”;

10 (2) in paragraph (2), by striking the second
11 and third sentences; and

12 (3) by striking paragraph (3).

13 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
14 19(i) of the Act is amended—

15 (1) in the first sentence of paragraph (2)(A), by
16 striking “and each succeeding fiscal year”;

17 (2) by redesignating paragraphs (3) and (4) as
18 paragraphs (4) and (5), respectively; and

19 (3) by inserting after paragraph (2) the follow-
20 ing:

21 “(3) FISCAL YEARS 1997 THROUGH 2002.—

22 “(A) IN GENERAL.—There are authorized
23 to be appropriated to carry out this section
24 \$10,000,000 for each of fiscal years 1997
25 through 2002.

1 “(B) GRANTS.—

2 “(i) IN GENERAL.—Grants to each
3 State from the amounts made available
4 under subparagraph (A) shall be based on
5 a rate of 50 cents for each child enrolled
6 in schools or institutions within the State,
7 except that no State shall receive an
8 amount less than \$75,000 per fiscal year.

9 “(ii) INSUFFICIENT FUNDS.—If the
10 amount made available for any fiscal year
11 is insufficient to pay the amount to which
12 each State is entitled under clause (i), the
13 amount of each grant shall be ratably re-
14 duced.”.

15 (f) ASSESSMENT.—Section 19 of the Act is amended
16 by striking subsection (j).

17 (g) EFFECTIVE DATE.—The amendments made by
18 subsection (e) shall become effective on October 1, 1996.

19 **SEC. 932. BREASTFEEDING PROMOTION PROGRAM.**

20 Section 21 of the Child Nutrition Act of 1966 (42
21 U.S.C. 1790) is repealed.

1 **TITLE X—FOOD STAMPS AND**
2 **COMMODITY DISTRIBUTION**

3 **SEC. 1001. SHORT TITLE.**

4 This title may be cited as the “Food Stamp Reform
5 and Commodity Distribution Act of 1996”.

6 **Subtitle A—Food Stamp Program**

7 **SEC. 1011. DEFINITION OF CERTIFICATION PERIOD.**

8 Section 3(c) of the Food Stamp Act of 1977 (7
9 U.S.C. 2012(c)) is amended by striking “Except as pro-
10 vided” and all that follows and inserting the following:
11 “The certification period shall not exceed 12 months, ex-
12 cept that the certification period may be up to 24 months
13 if all adult household members are elderly or disabled. A
14 State agency shall have at least 1 contact with each cer-
15 tified household every 12 months.”.

16 **SEC. 1012. DEFINITION OF COUPON.**

17 Section 3(d) of the Food Stamp Act of 1977 (7
18 U.S.C. 2012(d)) is amended by striking “or type of certifi-
19 cate” and inserting “type of certificate, authorization
20 card, cash or check issued in lieu of a coupon, or an access
21 device, including an electronic benefit transfer card or per-
22 sonal identification number,”.

23 **SEC. 1013. TREATMENT OF CHILDREN LIVING AT HOME.**

24 The second sentence of section 3(i) of the Food
25 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by

1 striking “(who are not themselves parents living with their
2 children or married and living with their spouses)”.

3 **SEC. 1014. OPTIONAL ADDITIONAL CRITERIA FOR SEPA-**
4 **RATE HOUSEHOLD DETERMINATIONS.**

5 Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C.
6 2012(i)) is amended by inserting after the third sentence
7 the following: “Notwithstanding the preceding sentences,
8 a State may establish criteria that prescribe when individ-
9 uals who live together, and who would be allowed to par-
10 ticipate as separate households under the preceding sen-
11 tences, shall be considered a single household, without re-
12 gard to the common purchase of food and preparation of
13 meals.”.

14 **SEC. 1015. ADJUSTMENT OF THRIFTY FOOD PLAN.**

15 The second sentence of section 3(o) of the Food
16 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

17 (1) by striking “shall (1) make” and inserting
18 the following: “shall—

19 “(1) make”;

20 (2) by striking “scale, (2) make” and inserting
21 “scale;

22 “(2) make”;

23 (3) by striking “Alaska, (3) make” and insert-
24 ing the following: “Alaska;

25 “(3) make”; and

1 (4) by striking “Columbia, (4) through” and all
2 that follows through the end of the subsection and
3 inserting the following: “Columbia; and

4 “(4) on October 1, 1996, and each October 1
5 thereafter, adjust the cost of the diet to reflect the
6 cost of the diet, in the preceding June, and round
7 the result to the nearest lower dollar increment for
8 each household size, except that on October 1, 1996,
9 the Secretary may not reduce the cost of the diet in
10 effect on September 30, 1996.”.

11 **SEC. 1016. DEFINITION OF HOMELESS INDIVIDUAL.**

12 Section 3(s)(2)(C) of the Food Stamp Act of 1977
13 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting “for not
14 more than 90 days” after “temporary accommodation”.

15 **SEC. 1017. STATE OPTION FOR ELIGIBILITY STANDARDS.**

16 Section 5(b) of the Food Stamp Act of 1977 (7
17 U.S.C. 2014(d)) is amended by striking “(b) The Sec-
18 retary” and inserting the following:

19 “(b) ELIGIBILITY STANDARDS.—Except as otherwise
20 provided in this Act, the Secretary”.

21 **SEC. 1018. EARNINGS OF STUDENTS.**

22 Section 5(d)(7) of the Food Stamp Act of 1977 (7
23 U.S.C. 2014(d)(7)) is amended by striking “21” and in-
24 serting “19”.

1 **SEC. 1019. ENERGY ASSISTANCE.**

2 (a) IN GENERAL.—Section 5(d) of the Food Stamp
3 Act of 1977 (7 U.S.C. 2014(d)) is amended by striking
4 paragraph (11) and inserting the following: “(11) a 1-time
5 payment or allowance made under a Federal or State law
6 for the costs of weatherization or emergency repair or re-
7 placement of an unsafe or inoperative furnace or other
8 heating or cooling device,”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 5(k) of the Act (7 U.S.C. 2014(k))
11 is amended—

12 (A) in paragraph (1)—

13 (i) in subparagraph (A), by striking
14 “plan for aid to families with dependent
15 children approved” and inserting “program
16 funded”; and

17 (ii) in subparagraph (B), by striking
18 “, not including energy or utility-cost as-
19 sistance,”;

20 (B) in paragraph (2), by striking subpara-
21 graph (C) and inserting the following:

22 “(C) a payment or allowance described in sub-
23 section (d)(11);” and

24 (C) by adding at the end the following:

25 “(4) THIRD PARTY ENERGY ASSISTANCE PAY-
26 MENTS.—

1 “(A) ENERGY ASSISTANCE PAYMENTS.—
2 For purposes of subsection (d)(1), a payment
3 made under a Federal or State law to provide
4 energy assistance to a household shall be con-
5 sidered money payable directly to the house-
6 hold.

7 “(B) ENERGY ASSISTANCE EXPENSES.—
8 For purposes of subsection (e)(7), an expense
9 paid on behalf of a household under a Federal
10 or State law to provide energy assistance shall
11 be considered an out-of-pocket expense incurred
12 and paid by the household.”.

13 (2) Section 2605(f) of the Low-Income Home
14 Energy Assistance Act of 1981 (42 U.S.C. 8624(f))
15 is amended—

16 (A) by striking “(f)(1) Notwithstanding”
17 and inserting “(f) Notwithstanding”;

18 (B) in paragraph (1), by striking “food
19 stamps,”; and

20 (C) by striking paragraph (2).

21 **SEC. 1020. DEDUCTIONS FROM INCOME.**

22 (a) IN GENERAL.—Section 5 of the Food Stamp Act
23 of 1977 (7 U.S.C. 2014) is amended by striking sub-
24 section (e) and inserting the following:

25 “(e) DEDUCTIONS FROM INCOME.—

1 “(1) STANDARD DEDUCTION.—The Secretary
2 shall allow a standard deduction for each household
3 in the 48 contiguous States and the District of Co-
4 lumbia, Alaska, Hawaii, Guam, and the Virgin Is-
5 lands of the United States of \$134, \$229, \$189,
6 \$269, and \$118, respectively.

7 “(2) EARNED INCOME DEDUCTION.—

8 “(A) DEFINITION OF EARNED INCOME.—

9 In this paragraph, the term ‘earned income’
10 does not include income excluded by subsection
11 (d) or any portion of income earned under a
12 work supplementation or support program, as
13 defined under section 16(b), that is attributable
14 to public assistance.

15 “(B) DEDUCTION.—Except as provided in
16 subparagraph (C), a household with earned in-
17 come shall be allowed a deduction of 20 percent
18 of all earned income to compensate for taxes,
19 other mandatory deductions from salary, and
20 work expenses.

21 “(C) EXCEPTION.—The deduction de-
22 scribed in subparagraph (B) shall not be al-
23 lowed with respect to determining an overissu-
24 ance due to the failure of a household to report
25 earned income in a timely manner.

1 “(3) DEPENDENT CARE DEDUCTION.—

2 “(A) IN GENERAL.—A household shall be
3 entitled, with respect to expenses (other than
4 excluded expenses described in subparagraph
5 (B)) for dependent care, to a dependent care
6 deduction, the maximum allowable level of
7 which shall be \$200 per month for each depend-
8 ent child under 2 years of age and \$175 per
9 month for each other dependent, for the actual
10 cost of payments necessary for the care of a
11 dependent if the care enables a household mem-
12 ber to accept or continue employment, or train-
13 ing or education that is preparatory for employ-
14 ment.

15 “(B) EXCLUDED EXPENSES.—The ex-
16 cluded expenses referred to in subparagraph
17 (A) are—

18 “(i) expenses paid on behalf of the
19 household by a third party;

20 “(ii) amounts made available and ex-
21 cluded for the expenses referred to in sub-
22 paragraph (A) under subsection (d)(3);
23 and

24 “(iii) expenses that are paid under
25 section 6(d)(4).

1 “(4) DEDUCTION FOR CHILD SUPPORT PAY-
2 MENTS.—

3 “(A) IN GENERAL.—A household shall be
4 entitled to a deduction for child support pay-
5 ments made by a household member to or for
6 an individual who is not a member of the
7 household if the household member is legally
8 obligated to make the payments.

9 “(B) METHODS FOR DETERMINING
10 AMOUNT.—The Secretary may prescribe by reg-
11 ulation the methods, including calculation on a
12 retrospective basis, that a State agency shall
13 use to determine the amount of the deduction
14 for child support payments.

15 “(5) HOMELESS SHELTER ALLOWANCE.—A
16 State agency may develop a standard homeless shel-
17 ter allowance, which shall not exceed \$143 per
18 month, for such expenses as may reasonably be ex-
19 pected to be incurred by households in which all
20 members are homeless individuals but are not receiv-
21 ing free shelter throughout the month. A State agen-
22 cy that develops the allowance may use the allow-
23 ance in determining eligibility and allotments for the
24 households, except that the State agency may pro-

1 hibit the use of the allowance for households with
2 extremely low shelter costs.

3 “(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

4 “(A) IN GENERAL.—A household contain-
5 ing an elderly or disabled member shall be enti-
6 tled, with respect to expenses other than ex-
7 penses paid on behalf of the household by a
8 third party, to an excess medical expense de-
9 duction for the portion of the actual costs of al-
10 lowable medical expenses, incurred by the elder-
11 ly or disabled member, exclusive of special diets,
12 that exceeds \$35 per month.

13 “(B) METHOD OF CLAIMING DEDUC-
14 TION.—

15 “(i) IN GENERAL.—A State agency
16 shall offer an eligible household under sub-
17 paragraph (A) a method of claiming a de-
18 duction for recurring medical expenses that
19 are initially verified under the excess medi-
20 cal expense deduction in lieu of submitting
21 information or verification on actual ex-
22 penses on a monthly basis.

23 “(ii) METHOD.—The method de-
24 scribed in clause (i) shall—

1 “(I) be designed to minimize the
2 burden for the eligible elderly or dis-
3 abled household member choosing to
4 deduct the recurrent medical expenses
5 of the member pursuant to the meth-
6 od;

7 “(II) rely on reasonable estimates
8 of the expected medical expenses of
9 the member for the certification pe-
10 riod (including changes that can be
11 reasonably anticipated based on avail-
12 able information about the medical
13 condition of the member, public or
14 private medical insurance coverage,
15 and the current verified medical ex-
16 penses incurred by the member); and

17 “(III) not require further report-
18 ing or verification of a change in med-
19 ical expenses if such a change has
20 been anticipated for the certification
21 period.

22 “(7) EXCESS SHELTER EXPENSE DEDUC-
23 TION.—

24 “(A) IN GENERAL.—A household shall be
25 entitled, with respect to expenses other than ex-

1 penses paid on behalf of the household by a
2 third party, to an excess shelter expense deduc-
3 tion to the extent that the monthly amount ex-
4 pended by a household for shelter exceeds an
5 amount equal to 50 percent of monthly house-
6 hold income after all other applicable deduc-
7 tions have been allowed.

8 “(B) MAXIMUM AMOUNT OF DEDUC-
9 TION.—In the case of a household that does not
10 contain an elderly or disabled individual, the ex-
11 cess shelter expense deduction shall not ex-
12 ceed—

13 “(i) in the 48 contiguous States and
14 the District of Columbia, \$247 per month;
15 and

16 “(ii) in Alaska, Hawaii, Guam, and
17 the Virgin Islands of the United States,
18 \$429, \$353, \$300, and \$182 per month,
19 respectively.

20 “(C) STANDARD UTILITY ALLOWANCE.—

21 “(i) IN GENERAL.—In computing the
22 excess shelter expense deduction, a State
23 agency may use a standard utility allow-
24 ance in accordance with regulations pro-
25 mulgated by the Secretary, except that a

1 State agency may use an allowance that
2 does not fluctuate within a year to reflect
3 seasonal variations.

4 “(ii) RESTRICTIONS ON HEATING AND
5 COOLING EXPENSES.—An allowance for a
6 heating or cooling expense may not be used
7 in the case of a household that—

8 “(I) does not incur a heating or
9 cooling expense, as the case may be;

10 “(II) does incur a heating or
11 cooling expense but is located in a
12 public housing unit that has central
13 utility meters and charges households,
14 with regard to the expense, only for
15 excess utility costs; or

16 “(III) shares the expense with,
17 and lives with, another individual not
18 participating in the food stamp pro-
19 gram, another household participating
20 in the food stamp program, or both,
21 unless the allowance is prorated be-
22 tween the household and the other in-
23 dividual, household, or both.

24 “(iii) MANDATORY ALLOWANCE.—

1 “(I) IN GENERAL.—A State
2 agency may make the use of a stand-
3 ard utility allowance mandatory for all
4 households with qualifying utility
5 costs if—

6 “(aa) the State agency has
7 developed 1 or more standards
8 that include the cost of heating
9 and cooling and 1 or more stand-
10 ards that do not include the cost
11 of heating and cooling; and

12 “(bb) the Secretary finds
13 that the standards will not result
14 in an increased cost to the Sec-
15 retary.

16 “(II) HOUSEHOLD ELECTION.—
17 A State agency that has not made the
18 use of a standard utility allowance
19 mandatory under subclause (I) shall
20 allow a household to switch, at the
21 end of a certification period, between
22 the standard utility allowance and a
23 deduction based on the actual utility
24 costs of the household.

1 “(iv) AVAILABILITY OF ALLOWANCE
2 TO RECIPIENTS OF ENERGY ASSISTANCE.—

3 “(I) IN GENERAL.—Subject to
4 subclause (II), if a State agency elects
5 to use a standard utility allowance
6 that reflects heating or cooling costs,
7 the standard utility allowance shall be
8 made available to households receiving
9 a payment, or on behalf of which a
10 payment is made, under the Low-In-
11 come Home Energy Assistance Act of
12 1981 (42 U.S.C. 8621 et seq.) or
13 other similar energy assistance pro-
14 gram, if the household still incurs out-
15 of-pocket heating or cooling expenses
16 in excess of any assistance paid on be-
17 half of the household to an energy
18 provider.

19 “(II) SEPARATE ALLOWANCE.—A
20 State agency may use a separate
21 standard utility allowance for house-
22 holds on behalf of which a payment
23 described in subclause (I) is made,
24 but may not be required to do so.

1 “(III) STATES NOT ELECTING TO
2 USE SEPARATE ALLOWANCE.—A State
3 agency that does not elect to use a
4 separate allowance but makes a single
5 standard utility allowance available to
6 households incurring heating or cool-
7 ing expenses (other than a household
8 described in subclause (I) or (II) of
9 subparagraph (C)(ii)) may not be re-
10 quired to reduce the allowance due to
11 the provision (directly or indirectly) of
12 assistance under the Low-Income
13 Home Energy Assistance Act of 1981
14 (42 U.S.C. 8621 et seq.).

15 “(IV) PRORATION OF ASSIST-
16 ANCE.—For the purpose of the food
17 stamp program, assistance provided
18 under the Low-Income Home Energy
19 Assistance Act of 1981 (42 U.S.C.
20 8621 et seq.) shall be considered to be
21 prorated over the entire heating or
22 cooling season for which the assist-
23 ance was provided.”.

24 (b) CONFORMING AMENDMENT.—Section 11(e)(3) of
25 the Act (7 U.S.C. 2020(e)(3)) is amended by striking “.

1 Under rules prescribed” and all that follows through
2 “verifies higher expenses”.

3 **SEC. 1021. VEHICLE ALLOWANCE.**

4 Section 5(g) of the Food Stamp Act of 1977 (7
5 U.S.C. 2014(g)) is amended by striking paragraph (2) and
6 inserting the following:

7 “(2) INCLUDED ASSETS.—

8 “(A) IN GENERAL.—Subject to the other
9 provisions of this paragraph, the Secretary
10 shall, in prescribing inclusions in, and exclu-
11 sions from, financial resources, follow the regu-
12 lations in force as of June 1, 1982 (other than
13 those relating to licensed vehicles and inacces-
14 sible resources).

15 “(B) ADDITIONAL INCLUDED ASSETS.—
16 The Secretary shall include in financial re-
17 sources—

18 “(i) any boat, snowmobile, or airplane
19 used for recreational purposes;

20 “(ii) any vacation home;

21 “(iii) any mobile home used primarily
22 for vacation purposes;

23 “(iv) subject to subparagraph (C), any
24 licensed vehicle that is used for household
25 transportation or to obtain or continue em-

1 ployment to the extent that the fair market
2 value of the vehicle exceeds \$4,600; and

3 “(v) any savings or retirement ac-
4 count (including an individual account), re-
5 gardless of whether there is a penalty for
6 early withdrawal.

7 “(C) EXCLUDED VEHICLES.—A vehicle
8 (and any other property, real or personal, to the
9 extent the property is directly related to the
10 maintenance or use of the vehicle) shall not be
11 included in financial resources under this para-
12 graph if the vehicle is—

13 “(i) used to produce earned income;

14 “(ii) necessary for the transportation
15 of a physically disabled household member;
16 or

17 “(iii) depended on by a household to
18 carry fuel for heating or water for home
19 use and provides the primary source of fuel
20 or water, respectively, for the household.”.

21 **SEC. 1022. VENDOR PAYMENTS FOR TRANSITIONAL HOUS-**
22 **ING COUNTED AS INCOME.**

23 Section 5(k)(2) of the Food Stamp Act of 1977 (7
24 U.S.C. 2014(k)(2)) is amended—

25 (1) by striking subparagraph (F); and

1 (2) by redesignating subparagraphs (G) and
2 (H) as subparagraphs (F) and (G), respectively.

3 **SEC. 1023. DOUBLED PENALTIES FOR VIOLATING FOOD**
4 **STAMP PROGRAM REQUIREMENTS.**

5 Section 6(b)(1) of the Food Stamp Act of 1977 (7
6 U.S.C. 2015(b)(1)) is amended—

7 (1) in clause (i), by striking “six months” and
8 inserting “1 year”; and

9 (2) in clause (ii), by striking “1 year” and in-
10 serting “2 years”.

11 **SEC. 1024. DISQUALIFICATION OF CONVICTED INDIVID-**
12 **UALS.**

13 Section 6(b)(1)(iii) of the Food Stamp Act of 1977
14 (7 U.S.C. 2015(b)(1)(iii)) is amended—

15 (1) in subclause (II), by striking “or” at the
16 end;

17 (2) in subclause (III), by striking the period at
18 the end and inserting “; or”; and

19 (3) by inserting after subclause (III) the follow-
20 ing:

21 “(IV) a conviction of an offense under sub-
22 section (b) or (c) of section 15 involving an
23 item covered by subsection (b) or (c) of section
24 15 having a value of \$500 or more.”.

1 **SEC. 1025. 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 the end of paragraph (1) and in-
6 serting the 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 Act (7 U.S.C. 2026(b)(2)) is amended by strik-
18 ing “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

19 (2) Section 20 of the Act (7 U.S.C. 2029) is
20 amended by striking subsection (f) and inserting the
21 following:

22 “(f) DISQUALIFICATION.—An individual or a house-
23 hold may become ineligible under section 6(d)(1) to par-
24 ticipate in the food stamp program for failing to comply
25 with this section.”.

1 **SEC. 1026. CARETAKER EXEMPTION.**

2 Section 6(d)(2) of the Food Stamp Act of 1977 (7
3 U.S.C. 2015(d)(2)) is amended by striking subparagraph
4 (B) and inserting the following: “(B) a parent or other
5 member of a household with responsibility for the care of
6 (i) a dependent child under the age of 6 or any lower age
7 designated by the State agency that is not under the age
8 of 1, or (ii) an incapacitated person;”.

9 **SEC. 1027. EMPLOYMENT AND TRAINING.**

10 (a) IN GENERAL.—Section 6(d)(4) of the Food
11 Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

12 (1) in subparagraph (A)—

13 (A) by striking “Not later than April 1,
14 1987, each” and inserting “Each”;

15 (B) by inserting “work,” after “skills,
16 training,”; and

17 (C) by adding at the end the following:
18 “Each component of an employment and train-
19 ing program carried out under this paragraph
20 shall be delivered through a statewide workforce
21 development system, unless the component is
22 not available locally through the statewide
23 workforce development system.”;

24 (2) in subparagraph (B)—

25 (A) in the matter preceding clause (i), by
26 striking the colon at the end and inserting the

1 following: “, except that the State agency shall
2 retain the option to apply employment require-
3 ments prescribed under this subparagraph to a
4 program applicant at the time of application.”;

5 (B) in clause (i), by striking “with terms
6 and conditions” and all that follows through
7 “time of application”; and

8 (C) in clause (iv)—

9 (i) by striking subclauses (I) and (II);

10 and

11 (ii) by redesignating subclauses (III)

12 and (IV) as subclauses (I) and (II), respec-
13 tively;

14 (3) 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 (4) in subparagraph (E), by striking the third
2 sentence;

3 (5) in subparagraph (G)—

4 (A) by striking “(G)(i) The State” and in-
5 sserting “(G) The State”; and

6 (B) by striking clause (ii);

7 (6) in subparagraph (H), by striking “(H)(i)
8 The Secretary” and all that follows through “(ii)
9 Federal funds” and inserting “(H) Federal funds”;

10 (7) in subparagraph (I)(i)(II), by striking “, or
11 was in operation,” and all that follows through “So-
12 cial Security Act” and inserting the following: “),
13 except that no such payment or reimbursement shall
14 exceed the applicable local market rate”;

15 (8)(A) by striking subparagraphs (K) and (L)
16 and inserting the following:

17 “(K) LIMITATION ON FUNDING.—Notwith-
18 standing any other provision of this paragraph,
19 the amount of funds a State agency uses to
20 carry out this paragraph (including under sub-
21 paragraph (I)) for participants who are receiv-
22 ing benefits under a State program funded
23 under part A of title IV of the Social Security
24 Act (42 U.S.C. 601 et seq.) shall not exceed the
25 amount of funds the State agency used in fiscal

1 year 1995 to carry out this paragraph for par-
2 ticipants who were receiving benefits in fiscal
3 year 1995 under a State program funded under
4 part A of title IV of the Act (42 U.S.C. 601 et
5 seq.).”; and

6 (B) by redesignating subparagraphs (M) and
7 (N) as subparagraphs (L) and (M), respectively; and
8 (9) in subparagraph (L), as redesignated by
9 paragraph (8)(B)—

10 (A) by striking “(L)(i) The Secretary” and
11 inserting “(L) The Secretary”; and

12 (B) by striking clause (ii).

13 (b) FUNDING.—Section 16(h) of the Act (7 U.S.C.
14 2025(h)) is amended by striking “(h)(1)(A) The Sec-
15 retary” and all that follows through the end of paragraph
16 (1) and inserting the following:

17 “(h) FUNDING OF EMPLOYMENT AND TRAINING
18 PROGRAMS.—

19 “(1) IN GENERAL.—

20 “(A) AMOUNTS.—To carry out employ-
21 ment and training programs, the Secretary
22 shall reserve for allocation to State agencies
23 from funds made available for each fiscal year
24 under section 18(a)(1) the amount of—

25 “(i) for fiscal year 1996, \$75,000,000;

1 “(ii) for fiscal year 1997,
2 \$79,000,000;

3 “(iii) for fiscal year 1998,
4 \$81,000,000;

5 “(iv) for fiscal year 1999,
6 \$84,000,000;

7 “(v) for fiscal year 2000,
8 \$86,000,000;

9 “(vi) for fiscal year 2001,
10 \$88,000,000; and

11 “(vii) for fiscal year 2002,
12 \$90,000,000.

13 “(B) ALLOCATION.—The Secretary shall
14 allocate the amounts reserved under subpara-
15 graph (A) among the State agencies using a
16 reasonable formula (as determined by the Sec-
17 retary) that gives consideration to the popu-
18 lation in each State affected by section 6(o).

19 “(C) REALLOCATION.—

20 “(i) NOTIFICATION.—A State agency
21 shall promptly notify the Secretary if the
22 State agency determines that the State
23 agency will not expend all of the funds al-
24 located to the State agency under subpara-
25 graph (B).

1 “(ii) REALLOCATION.—On notification
2 under clause (i), the Secretary shall reallo-
3 cate the funds that the State agency will
4 not expend as the Secretary considers ap-
5 propriate and equitable.

6 “(D) MINIMUM ALLOCATION.—Notwith-
7 standing subparagraphs (A) through (C), the
8 Secretary shall ensure that each State agency
9 operating an employment and training program
10 shall receive not less than \$50,000 in each fis-
11 cal year.”.

12 (c) ADDITIONAL MATCHING FUNDS.—Section
13 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by
14 inserting before the period at the end the following: “, in-
15 cluding the costs for case management and casework to
16 facilitate the transition from economic dependency to self-
17 sufficiency through work”.

18 (d) REPORTS.—Section 16(h) of the Act (7 U.S.C.
19 2025(h)) is amended—

20 (1) in paragraph (5)—

21 (A) by striking “(5)(A) The Secretary”
22 and inserting “(5) The Secretary”; and

23 (B) by striking subparagraph (B); and

24 (2) by striking paragraph (6).

1 **SEC. 1028. 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—

5 (1) by redesignating subsection (i), as added by
6 section 107, as subsection (p); and

7 (2) by inserting after subsection (h) the follow-
8 ing:

9 “(i) COMPARABLE TREATMENT FOR DISQUALIFICA-
10 TION.—

11 “(1) IN GENERAL.—If a disqualification is im-
12 posed on a member of a household for a failure of
13 the member to perform an action required under a
14 Federal, State, or local law relating to a means-test-
15 ed public assistance program, the State agency may
16 impose the same disqualification on the member of
17 the household under the food stamp program.

18 “(2) RULES AND PROCEDURES.—If a disquali-
19 fication is imposed under paragraph (1) for a failure
20 of an individual to perform an action required under
21 part A of title IV of the Social Security Act (42
22 U.S.C. 601 et seq.), the State agency may use the
23 rules and procedures that apply under part A of title
24 IV of the Act to impose the same disqualification
25 under the food stamp program.

1 “(3) APPLICATION AFTER DISQUALIFICATION
2 PERIOD.—A member of a household disqualified
3 under paragraph (1) may, after the disqualification
4 period has expired, apply for benefits under this Act
5 and shall be treated as a new applicant, except that
6 a prior disqualification under subsection (d) shall be
7 considered in determining eligibility.”.

8 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
9 Act (7 U.S.C. 2020(e)) is amended—

10 (1) in paragraph (24), by striking “and” at the
11 end;

12 (2) in paragraph (25), by striking the period at
13 the end and inserting a semicolon; and

14 (3) by adding at the end the following:

15 “(26) the guidelines the State agency uses in
16 carrying out section 6(i); and”.

17 (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)
18 of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by strik-
19 ing “that is comparable to a requirement of paragraph
20 (1)”.

21 **SEC. 1029. DISQUALIFICATION FOR RECEIPT OF MULTIPLE**
22 **FOOD STAMP BENEFITS.**

23 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
24 2015), as amended by section 1028, is further amended
25 by inserting after subsection (i) the following:

1 “(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE
2 FOOD STAMP BENEFITS.—An individual shall be ineligible
3 to participate in the food stamp program as a member
4 of any household for a 10-year period if the individual is
5 found by a State agency to have made, or is convicted
6 in a Federal or State court of having made, a fraudulent
7 statement or representation with respect to the identity
8 or place of residence of the individual in order to receive
9 multiple benefits simultaneously under the food stamp
10 program.”.

11 **SEC. 1030. DISQUALIFICATION OF FLEEING FELONS.**

12 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
13 2015), as amended by section 1029, is further amended
14 by inserting after subsection (j) the following:

15 “(k) DISQUALIFICATION OF FLEEING FELONS.—No
16 member of a household who is otherwise eligible to partici-
17 pate in the food stamp program shall be eligible to partici-
18 pate in the program as a member of that or any other
19 household during any period during which the individual
20 is—

21 “(1) fleeing to avoid prosecution, or custody or
22 confinement after conviction, under the law of the
23 place from which the individual is fleeing, for a
24 crime, or attempt to commit a crime, that is a felony
25 under the law of the place from which the individual

1 is fleeing or that, in the case of New Jersey, is a
 2 high misdemeanor under the law of New Jersey; or
 3 “(2) violating a condition of probation or parole
 4 imposed under a Federal or State law.”.

5 **SEC. 1031. COOPERATION WITH CHILD SUPPORT AGENCIES.**

6 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
 7 2015), as amended by section 1030, is further amended
 8 by inserting after subsection (k) the following:

9 “(l) CUSTODIAL PARENT’S COOPERATION WITH
 10 CHILD SUPPORT AGENCIES.—

11 “(1) IN GENERAL.—At the option of a State
 12 agency, subject to paragraphs (2) and (3), no natu-
 13 ral or adoptive parent or other individual (collec-
 14 tively referred to in this subsection as ‘the individ-
 15 ual’) who is living with and exercising parental con-
 16 trol over a child under the age of 18 who has an ab-
 17 sent parent shall be eligible to participate in the food
 18 stamp program unless the individual cooperates with
 19 the State agency administering the program estab-
 20 lished under part D of title IV of the Social Security
 21 Act (42 U.S.C. 651 et seq.)—

22 “(A) in establishing the paternity of the
 23 child (if the child is born out of wedlock); and

24 “(B) in obtaining support for—

25 “(i) the child; or

1 “(ii) the individual and the child.

2 “(2) GOOD CAUSE FOR NONCOOPERATION.—
3 Paragraph (1) shall not apply to the individual if
4 good cause is found for refusing to cooperate, as de-
5 termined by the State agency in accordance with
6 standards prescribed by the Secretary in consulta-
7 tion with the Secretary of Health and Human Serv-
8 ices. The standards shall take into consideration cir-
9 cumstances under which cooperation may be against
10 the best interests of the child.

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 “(m) NON-CUSTODIAL PARENT’S COOPERATION
16 WITH CHILD SUPPORT AGENCIES.—

17 “(1) IN GENERAL.—At the option of a State
18 agency, subject to paragraphs (2) and (3), a puta-
19 tive or identified non-custodial parent of a child
20 under the age of 18 (referred to in this subsection
21 as ‘the individual’) shall not be eligible to participate
22 in the food stamp program if the individual refuses
23 to cooperate with the State agency administering the
24 program established under part D of title IV of the
25 Social Security Act (42 U.S.C. 651 et seq.)—

1 “(A) in establishing the paternity of the
2 child (if the child is born out of wedlock); and

3 “(B) in providing support for the child.

4 “(2) REFUSAL TO COOPERATE.—

5 “(A) GUIDELINES.—The Secretary, in con-
6 sultation with the Secretary of Health and
7 Human Services, shall develop guidelines on
8 what constitutes a refusal to cooperate under
9 paragraph (1).

10 “(B) PROCEDURES.—The State agency
11 shall develop procedures, using guidelines devel-
12 oped under subparagraph (A), for determining
13 whether an individual is refusing to cooperate
14 under paragraph (1).

15 “(3) FEES.—Paragraph (1) shall not require
16 the payment of a fee or other cost for services pro-
17 vided under part D of title IV of the Social Security
18 Act (42 U.S.C. 651 et seq.).

19 “(4) PRIVACY.—The State agency shall provide
20 safeguards to restrict the use of information col-
21 lected by a State agency administering the program
22 established under part D of title IV of the Social Se-
23 curity Act (42 U.S.C. 651 et seq.) to purposes for
24 which the information is collected.”.

1 **SEC. 1032. DISQUALIFICATION RELATING TO CHILD SUP-**
2 **PORT ARREARS.**

3 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
4 2015), as amended by section 1031, is further amended
5 by inserting after subsection (m) the following:

6 “(n) DISQUALIFICATION FOR CHILD SUPPORT AR-
7 REARS.—

8 “(1) IN GENERAL.—At the option of the State
9 agency, no individual shall be eligible to participate
10 in the food stamp program as a member of any
11 household during any month that the individual is
12 delinquent in any payment due under a court order
13 for the support of a child of the individual.

14 “(2) EXCEPTIONS.—Paragraph (1) shall not
15 apply if—

16 “(A) a court is allowing the individual to
17 delay payment; or

18 “(B) the individual is complying with a
19 payment plan approved by a court or the State
20 agency designated under part D of title IV of
21 the Social Security Act (42 U.S.C. 651 et seq.)
22 to provide support for the child of the individ-
23 ual.”.

24 **SEC. 1033. WORK REQUIREMENT.**

25 (a) IN GENERAL.—Section 6 of the Food Stamp Act
26 of 1977 (7 U.S.C. 2015), as amended by section 1032,

1 is further amended by inserting after subsection (n) the
2 following:

3 “(o) WORK REQUIREMENT.—

4 “(1) DEFINITION OF WORK PROGRAM.—In this
5 subsection, the term ‘work program’ means—

6 “(A) a program under the Job Training
7 Partnership Act (29 U.S.C. 1501 et seq.);

8 “(B) a program under section 236 of the
9 Trade Act of 1974 (19 U.S.C. 2296); or

10 “(C) a program of employment or training
11 operated or supervised by a State or political
12 subdivision of a State that meets standards ap-
13 proved by the Governor of the State, including
14 a program under section 6(d)(4), other than a
15 job search program or a job search training
16 program.

17 “(2) WORK REQUIREMENT.—Subject to the
18 other provisions of this subsection, no individual
19 shall be eligible to participate in the food stamp pro-
20 gram as a member of any household if, during the
21 preceding 12-month period, the individual received
22 food stamp benefits for not less than 4 months dur-
23 ing which the individual did not—

24 “(A) work 20 hours or more per week,
25 averaged monthly; or

1 “(B) participate in and comply with the re-
2 quirements of a work program for 20 hours or
3 more per week, as determined by the State
4 agency; or

5 “(C) participate in a program under sec-
6 tion 20 or a comparable program established by
7 a State or political subdivision of a State.

8 “(3) EXCEPTION.—Paragraph (2) shall not
9 apply to an individual if the individual is—

10 “(A) under 18 or over 50 years of age;

11 “(B) medically certified as physically or
12 mentally unfit for employment;

13 “(C) a parent or other member of a house-
14 hold with responsibility for a dependent child;

15 “(D) otherwise exempt under section
16 6(d)(2); or

17 “(E) a pregnant woman.

18 “(4) WAIVER.—

19 “(A) IN GENERAL.—On the request of a
20 State agency, the Secretary may waive the ap-
21 plicability of paragraph (2) to any group of in-
22 dividuals in the State if the Secretary makes a
23 determination that the area in which the indi-
24 viduals reside—

1 “(i) has an unemployment rate of over
2 10 percent; or

3 “(ii) does not have a sufficient num-
4 ber of jobs to provide employment for the
5 individuals.

6 “(B) REPORT.—The Secretary shall report
7 the basis for a waiver under subparagraph (A)
8 to the Committee on Agriculture of the House
9 of Representatives and the Committee on Agri-
10 culture, Nutrition, and Forestry of the Senate.

11 “(5) SUBSEQUENT ELIGIBILITY.—

12 “(A) IN GENERAL.—Paragraph (2) shall
13 cease to apply to an individual if, during a 30-
14 day period, the individual—

15 “(i) works 80 or more hours;

16 “(ii) participates in and complies with
17 the requirements of a work program for 80
18 or more hours, as determined by a State
19 agency; or

20 “(iii) participates in a program under
21 section 20 or a comparable program estab-
22 lished by a State or political subdivision of
23 a State.

24 “(B) LIMITATION.—During the subsequent
25 12-month period, the individual shall be eligible

1 to participate in the food stamp program for
2 not more than 4 months during which the indi-
3 vidual does not—

4 “(i) work 20 hours or more per week,
5 averaged monthly;

6 “(ii) participate in and comply with
7 the requirements of a work program for 20
8 hours or more per week, as determined by
9 the State agency; or

10 “(iii) participate in a program under
11 section 20 or a comparable program estab-
12 lished by a State or political subdivision of
13 a State.”.

14 (b) TRANSITION PROVISION.—Prior to 1 year after
15 the date of enactment of this Act, the term “preceding
16 12-month period” in section 6(o) of the Food Stamp Act
17 of 1977, as amended by subsection (a), means the preced-
18 ing period that begins on the date of enactment of this
19 Act.

20 **SEC. 1034. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
21 **SYSTEMS.**

22 (a) IN GENERAL.—Section 7(i) of the Food Stamp
23 Act of 1977 (7 U.S.C. 2016(i)) is amended—

24 (1) by striking paragraph (1) and inserting the
25 following:

1 “(1) ELECTRONIC BENEFIT TRANSFERS.—

2 “(A) IMPLEMENTATION.—Each State
3 agency shall implement an electronic benefit
4 transfer system in which household benefits de-
5 termined under section 8(a) or 24 are issued
6 from and stored in a central databank before
7 October 1, 2002, unless the Secretary provides
8 a waiver for a State agency that faces unusual
9 barriers to implementing an electronic benefit
10 transfer system.

11 “(B) TIMELY IMPLEMENTATION.—State
12 agencies are encouraged to implement an elec-
13 tronic benefit transfer system under subpara-
14 graph (A) as soon as practicable.

15 “(C) STATE FLEXIBILITY.—Subject to
16 paragraph (2), a State agency may procure and
17 implement an electronic benefit transfer system
18 under the terms, conditions, and design that
19 the State agency considers appropriate.

20 “(D) OPERATION.—An electronic benefit
21 transfer system should take into account gen-
22 erally accepted standard operating rules based
23 on—

24 “(i) commercial electronic funds
25 transfer technology;

1 “(ii) the need to permit interstate op-
2 eration and law enforcement monitoring;
3 and

4 “(iii) the need to permit monitoring
5 and investigations by authorized law en-
6 forcement agencies.”;

7 (2) in paragraph (2)—

8 (A) by striking “effective no later than
9 April 1, 1992,”;

10 (B) in subparagraph (A)—

11 (i) by striking “, in any 1 year,”; and

12 (ii) by striking “on-line”;

13 (C) by striking subparagraph (D) and in-
14 serting the following:

15 “(D)(i) measures to maximize the security
16 of a system using the most recent technology
17 available that the State agency considers appro-
18 priate and cost effective and which may include
19 personal identification numbers, photographic
20 identification on electronic benefit transfer
21 cards, and other measures to protect against
22 fraud and abuse; and

23 “(ii) effective not later than 2 years after
24 the effective date of this clause, to the extent
25 practicable, measures that permit a system to

1 differentiate items of food that may be acquired
2 with an allotment from items of food that may
3 not be acquired with an allotment.”;

4 (D) in subparagraph (G), by striking
5 “and” at the end;

6 (E) in subparagraph (H), by striking the
7 period at the end and inserting “; and”; and

8 (F) by adding at the end the following:

9 “(I) procurement standards.”; and

10 (3) by adding at the end the following:

11 “(7) REPLACEMENT OF BENEFITS.—Regula-
12 tions issued by the Secretary regarding the replace-
13 ment of benefits and liability for replacement of ben-
14 efits under an electronic benefit transfer system
15 shall be similar to the regulations in effect for a
16 paper food stamp issuance system.

17 “(8) REPLACEMENT CARD FEE.—A State agen-
18 cy may collect a charge for replacement of an elec-
19 tronic benefit transfer card by reducing the monthly
20 allotment of the household receiving the replacement
21 card.

22 “(9) OPTIONAL PHOTOGRAPHIC IDENTIFICA-
23 TION.—

24 “(A) IN GENERAL.—A State agency may
25 require that an electronic benefit card contain

1 a photograph of 1 or more members of a house-
2 hold.

3 “(B) OTHER AUTHORIZED USERS.—If a
4 State agency requires a photograph on an elec-
5 tronic benefit card under subparagraph (A), the
6 State agency shall establish procedures to en-
7 sure that any other appropriate member of the
8 household or any authorized representative of
9 the household may utilize the card.”.

10 (b) SENSE OF CONGRESS.—It is the sense of Con-
11 gress that a State that operates an electronic benefit
12 transfer system under the Food Stamp Act of 1977 (7
13 U.S.C. 2011 et seq.) should operate the system in a man-
14 ner that is compatible with electronic benefit transfer sys-
15 tems operated by other States.

16 **SEC. 1035. VALUE OF MINIMUM ALLOTMENT.**

17 The proviso in section 8(a) of the Food Stamp Act
18 of 1977 (7 U.S.C. 2017(a)) is amended by striking “, and
19 shall be adjusted” and all that follows through “\$5”.

20 **SEC. 1036. BENEFITS ON RECERTIFICATION.**

21 Section 8(c)(2)(B) of the Food Stamp Act of 1977
22 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
23 than one month”.

1 **SEC. 1037. OPTIONAL COMBINED ALLOTMENT FOR EXPE-**
2 **DITED HOUSEHOLDS.**

3 Section 8(c) of the Food Stamp Act of 1977 (7
4 U.S.C. 2017(c)) is amended by striking paragraph (3) and
5 inserting the following:

6 “(3) OPTIONAL COMBINED ALLOTMENT FOR
7 EXPEDITED HOUSEHOLDS.—A State agency may
8 provide to an eligible household applying after the
9 15th day of a month, in lieu of the initial allotment
10 of the household and the regular allotment of the
11 household for the following month, an allotment that
12 is equal to the total amount of the initial allotment
13 and the first regular allotment. The allotment shall
14 be provided in accordance with section 11(e)(3) in
15 the case of a household that is not entitled to expe-
16 dited service and in accordance with paragraphs (3)
17 and (9) of section 11(e) in the case of a household
18 that is entitled to expedited service.”.

19 **SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-TEST-**
20 **ED PUBLIC ASSISTANCE PROGRAMS.**

21 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
22 2017) is amended by striking subsection (d) and inserting
23 the following:

24 “(d) REDUCTION OF PUBLIC ASSISTANCE BENE-
25 FITS.—

1 “(1) IN GENERAL.—If the benefits of a house-
2 hold are reduced under a Federal, State, or local law
3 relating to a means-tested public assistance program
4 for the failure of a member of the household to per-
5 form an action required under the law or program,
6 for the duration of the reduction—

7 “(A) the household may not receive an in-
8 creased allotment as the result of a decrease in
9 the income of the household to the extent that
10 the decrease is the result of the reduction; and

11 “(B) the State agency may reduce the al-
12 lotment of the household by not more than 25
13 percent.

14 “(2) RULES AND PROCEDURES.—If the allot-
15 ment of a household is reduced under this subsection
16 for a failure to perform an action required under
17 part A of title IV of the Social Security Act (42
18 U.S.C. 601 et seq.), the State agency may use the
19 rules and procedures that apply under part A of title
20 IV of the Act to reduce the allotment under the food
21 stamp program.”.

22 **SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN**
23 **CENTERS.**

24 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
25 2017) is amended by adding at the end the following:

1 “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN
2 CENTERS.—

3 “(1) IN GENERAL.—In the case of an individual
4 who resides in a center for the purpose of a drug or
5 alcoholic treatment program described in the last
6 sentence of section 3(i), a State agency may provide
7 an allotment for the individual to—

8 “(A) the center as an authorized represent-
9 ative of the individual for a period that is less
10 than 1 month; and

11 “(B) the individual, if the individual leaves
12 the center.

13 “(2) DIRECT PAYMENT.—A State agency may
14 require an individual referred to in paragraph (1) to
15 designate the center in which the individual resides
16 as the authorized representative of the individual for
17 the purpose of receiving an allotment.”.

18 **SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RE-**
19 **TAIL FOOD STORES AND WHOLESALE FOOD**
20 **CONCERNS.**

21 Section 9(a)(1) of the Food Stamp Act of 1977 (7
22 U.S.C. 2018(a)(1)) is amended by adding at the end the
23 following: “No retail food store or wholesale food concern
24 of a type determined by the Secretary, based on factors
25 that include size, location, and type of items sold, shall

1 be approved to be authorized or reauthorized for participa-
2 tion in the food stamp program unless an authorized em-
3 ployee of the Department of Agriculture, a designee of the
4 Secretary, or, if practicable, an official of the State or local
5 government designated by the Secretary has visited the
6 store or concern for the purpose of determining whether
7 the store or concern should be approved or reauthorized,
8 as appropriate.”.

9 **SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**
10 **RIODS.**

11 Section 9(a) of the Food Stamp Act of 1977 (7
12 U.S.C. 2018(a)) is amended by adding at the end the fol-
13 lowing:

14 “(3) AUTHORIZATION PERIODS.—The Secretary
15 shall establish specific time periods during which au-
16 thorization to accept and redeem coupons, or to re-
17 deem benefits through an electronic benefit transfer
18 system, shall be valid under the food stamp pro-
19 gram.”.

20 **SEC. 1042. INFORMATION FOR VERIFYING ELIGIBILITY FOR**
21 **AUTHORIZATION.**

22 Section 9(c) of the Food Stamp Act of 1977 (7
23 U.S.C. 2018(c)) is amended—

1 (1) in the first sentence, by inserting “, which
2 may include relevant income and sales tax filing doc-
3 uments,” after “submit information”; and

4 (2) by inserting after the first sentence the fol-
5 lowing: “The regulations may require retail food
6 stores and wholesale food concerns to provide writ-
7 ten authorization for the Secretary to verify all rel-
8 evant tax filings with appropriate agencies and to
9 obtain corroborating documentation from other
10 sources so that the accuracy of information provided
11 by the stores and concerns may be verified.”.

12 **SEC. 1043. WAITING PERIOD FOR STORES THAT FAIL TO**
13 **MEET AUTHORIZATION CRITERIA.**

14 Section 9(d) of the Food Stamp Act of 1977 (7
15 U.S.C. 2018(d)) is amended by adding at the end the fol-
16 lowing: “A retail food store or wholesale food concern that
17 is denied approval to accept and redeem coupons because
18 the store or concern does not meet criteria for approval
19 established by the Secretary may not, for at least 6
20 months, submit a new application to participate in the
21 program. The Secretary may establish a longer time pe-
22 riod under the preceding sentence, including permanent
23 disqualification, that reflects the severity of the basis of
24 the denial.”.

1 **SEC. 1044. OPERATION OF FOOD STAMP OFFICES.**

2 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
3 2020), as amended by section 1020(b), is further amend-
4 ed—

5 (1) in subsection (e)—

6 (A) by striking paragraph (2) and insert-
7 ing the following:

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;

24 “(ii) shall develop an application contain-
25 ing the information necessary to comply with
26 this Act;

1 “(iii) shall permit an applicant household
2 to apply to participate in the program on the
3 same day that the household first contacts a
4 food stamp office in person during office hours;

5 “(iv) shall consider an application that
6 contains the name, address, and signature of
7 the applicant to be filed on the date the appli-
8 cant submits the application;

9 “(v) shall require that an adult representa-
10 tive of each applicant household certify in writ-
11 ing, under penalty of perjury, that—

12 “(I) the information contained in the
13 application is true; and

14 “(II) all members of the household
15 are citizens or are aliens eligible to receive
16 food stamps under section 6(f);

17 “(vi) shall provide a method of certifying
18 and issuing coupons to eligible homeless individ-
19 uals, to ensure that participation in the food
20 stamp program is limited to eligible households;
21 and

22 “(vii) may establish operating procedures
23 that vary for local food stamp offices to reflect
24 regional and local differences within the State.

1 “(C) Nothing in this Act shall prohibit the use
2 of signatures provided and maintained electronically,
3 storage of records using automated retrieval systems
4 only, or any other feature of a State agency’s appli-
5 cation system that does not rely exclusively on the
6 collection and retention of paper applications or
7 other records.

8 “(D) The signature of any adult under this
9 paragraph shall be considered sufficient to comply
10 with any provision of Federal law requiring a house-
11 hold member to sign an application or statement.”;

12 (B) in paragraph (3)—

13 (i) by striking “shall—” and all that
14 follows through “provide each” and insert-
15 ing “shall provide each”; and

16 (ii) by striking “(B) assist” and all
17 that follows through “representative of the
18 State agency;”;

19 (C) by striking paragraphs (14) and (25);

20 (D)(i) by redesignating paragraphs (15)
21 through (24) as paragraphs (14) through (23),
22 respectively; and

23 (ii) by redesignating paragraph (26) as
24 paragraph (24); and

25 (2) in subsection (i)—

1 (A) by striking “(i) Notwithstanding” and
 2 all that follows through “(2)” and inserting the
 3 following:

4 “(i) APPLICATION AND DENIAL PROCEDURES.—

5 “(1) APPLICATION PROCEDURES.—Notwith-
 6 standing any other provision of law,”; and

7 (B) by striking “; (3) households” and all
 8 that follows through “title IV of the Social Se-
 9 curity Act. No” and inserting a period and the
 10 following:

11 “(2) DENIAL AND TERMINATION.—Other than
 12 in a case of disqualification as a penalty for failure
 13 to comply with a public assistance program rule or
 14 regulation, no”.

15 **SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.**

16 Section 11(e)(6) of the Food Stamp Act of 1977 (7
 17 U.S.C. 2020(e)(6)) is amended—

18 (1) by striking “that (A) the” and inserting
 19 “that—

20 “(A) the”;

21 (2) by striking “Act; (B) the” and inserting
 22 “Act; and

23 “(B) the”;

1 with the name of the member and notifies the
2 agency that—

3 “(i) the member—

4 “(I) is fleeing to avoid prosecu-
5 tion, or custody or confinement after
6 conviction, for a crime (or attempt to
7 commit a crime) that, under the law
8 of the place the member is fleeing, is
9 a felony (or, in the case of New Jer-
10 sey, a high misdemeanor), or is violat-
11 ing a condition of probation or parole
12 imposed under Federal or State law;
13 or

14 “(II) has information that is nec-
15 essary for the officer to conduct an of-
16 ficial duty related to subclause (I);

17 “(ii) locating or apprehending the
18 member is an official duty; and

19 “(iii) the request is being made in the
20 proper exercise of an official duty; and

21 “(E) the safeguards shall not prevent com-
22 pliance with paragraph (16);”.

23 **SEC. 1047. EXPEDITED COUPON SERVICE.**

24 Section 11(e)(9) of the Food Stamp Act of 1977 (7
25 U.S.C. 2020(e)(9)) is amended—

- 1 (1) in subparagraph (A)—
2 (A) by striking “five days” and inserting
3 “7 days”; and
4 (B) by inserting “and” at the end;
5 (2) by striking subparagraphs (B) and (C);
6 (3) by redesignating subparagraph (D) as sub-
7 paragraph (B); and
8 (4) in subparagraph (B), as redesignated by
9 paragraph (3), by striking “, (B), or (C)”.

10 **SEC. 1048. WITHDRAWING FAIR HEARING REQUESTS.**

11 Section 11(e)(10) of the Food Stamp Act of 1977 (7
12 U.S.C. 2020(e)(10)) is amended by inserting before the
13 semicolon at the end a period and the following: “At the
14 option of a State, at any time prior to a fair hearing deter-
15 mination under this paragraph, a household may with-
16 draw, orally or in writing, a request by the household for
17 the fair hearing. If the withdrawal request is an oral re-
18 quest, the State agency shall provide a written notice to
19 the household confirming the withdrawal request and pro-
20 viding the household with an opportunity to request a
21 hearing”.

22 **SEC. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STA-**
23 **TUS VERIFICATION SYSTEMS.**

24 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
25 2020) is amended—

1 (1) in subsection (e)(18), as redesignated by
2 section 1044(1)(D)—

3 (A) by striking “that information is” and
4 inserting “at the option of the State agency,
5 that information may be”; and

6 (B) by striking “shall be requested” and
7 inserting “may be requested”; and

8 (2) by adding at the end the following:

9 “(p) STATE VERIFICATION OPTION.—Notwithstand-
10 ing any other provision of law, in carrying out the food
11 stamp program, a State agency shall not be required to
12 use an income and eligibility or an immigration status ver-
13 ification system established under section 1137 of the So-
14 cial Security Act (42 U.S.C. 1320b–7).”.

15 **SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTEN-**
16 **TIONALLY SUBMIT FALSIFIED APPLICATIONS.**

17 Section 12(b) of the Food Stamp Act of 1977 (7
18 U.S.C. 2021(b)) is amended—

19 (1) in paragraph (2), by striking “and” at the
20 end;

21 (2) in paragraph (3), by striking the period at
22 the end and inserting “; and”; and

23 (3) by adding at the end the following:

24 “(4) for a reasonable period of time to be deter-
25 mined by the Secretary, including permanent dis-

1 qualification, on the knowing submission of an appli-
2 cation for the approval or reauthorization to accept
3 and redeem coupons that contains false information
4 about a substantive matter that was a part of the
5 application.”.

6 **SEC. 1051. DISQUALIFICATION OF RETAILERS WHO ARE**
7 **DISQUALIFIED UNDER THE WIC PROGRAM.**

8 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
9 2021) is amended by adding at the end the following:

10 “(g) DISQUALIFICATION OF RETAILERS WHO ARE
11 DISQUALIFIED UNDER THE WIC PROGRAM.—

12 “(1) IN GENERAL.—The Secretary shall issue
13 regulations providing criteria for the disqualification
14 under this Act of an approved retail food store and
15 a wholesale food concern that is disqualified from
16 accepting benefits under the special supplemental
17 nutrition program for women, infants, and children
18 established under section 17 of the Child Nutrition
19 Act of 1966 (7 U.S.C. 1786).

20 “(2) TERMS.—A disqualification under para-
21 graph (1)—

22 “(A) shall be for the same length of time
23 as the disqualification from the program re-
24 ferred to in paragraph (1);

1 “(B) may begin at a later date than the
2 disqualification from the program referred to in
3 paragraph (1); and

4 “(C) notwithstanding section 14, shall not
5 be subject to judicial or administrative review.”.

6 **SEC. 1052. COLLECTION OF OVERISSUANCES.**

7 (a) COLLECTION OF OVERISSUANCES.—Section 13 of
8 the Food Stamp Act of 1977 (7 U.S.C. 2022) is amend-
9 ed—

10 (1) by striking subsection (b) and inserting the
11 following:

12 “(b) COLLECTION OF OVERISSUANCES.—

13 “(1) IN GENERAL.—Except as otherwise pro-
14 vided in this subsection, a State agency shall collect
15 any overissuance of coupons issued to a household
16 by—

17 “(A) reducing the allotment of the house-
18 hold;

19 “(B) withholding amounts from unemploy-
20 ment compensation from a member of the
21 household under subsection (c);

22 “(C) recovering from Federal pay or a
23 Federal income tax refund under subsection
24 (d); or

25 “(D) any other means.

1 “(2) COST EFFECTIVENESS.—Paragraph (1)
2 shall not apply if the State agency demonstrates to
3 the satisfaction of the Secretary that all of the
4 means referred to in paragraph (1) are not cost ef-
5 fective.

6 “(3) MAXIMUM REDUCTION ABSENT FRAUD.—
7 If a household received an overissuance of coupons
8 without any member of the household being found
9 ineligible to participate in the program under section
10 6(b)(1) and a State agency elects to reduce the allot-
11 ment of the household under paragraph (1)(A), the
12 State agency shall not reduce the monthly allotment
13 of the household under paragraph (1)(A) by an
14 amount in excess of the greater of—

15 “(A) 10 percent of the monthly allotment
16 of the household; or

17 “(B) \$10.

18 “(4) PROCEDURES.—A State agency shall col-
19 lect an overissuance of coupons issued to a house-
20 hold under paragraph (1) in accordance with the re-
21 quirements established by the State agency for pro-
22 viding notice, electing a means of payment, and es-
23 tablishing a time schedule for payment.”; and

24 (2) in subsection (d)—

1 (A) by striking “as determined under sub-
2 section (b) and except for claims arising from
3 an error of the State agency,” and inserting “,
4 as determined under subsection (b)(1),”; and

5 (B) by inserting before the period at the
6 end the following: “or a Federal income tax re-
7 fund as authorized by section 3720A of title 31,
8 United States Code”.

9 (b) CONFORMING AMENDMENTS.—Section 11(e)(8)
10 of the Act (7 U.S.C. 2020(e)(8)) is amended—

11 (1) by striking “and excluding claims” and all
12 that follows through “such section”; and

13 (2) by inserting before the semicolon at the end
14 the following: “or a Federal income tax refund as
15 authorized by section 3720A of title 31, United
16 States Code”.

17 (c) RETENTION RATE.—Section 16(a) of the Act (7
18 U.S.C. 2025(a)) is amended by striking “25 percent dur-
19 ing the period beginning October 1, 1990” and all that
20 follows through “error of a State agency” and inserting
21 the following: “25 percent of the overissuances collected
22 by the State agency under section 13, except those
23 overissuances arising from an error of the State agency”.

1 **SEC. 1053. AUTHORITY TO SUSPEND STORES VIOLATING**
2 **PROGRAM REQUIREMENTS PENDING ADMIN-**
3 **ISTRATIVE AND JUDICIAL REVIEW.**

4 Section 14(a) of the Food Stamp Act of 1977 (7
5 U.S.C. 2023(a)) is amended—

6 (1) by redesignating the first through seven-
7 teenth sentences as paragraphs (1) through (17), re-
8 spectively; and

9 (2) by adding at the end the following:

10 “(18) SUSPENSION OF STORES PENDING RE-
11 VIEW.—Notwithstanding any other provision of this
12 subsection, any permanent disqualification of a retail
13 food store or wholesale food concern under para-
14 graph (3) or (4) of section 12(b) shall be effective
15 from the date of receipt of the notice of disqualifica-
16 tion. If the disqualification is reversed through ad-
17 ministrative or judicial review, the Secretary shall
18 not be liable for the value of any sales lost during
19 the disqualification period.”.

20 **SEC. 1054. EXPANDED CRIMINAL FORFEITURE FOR VIOLA-**
21 **TIONS.**

22 (a) **FORFEITURE OF ITEMS EXCHANGED IN FOOD**
23 **STAMP TRAFFICKING.**—The first sentence of section
24 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g))
25 is amended by striking “or intended to be furnished”.

1 (b) CRIMINAL FORFEITURE.—Section 15 of the Act
2 (7 U.S.C. 2024) is amended by adding at the end the fol-
3 lowing:

4 “(h) CRIMINAL FORFEITURE.—

5 “(1) IN GENERAL.—In imposing a sentence on
6 a person convicted of an offense in violation of sub-
7 section (b) or (c), a court shall order, in addition to
8 any other sentence imposed under this subsection,
9 that the person forfeit to the United States all prop-
10 erty described in paragraph (2).

11 “(2) PROPERTY SUBJECT TO FORFEITURE.—All
12 property, real and personal, used in a transaction or
13 attempted transaction, to commit, or to facilitate the
14 commission of, a violation (other than a mis-
15 demeanor) of subsection (b) or (c), or proceeds
16 traceable to a violation of subsection (b) or (c), shall
17 be subject to forfeiture to the United States under
18 paragraph (1).

19 “(3) INTEREST OF OWNER.—No interest in
20 property shall be forfeited under this subsection as
21 the result of any act or omission established by the
22 owner of the interest to have been committed or
23 omitted without the knowledge or consent of the
24 owner.

1 “(4) PROCEEDS.—The proceeds from any sale
2 of forfeited property and any monies forfeited under
3 this subsection shall be used—

4 “(A) first, to reimburse the Department of
5 Justice for the costs incurred by the Depart-
6 ment to initiate and complete the forfeiture pro-
7 ceeding;

8 “(B) second, to reimburse the Department
9 of Agriculture Office of Inspector General for
10 any costs the Office incurred in the law enforce-
11 ment effort resulting in the forfeiture;

12 “(C) third, to reimburse any Federal or
13 State law enforcement agency for any costs in-
14 curred in the law enforcement effort resulting
15 in the forfeiture; and

16 “(D) fourth, by the Secretary to carry out
17 the approval, reauthorization, and compliance
18 investigations of retail stores and wholesale
19 food concerns under section 9.”.

20 **SEC. 1055. 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. 1056. STANDARDS FOR ADMINISTRATION.**

2 (a) IN GENERAL.—Section 16 of the Food Stamp Act
3 of 1977 (7 U.S.C. 2025) is amended by striking sub-
4 section (b).

5 (b) CONFORMING AMENDMENTS.—

6 (1) The first sentence of section 11(g) of the
7 Act (7 U.S.C. 2020(g)) is amended by striking “the
8 Secretary’s standards for the efficient and effective
9 administration of the program established under sec-
10 tion 16(b)(1) or”.

11 (2) Section 16(c)(1)(B) of the Act (7 U.S.C.
12 2025(c)(1)(B)) is amended by striking “pursuant to
13 subsection (b)”.

14 **SEC. 1057. WORK SUPPLEMENTATION OR SUPPORT PRO-**
15 **GRAM.**

16 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
17 2025), as amended by section 1056(a), is further amended
18 by inserting after subsection (a) the following:

19 “(b) WORK SUPPLEMENTATION OR SUPPORT PRO-
20 GRAM.—

21 “(1) DEFINITION OF WORK SUPPLEMENTATION
22 OR SUPPORT PROGRAM.—In this subsection, the
23 term ‘work supplementation or support program’
24 means a program under which, as determined by the
25 Secretary, public assistance (including any benefits
26 provided under a program established by the State

1 and the food stamp program) is provided to an em-
2 ployer to be used for hiring and employing a public
3 assistance recipient who was not employed by the
4 employer at the time the public assistance recipient
5 entered the program.

6 “(2) PROGRAM.—A State agency may elect to
7 use an amount equal to the allotment that would
8 otherwise be issued to a household under the food
9 stamp program, but for the operation of this sub-
10 section, for the purpose of subsidizing or supporting
11 a job under a work supplementation or support pro-
12 gram established by the State.

13 “(3) PROCEDURE.—If a State agency makes an
14 election under paragraph (2) and identifies each
15 household that participates in the food stamp pro-
16 gram that contains an individual who is participat-
17 ing in the work supplementation or support pro-
18 gram—

19 “(A) the Secretary shall pay to the State
20 agency an amount equal to the value of the al-
21 lotment that the household would be eligible to
22 receive but for the operation of this subsection;

23 “(B) the State agency shall expend the
24 amount received under subparagraph (A) in ac-
25 cordance with the work supplementation or sup-

1 port program in lieu of providing the allotment
2 that the household would receive but for the op-
3 eration of this subsection;

4 “(C) for purposes of—

5 “(i) sections 5 and 8(a), the amount
6 received under this subsection shall be ex-
7 cluded from household income and re-
8 sources; and

9 “(ii) section 8(b), the amount received
10 under this subsection shall be considered to
11 be the value of an allotment provided to
12 the household; and

13 “(D) the household shall not receive an al-
14 lotment from the State agency for the period
15 during which the member continues to partici-
16 pate in the work supplementation or support
17 program.

18 “(4) OTHER WORK REQUIREMENTS.—No indi-
19 vidual shall be excused, by reason of the fact that
20 a State has a work supplementation or support pro-
21 gram, from any work requirement under section
22 6(d), except during the periods in which the individ-
23 ual is employed under the work supplementation or
24 support program.

1 “(5) LENGTH OF PARTICIPATION.—A State
2 agency shall provide a description of how the public
3 assistance recipients in the program shall, within a
4 specific period of time, be moved from supplemented
5 or supported employment to employment that is not
6 supplemented or supported.

7 “(6) DISPLACEMENT.—A work supplementation
8 or support program shall not displace the employ-
9 ment of individuals who are not supplemented or
10 supported.”.

11 **SEC. 1058. WAIVER AUTHORITY.**

12 Section 17(b)(1) of the Food Stamp Act of 1977 (7
13 U.S.C. 2026(b)(1)) is amended—

14 (1) by redesignating subparagraph (B) as sub-
15 paragraph (C); and

16 (2) in subparagraph (A)—

17 (A) by striking the second sentence; and

18 (B) by striking “benefits to eligible house-
19 holds, including” and inserting the following:
20 “benefits to eligible households, and may waive
21 any requirement of this Act to the extent nec-
22 essary for the project to be conducted.

23 “(B) PROJECT REQUIREMENTS.—

24 “(i) PROGRAM GOAL.—The Secretary
25 may not conduct a project under subpara-

1 graph (A) unless the project is consistent
2 with the goal of the food stamp program of
3 providing food assistance to raise levels of
4 nutrition among low-income individuals.

5 “(ii) PERMISSIBLE PROJECTS.—The
6 Secretary may conduct a project under
7 subparagraph (A) to—

8 “(I) improve program adminis-
9 tration;

10 “(II) increase the self-sufficiency
11 of food stamp recipients;

12 “(III) test innovative welfare re-
13 form strategies; and

14 “(IV) allow greater conformity
15 with the rules of other programs than
16 would be allowed but for this para-
17 graph.

18 “(iii) IMPERMISSIBLE PROJECTS.—
19 The Secretary may not conduct a project
20 under subparagraph (A) that—

21 “(I) involves the payment of the
22 value of an allotment in the form of
23 cash, unless the project was approved
24 prior to the date of enactment of this
25 subparagraph;

1 “(II) substantially transfers
2 funds made available under this Act
3 to services or benefits provided pri-
4 marily through another public assist-
5 ance program; or

6 “(III) is not limited to a specific
7 time period.

8 “(iv) ADDITIONAL INCLUDED
9 PROJECTS.—Pilot or experimental projects
10 may include”.

11 **SEC. 1059. AUTHORIZATION OF PILOT PROJECTS.**

12 Section 17(b)(1)(B) of the Food Stamp Act of 1977
13 (7 U.S.C. 2026(b)(1)(B)), as amended by section 1058,
14 is further amended—

15 (1) in clause (iv), by striking “coupons. Any
16 pilot” and inserting the following: “coupons.

17 “(v) CASH PAYMENT PILOT
18 PROJECTS.—Any pilot”; and

19 (2) in clause (v), as so amended, by striking
20 “1995” and inserting “2002”.

21 **SEC. 1060. RESPONSE TO WAIVERS.**

22 Section 17(b)(1) of the Food Stamp Act of 1977 (7
23 U.S.C. 2026(b)(1)), as amended by section 1058, is fur-
24 ther amended by adding at the end the following:

25 “(D) RESPONSE TO WAIVERS.—

1 “(i) RESPONSE.—Not later than 60
2 days after the date of receiving a request
3 for a waiver under subparagraph (A), the
4 Secretary shall provide a response that—

5 “(I) approves the waiver request;

6 “(II) denies the waiver request
7 and explains any modification needed
8 for approval of the waiver request;

9 “(III) denies the waiver request
10 and explains the grounds for the de-
11 nial; or

12 “(IV) requests clarification of the
13 waiver request.

14 “(ii) FAILURE TO RESPOND.—If the
15 Secretary does not provide a response in
16 accordance with clause (i), the waiver shall
17 be considered approved, unless the ap-
18 proval is specifically prohibited by this Act.

19 “(iii) NOTICE OF DENIAL.—On denial
20 of a waiver request under clause (i)(III),
21 the Secretary shall provide a copy of the
22 waiver request and a description of the
23 reasons for the denial to the Committee on
24 Agriculture of the House of Representa-

1 tives and the Committee on Agriculture,
2 Nutrition, and Forestry of the Senate.”.

3 **SEC. 1061. EMPLOYMENT INITIATIVES PROGRAM.**

4 Section 17 of the Food Stamp Act of 1977 (7 U.S.C.
5 2026) is amended by striking subsection (d) and inserting
6 the following:

7 “(d) EMPLOYMENT INITIATIVES PROGRAM.—

8 “(1) ELECTION TO PARTICIPATE.—

9 “(A) IN GENERAL.—Subject to the other
10 provisions of this subsection, a State may elect
11 to carry out an employment initiatives program
12 under this subsection.

13 “(B) REQUIREMENT.—A State shall be eli-
14 gible to carry out an employment initiatives
15 program under this subsection only if not less
16 than 50 percent of the households that received
17 food stamp benefits during the summer of 1993
18 also received benefits under a State program
19 funded under part A of title IV of the Social
20 Security Act (42 U.S.C. 601 et seq.) during the
21 summer of 1993.

22 “(2) PROCEDURE.—

23 “(A) IN GENERAL.—A State that has
24 elected to carry out an employment initiatives
25 program under paragraph (1) may use amounts

1 equal to the food stamp allotments that would
2 otherwise be issued to a household under the
3 food stamp program, but for the operation of
4 this subsection, to provide cash benefits in lieu
5 of the food stamp allotments to the household
6 if the household is eligible under paragraph (3).

7 “(B) PAYMENT.—The Secretary shall pay
8 to each State that has elected to carry out an
9 employment initiatives program under para-
10 graph (1) an amount equal to the value of the
11 allotment that each household would be eligible
12 to receive under this Act but for the operation
13 of this subsection.

14 “(C) OTHER PROVISIONS.—For purposes
15 of the food stamp program (other than this
16 subsection)—

17 “(i) cash assistance under this sub-
18 section shall be considered to be an allot-
19 ment; and

20 “(ii) each household receiving cash
21 benefits under this subsection shall not re-
22 ceive any other food stamp benefit for the
23 period for which the cash assistance is pro-
24 vided.

1 “(D) ADDITIONAL PAYMENTS.—Each
2 State that has elected to carry out an employ-
3 ment initiatives program under paragraph (1)
4 shall—

5 “(i) increase the cash benefits pro-
6 vided to each household under this sub-
7 section to compensate for any State or
8 local sales tax that may be collected on
9 purchases of food by any household receiv-
10 ing cash benefits under this subsection, un-
11 less the Secretary determines on the basis
12 of information provided by the State that
13 the increase is unnecessary on the basis of
14 the limited nature of the items subject to
15 the State or local sales tax; and

16 “(ii) pay the cost of any increase in
17 cash benefits required by clause (i).

18 “(3) ELIGIBILITY.—A household shall be eligi-
19 ble to receive cash benefits under paragraph (2) if
20 an adult member of the household—

21 “(A) has worked in unsubsidized employ-
22 ment for not less than the preceding 90 days;

23 “(B) has earned not less than \$350 per
24 month from the employment referred to in sub-

1 paragraph (A) for not less than the preceding
2 90 days;

3 “(C)(i) is receiving benefits under a State
4 program funded under part A of title IV of the
5 Social Security Act (42 U.S.C. 601 et seq.); or

6 “(ii) was receiving benefits under a State
7 program funded under part A of title IV of the
8 Social Security Act (42 U.S.C. 601 et seq.) at
9 the time the member first received cash benefits
10 under this subsection and is no longer eligible
11 for the State program because of earned in-
12 come;

13 “(D) is continuing to earn not less than
14 \$350 per month from the employment referred
15 to in subparagraph (A); and

16 “(E) elects to receive cash benefits in lieu
17 of food stamp benefits under this subsection.

18 “(4) EVALUATION.—A State that operates a
19 program under this subsection for 2 years shall pro-
20 vide to the Secretary a written evaluation of the im-
21 pact of cash assistance under this subsection. The
22 State agency, with the concurrence of the Secretary,
23 shall determine the content of the evaluation.”.

1 **SEC. 1062. REAUTHORIZATION.**

2 The first 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. 1063. SIMPLIFIED FOOD STAMP PROGRAM.**

7 (a) IN GENERAL.—The Food Stamp Act of 1977 (7
8 U.S.C. 2011 et seq.) is amended by adding at the end
9 the following:

10 **“SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.**

11 “(a) DEFINITION OF FEDERAL COSTS.—In this sec-
12 tion, the term ‘Federal costs’ does not include any Federal
13 costs incurred under section 17.

14 “(b) ELECTION.—Subject to subsection (d), a State
15 may elect to carry out a Simplified Food Stamp Program
16 (referred to in this section as a ‘Program’), statewide or
17 in a political subdivision of the State, in accordance with
18 this section.

19 “(c) OPERATION OF PROGRAM.—If a State elects to
20 carry out a Program, within the State or a political sub-
21 division of the State—

22 “(1) a household in which all members receive
23 assistance under a State program funded under part
24 A of title IV of the Social Security Act (42 U.S.C.
25 601 et seq.) shall automatically be eligible to partici-
26 pate in the Program; and

1 “(2) subject to subsection (f), benefits under
2 the Program shall be determined under rules and
3 procedures established by the State under—

4 “(A) a State program funded under part A
5 of title IV of the Social Security Act (42 U.S.C.
6 601 et seq.);

7 “(B) the food stamp program (other than
8 section 25); or

9 “(C) a combination of a State program
10 funded under part A of title IV of the Social
11 Security Act (42 U.S.C. 601 et seq.) and the
12 food stamp program (other than section 25).

13 “(d) APPROVAL OF PROGRAM.—

14 “(1) STATE PLAN.—A State agency may not
15 operate a Program unless the Secretary approves a
16 State plan for the operation of the Program under
17 paragraph (2).

18 “(2) APPROVAL OF PLAN.—The Secretary shall
19 approve any State plan to carry out a Program if
20 the Secretary determines that the plan—

21 “(A) complies with this section; and

22 “(B) contains sufficient documentation
23 that the plan will not increase Federal costs for
24 any fiscal year.

25 “(e) INCREASED FEDERAL COSTS.—

1 “(1) DETERMINATION.—During each fiscal
2 year and not later than 90 days after the end of
3 each fiscal year, the Secretary shall determine
4 whether a Program being carried out by a State
5 agency is increasing Federal costs under this Act
6 above the Federal costs incurred under the food
7 stamp program in operation in the State or political
8 sub-division of the State for the fiscal year prior
9 to the implementation of the Program, adjusted for
10 any changes in—

11 “(A) participation;

12 “(B) the income of participants in the food
13 stamp program that is not attributable to pub-
14 lic assistance; and

15 “(C) the thrifty food plan under section
16 3(o).

17 “(2) NOTIFICATION.—If the Secretary deter-
18 mines that the Program has increased Federal costs
19 under this Act for any fiscal year or any portion of
20 any fiscal year, the Secretary shall notify the State
21 not later than 30 days after the Secretary makes the
22 determination under paragraph (1).

23 “(3) ENFORCEMENT.—

24 “(A) CORRECTIVE ACTION.—Not later
25 than 90 days after the date of a notification

1 under paragraph (2), the State shall submit a
2 plan for approval by the Secretary for prompt
3 corrective action that is designed to prevent the
4 Program from increasing Federal costs under
5 this Act.

6 “(B) TERMINATION.—If the State does not
7 submit a plan under subparagraph (A) or carry
8 out a plan approved by the Secretary, the Sec-
9 retary shall terminate the approval of the State
10 agency operating the Program and the State
11 agency shall be ineligible to operate a future
12 Program.

13 “(f) RULES AND PROCEDURES.—

14 “(1) IN GENERAL.—In operating a Program, a
15 State or political subdivision of a State may follow
16 the rules and procedures established by the State or
17 political subdivision under a State program funded
18 under part A of title IV of the Social Security Act
19 (42 U.S.C. 601 et seq.) or under the food stamp
20 program.

21 “(2) STANDARDIZED DEDUCTIONS.—In operat-
22 ing a Program, a State or political subdivision of a
23 State may standardize the deductions provided
24 under section 5(e). In developing the standardized
25 deduction, the State shall consider the work ex-

1 penses, dependent care costs, and shelter costs of
2 participating households.

3 “(3) REQUIREMENTS.—In operating a Pro-
4 gram, a State or political subdivision shall comply
5 with the requirements of—

6 “(A) subsections (a) through (g) of section

7 7;

8 “(B) section 8(a) (except that the income
9 of a household may be determined under a
10 State program funded under part A of title IV
11 of the Social Security Act (42 U.S.C. 601 et
12 seq.));

13 “(C) subsection (b) and (d) of section 8;

14 “(D) subsections (a), (c), (d), and (n) of
15 section 11;

16 “(E) paragraphs (8), (12), (16), (18),
17 (20), (24), and (25) of section 11(e);

18 “(F) section 11(e)(10) (or a comparable
19 requirement established by the State under a
20 State program funded under part A of title IV
21 of the Social Security Act (42 U.S.C. 601 et
22 seq.)); and

23 “(G) section 16.

24 “(4) LIMITATION ON ELIGIBILITY.—Notwith-
25 standing any other provision of this section, a house-

1 hold may not receive benefits under this section as
2 a result of the eligibility of the household under a
3 State program funded under part A of title IV of the
4 Social Security Act (42 U.S.C. 601 et seq.), unless
5 the Secretary determines that any household with in-
6 come above 130 percent of the poverty guidelines is
7 not eligible for the program.”.

8 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
9 Act (7 U.S.C. 2020(e)), as amended by sections 1028(b)
10 and 1044, is further amended by adding at the end the
11 following:

12 “(25) if a State elects to carry out a Simplified
13 Food Stamp Program under section 26, the plans of
14 the State agency for operating the program, includ-
15 ing—

16 “(A) the rules and procedures to be fol-
17 lowed by the State agency to determine food
18 stamp benefits;

19 “(B) how the State agency will address the
20 needs of households that experience high shelter
21 costs in relation to the incomes of the house-
22 holds; and

23 “(C) a description of the method by which
24 the State agency will carry out a quality control
25 system under section 16(c).”.

1 (c) CONFORMING AMENDMENTS.—

2 (1) Section 8 of the Act (7 U.S.C. 2017), as
3 amended by section 1039, is further amended—

4 (A) by striking subsection (e); and

5 (B) by redesignating subsection (f) as sub-
6 section (e).

7 (2) Section 17 of the Act (7 U.S.C. 2026) is
8 amended—

9 (A) by striking subsection (i); and

10 (B) by redesignating subsections (j)
11 through (l) as subsections (i) through (k), re-
12 spectively.

13 **SEC. 1064. STATE FOOD ASSISTANCE BLOCK GRANT.**

14 (a) IN GENERAL.—The Food Stamp Act of 1977 (7
15 U.S.C. 2011 et seq.), as amended by section 1064, is fur-
16 ther amended by adding at the end the following:

17 **“SEC. 27. STATE FOOD ASSISTANCE BLOCK GRANT.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) FOOD ASSISTANCE.—The term ‘food as-
20 sistance’ means assistance that may be used only to
21 obtain food, as defined in section 3(g).

22 “(2) STATE.—The term ‘State’ means each of
23 the 50 States, the District of Columbia, Guam, and
24 the Virgin Islands of the United States.

1 “(b) ESTABLISHMENT.—The Secretary shall estab-
2 lish a program to make grants to States in accordance
3 with this section to provide—

4 “(1) food assistance to needy individuals and
5 families residing in the State; and

6 “(2) funds for administrative costs incurred in
7 providing the assistance.

8 “(c) ELECTION.—

9 “(1) IN GENERAL.—A State may annually elect
10 to participate in the program established under sub-
11 section (b) if the State—

12 “(A) has fully implemented an electronic
13 benefit transfer system that operates in the en-
14 tire State;

15 “(B) has a payment error rate under sec-
16 tion 16(c) that is not more than 6 percent as
17 announced most recently by the Secretary; or

18 “(C) has a payment error rate in excess of
19 6 percent and agrees to contribute non-Federal
20 funds for the fiscal year of the grant, for bene-
21 fits and administration of the State’s food as-
22 sistance program, the amount determined under
23 paragraph (2).

24 “(2) STATE MANDATORY CONTRIBUTIONS.—

1 “(A) IN GENERAL.—In the case of a State
2 that elects to participate in the program under
3 paragraph (1)(C), the State shall agree to con-
4 tribute, for a fiscal year, an amount equal to—

5 “(A)(i) the benefits issued in the State;
6 multiplied by

7 “(ii) the payment error rate of the State;
8 minus

9 “(B)(i) the benefits issued in the State;
10 multiplied by

11 “(ii) 6 percent.

12 “(B) DETERMINATION.—Notwithstanding
13 sections 13 and 14, the calculation of the con-
14 tribution shall be based solely on the determina-
15 tion of the Secretary of the payment error rate.

16 “(C) DATA.—For purposes of implement-
17 ing subparagraph (A) for a fiscal year, the Sec-
18 retary shall use the data for the most recent
19 fiscal year available.

20 “(3) ELECTION LIMITATION.—

21 “(A) RE-ENTERING FOOD STAMP PRO-
22 GRAM.—A State that elects to participate in the
23 program under paragraph (1) may in a subse-
24 quent year decline to elect to participate in the
25 program and instead participate in the food

1 stamp program in accordance with the other
2 sections of this Act.

3 “(B) LIMITATION.—Subsequent to re-en-
4 tering the food stamp program under subpara-
5 graph (A), the State shall only be eligible to
6 participate in the food stamp program in ac-
7 cordance with the other sections of this Act and
8 shall not be eligible to elect to participate in the
9 program established under subsection (b).

10 “(4) PROGRAM EXCLUSIVE.—

11 “(A) IN GENERAL.—A State that is par-
12 ticipating in the program established under sub-
13 section (b) shall not be subject to, or receive
14 any benefit under, this Act except as provided
15 in this section.

16 “(B) CONTRACT WITH FEDERAL GOVERN-
17 MENT.—Nothing in this section shall prohibit a
18 State from contracting with the Federal Gov-
19 ernment for the provision of services or mate-
20 rials necessary to carry out a program under
21 this section.

22 “(d) LEAD AGENCY.—A State desiring to receive a
23 grant under this section shall designate, in an application
24 submitted to the Secretary under subsection (e)(1), an ap-

1 appropriate State agency responsible for the administration
2 of the program under this section as the lead agency.

3 “(e) APPLICATION AND PLAN.—

4 “(1) APPLICATION.—To be eligible to receive
5 assistance under this section, a State shall prepare
6 and submit to the Secretary an application at such
7 time, in such manner, and containing such informa-
8 tion as the Secretary shall by regulation require, in-
9 cluding—

10 “(A) an assurance that the State will com-
11 ply with the requirements of this section;

12 “(B) a State plan that meets the require-
13 ments of paragraph (3); and

14 “(C) an assurance that the State will com-
15 ply with the requirements of the State plan
16 under paragraph (3).

17 “(2) ANNUAL PLAN.—The State plan contained
18 in the application under paragraph (1) shall be sub-
19 mitted for approval annually.

20 “(3) REQUIREMENTS OF PLAN.—

21 “(A) LEAD AGENCY.—The State plan shall
22 identify the lead agency.

23 “(B) USE OF BLOCK GRANT FUNDS.—The
24 State plan shall provide that the State shall use

1 the amounts provided to the State for each fis-
2 cal year under this section—

3 “(i) to provide food assistance to
4 needy individuals and families residing in
5 the State, other than residents of institu-
6 tions who are ineligible for food stamps
7 under section 3(i); and

8 “(ii) to pay administrative costs in-
9 curred in providing the assistance.

10 “(C) GROUPS SERVED.—The State plan
11 shall describe how and to what extent the pro-
12 gram will serve specific groups of individuals
13 and families and how the treatment will differ
14 from treatment under the food stamp program
15 under the other sections of this Act of the indi-
16 viduals and families, including—

17 “(i) elderly individuals and families;

18 “(ii) migrants or seasonal farm-
19 workers;

20 “(iii) homeless individuals and fami-
21 lies;

22 “(iv) individuals and families who live
23 in institutions eligible under section 3(i);

24 “(v) individuals and families with
25 earnings; and

1 “(vi) members of Indian tribes or trib-
2 al organizations.

3 “(D) ASSISTANCE FOR ENTIRE STATE.—
4 The State plan shall provide that benefits under
5 this section shall be available throughout the
6 entire State.

7 “(E) NOTICE AND HEARINGS.—The State
8 plan shall provide that an individual or family
9 who applies for, or receives, assistance under
10 this section shall be provided with notice of, and
11 an opportunity for a hearing on, any action
12 under this section that adversely affects the in-
13 dividual or family.

14 “(F) ASSESSMENT OF NEEDS.—The State
15 plan shall assess the food and nutrition needs
16 of needy persons residing in the State.

17 “(G) ELIGIBILITY STANDARDS.—The State
18 plan shall describe the income, resource, and
19 other eligibility standards that are established
20 for the receipt of assistance under this section.

21 “(H) DISQUALIFICATION OF FLEEING FEL-
22 ONS.—The State plan shall provide for the dis-
23 qualification of any individual who would be
24 disqualified from participating in the food
25 stamp program under section 6(k).

1 “(I) RECEIVING BENEFITS IN MORE THAN
2 1 JURISDICTION.—The State plan shall estab-
3 lish a system for the exchange of information
4 with other States to verify the identity and re-
5 ceipt of benefits by recipients.

6 “(J) PRIVACY.—The State plan shall pro-
7 vide for safeguarding and restricting the use
8 and disclosure of information about any individ-
9 ual or family receiving assistance under this
10 section.

11 “(K) OTHER INFORMATION.—The State
12 plan shall contain such other information as
13 may be required by the Secretary.

14 “(4) APPROVAL OF APPLICATION AND PLAN.—
15 The Secretary shall approve an application and
16 State plan that satisfies the requirements of this
17 section.

18 “(f) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO
19 ASSISTANCE.—Nothing in this section—

20 “(1) entitles any individual or family to assist-
21 ance under this section; or

22 “(2) limits the right of a State to impose addi-
23 tional limitations or conditions on assistance under
24 this section.

25 “(g) BENEFITS FOR ALIENS.—

1 “(1) ELIGIBILITY.—No individual who is an
2 alien shall be eligible to receive benefits under a
3 State plan approved under subsection (e)(4) if the
4 individual is not eligible to participate in the food
5 stamp program due to the alien status of the indi-
6 vidual.

7 “(2) INCOME.—The State plan shall provide
8 that the income of an alien shall be determined in
9 accordance with section 5(i).

10 “(h) EMPLOYMENT AND TRAINING.—

11 “(1) WORK REQUIREMENTS.—No individual or
12 household shall be eligible to receive benefits under
13 a State plan funded under this section if the individ-
14 ual or household is not eligible to participate in the
15 food stamp program under subsection (d) or (o) of
16 section 6.

17 “(2) WORK PROGRAMS.—Each State shall im-
18 plement an employment and training program in ac-
19 cordance with the terms and conditions of section
20 6(d)(4) for individuals under the program and shall
21 be eligible to receive funding under section 16(h).

22 “(i) ENFORCEMENT.—

23 “(1) REVIEW OF COMPLIANCE WITH STATE
24 PLAN.—The Secretary shall review and monitor

1 State compliance with this section and the State
2 plan approved under subsection (e)(4).

3 “(2) NONCOMPLIANCE.—

4 “(A) IN GENERAL.—If the Secretary, after
5 reasonable notice to a State and opportunity for
6 a hearing, finds that—

7 “(i) there has been a failure by the
8 State to comply substantially with any pro-
9 vision or requirement set forth in the State
10 plan approved under subsection (e)(4); or

11 “(ii) in the operation of any program
12 or activity for which assistance is provided
13 under this section, there is a failure by the
14 State to comply substantially with any pro-
15 vision of this section;

16 the Secretary shall notify the State of the find-
17 ing and that no further grants will be made to
18 the State under this section (or, in the case of
19 noncompliance in the operation of a program or
20 activity, that no further grants to the State will
21 be made with respect to the program or activ-
22 ity) until the Secretary is satisfied that there is
23 no longer any failure to comply or that the non-
24 compliance will be promptly corrected.

1 “(B) OTHER PENALTIES.—In the case of a
2 finding of noncompliance made pursuant to
3 subparagraph (A), the Secretary may, in addi-
4 tion to, or in lieu of, imposing the penalties de-
5 scribed in subparagraph (A), impose other ap-
6 propriate penalties, including recoupment of
7 money improperly expended for purposes pro-
8 hibited or not authorized by this section and
9 disqualification from the receipt of financial as-
10 sistance under this section.

11 “(C) NOTICE.—The notice required under
12 subparagraph (A) shall include a specific identi-
13 fication of any additional penalty being imposed
14 under subparagraph (B).

15 “(3) ISSUANCE OF REGULATIONS.—The Sec-
16 retary shall establish by regulation procedures for—

17 “(A) receiving, processing, and determin-
18 ing the validity of complaints made to the Sec-
19 retary concerning any failure of a State to com-
20 ply with the State plan or any requirement of
21 this section; and

22 “(B) imposing penalties under this section.

23 “(j) GRANT.—

24 “(1) IN GENERAL.—For each fiscal year, the
25 Secretary shall pay to a State that has an applica-

1 tion approved by the Secretary under subsection
2 (e)(4) an amount that is equal to the grant of the
3 State under subsection (m) for the fiscal year.

4 “(2) METHOD OF GRANT.—The Secretary shall
5 make a grant to a State for a fiscal year under this
6 section by issuing 1 or more letters of credit for the
7 fiscal year, with necessary adjustments on account
8 of overpayments or underpayments, as determined
9 by the Secretary.

10 “(3) SPENDING OF GRANTS BY STATE.—

11 “(A) IN GENERAL.—Except as provided in
12 subparagraph (B), a grant to a State deter-
13 mined under subsection (m)(1) for a fiscal year
14 may be expended by the State only in the fiscal
15 year.

16 “(B) CARRYOVER.—The State may reserve
17 up to 10 percent of a grant determined under
18 subsection (m)(1) for a fiscal year to provide
19 assistance under this section in subsequent fis-
20 cal years, except that the reserved funds may
21 not exceed 30 percent of the total grant re-
22 ceived under this section for a fiscal year.

23 “(4) FOOD ASSISTANCE AND ADMINISTRATIVE
24 EXPENDITURES.—In each fiscal year, not more than
25 6 percent of the Federal and State funds required

1 to be expended by a State under this section shall
2 be used for administrative expenses.

3 “(5) PROVISION OF FOOD ASSISTANCE.—A
4 State may provide food assistance under this section
5 in any manner determined appropriate by the State,
6 such as electronic benefit transfer limited to food
7 purchases, coupons limited to food purchases, or di-
8 rect provision of commodities.

9 “(k) QUALITY CONTROL.—Each State participating
10 in the program established under this section shall main-
11 tain a system in accordance with, and shall be subject to
12 section 16(e), including sanctions and eligibility for incen-
13 tive payment under section 16(e), adjusted for State spe-
14 cific characteristics under regulations issued by the Sec-
15 retary.

16 “(l) NONDISCRIMINATION.—

17 “(1) IN GENERAL.—The Secretary shall not
18 provide financial assistance for any program,
19 project, or activity under this section if any person
20 with responsibilities for the operation of the pro-
21 gram, project, or activity discriminates with respect
22 to the program, project, or activity because of race,
23 religion, color, national origin, sex, or disability.

24 “(2) ENFORCEMENT.—The powers, remedies,
25 and procedures set forth in title VI of the Civil

1 Rights Act of 1964 (42 U.S.C. 2000d et seq.) may
2 be used by the Secretary to enforce paragraph (1).

3 “(m) GRANT CALCULATION.—

4 “(1) STATE GRANT.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), from the amounts made
7 available under section 18 for each fiscal year,
8 the Secretary shall provide a grant to each
9 State participating in the program established
10 under this section an amount that is equal to
11 the sum of—

12 “(i) the greater of, as determined by
13 the Secretary—

14 “(I) the total dollar value of all
15 benefits issued under the food stamp
16 program established under this Act by
17 the State during fiscal year 1994; or

18 “(II) the average per fiscal year
19 of the total dollar value of all benefits
20 issued under the food stamp program
21 by the State during each of fiscal
22 years 1992 through 1994; and

23 “(ii) the greater of, as determined by
24 the Secretary—

1 “(I) the total amount received by
2 the State for administrative costs
3 under section 16(a) (not including any
4 adjustment under section 16(c)) for
5 fiscal year 1994; or

6 “(II) the average per fiscal year
7 of the total amount received by the
8 State for administrative costs under
9 section 16(a) (not including any ad-
10 justment under section 16(c)) for each
11 of fiscal years 1992 through 1994.

12 “(B) INSUFFICIENT FUNDS.—If the Sec-
13 retary finds that the total amount of grants to
14 which States would otherwise be entitled for a
15 fiscal year under subparagraph (A) will exceed
16 the amount of funds that will be made available
17 to provide the grants for the fiscal year, the
18 Secretary shall reduce the grants made to
19 States under this subsection, on a pro rata
20 basis, to the extent necessary.

21 “(2) REDUCTION.—The Secretary shall reduce
22 the grant of a State by the amount a State has
23 agreed to contribute under subsection (c)(1)(C).”.

24 (b) EMPLOYMENT AND TRAINING FUNDING.—Sec-
25 tion 16(h) of the Act (7 U.S.C. 2025(a)), as amended by

1 section 1027(d)(2), is further amended by adding at the
2 end the following:

3 “(6) BLOCK GRANT STATES.—Each State elect-
4 ing to operate a program under section 27 shall—

5 “(A) receive the greater of—

6 “(i) the total dollar value of the funds
7 received under paragraph (1) by the State
8 during fiscal year 1994; or

9 “(ii) the average per fiscal year of the
10 total dollar value of all funds received
11 under paragraph (1) by the State during
12 each of fiscal years 1992 through 1994;
13 and

14 “(B) be eligible to receive funds under
15 paragraph (2), within the limitations in section
16 6(d)(4)(K).”.

17 (c) RESEARCH ON OPTIONAL STATE FOOD ASSIST-
18 ANCE BLOCK GRANT.—Section 17 of the Act (7 U.S.C.
19 2026), as amended by section 1064(c)(2), is further
20 amended by adding at the end the following:

21 “(l) RESEARCH ON OPTIONAL STATE FOOD ASSIST-
22 ANCE BLOCK GRANT.—The Secretary may conduct re-
23 search on the effects and costs of a State program carried
24 out under section 27.”.

1 **Subtitle B—Commodity**
2 **Distribution Programs**

3 **SEC. 1071. EMERGENCY FOOD ASSISTANCE PROGRAM.**

4 (a) DEFINITIONS.—Section 201A of the Emergency
5 Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C.
6 612c note) is amended to read as follows:

7 **“SEC. 201A. DEFINITIONS.**

8 “In this Act:

9 “(1) ADDITIONAL COMMODITIES.—The term
10 ‘additional commodities’ means commodities made
11 available under section 214 in addition to the com-
12 modities made available under sections 202 and
13 203D.

14 “(2) AVERAGE MONTHLY NUMBER OF UNEM-
15 PLOYED PERSONS.—The term ‘average monthly
16 number of unemployed persons’ means the average
17 monthly number of unemployed
18 persons in each State in the most recent fiscal year
19 for which information concerning the number of un-
20 employed persons is available, as determined by the
21 Bureau of Labor Statistics of the Department of
22 Labor.

23 “(3) ELIGIBLE RECIPIENT AGENCY.—The term
24 ‘eligible recipient agency’ means a public or non-
25 profit organization—

1 “(A) that administers—

2 “(i) an emergency feeding organiza-
3 tion;

4 “(ii) a charitable institution (including
5 a hospital and a retirement home, but ex-
6 cluding a penal institution) to the extent
7 that the institution serves needy persons;

8 “(iii) a summer camp for children, or
9 a child nutrition program providing food
10 service;

11 “(iv) a nutrition project operating
12 under the Older Americans Act of 1965
13 (42 U.S.C. 3001 et seq.), including a
14 project that operates a congregate nutri-
15 tion site and a project that provides home-
16 delivered meals; or

17 “(v) a disaster relief program;

18 “(B) that has been designated by the ap-
19 propriate State agency, or by the Secretary;
20 and

21 “(C) that has been approved by the Sec-
22 retary for participation in the program estab-
23 lished under this Act.

24 “(4) EMERGENCY FEEDING ORGANIZATION.—

25 The term ‘emergency feeding organization’ means a

1 public or nonprofit organization that administers ac-
2 tivities and projects (including the activities and
3 projects of a charitable institution, a food bank, a
4 food pantry, a hunger relief center, a soup kitchen,
5 or a similar public or private nonprofit eligible recip-
6 ient agency) providing nutrition assistance to relieve
7 situations of emergency and distress through the
8 provision of food to needy persons, including low-in-
9 come and unemployed persons.

10 “(5) FOOD BANK.—The term ‘food bank’
11 means a public or charitable institution that main-
12 tains an established operation involving the provision
13 of food or edible commodities, or the products of
14 food or edible commodities, to food pantries, soup
15 kitchens, hunger relief centers, or other food or feed-
16 ing centers that, as an integral part of their normal
17 activities, provide meals or food to feed needy per-
18 sons on a regular basis.

19 “(6) FOOD PANTRY.—The term ‘food pantry’
20 means a public or private nonprofit organization
21 that distributes food to low-income and unemployed
22 households, including food from sources other than
23 the Department of Agriculture, to relieve situations
24 of emergency and distress.

1 “(7) POVERTY LINE.—The term ‘poverty line’
2 has the same meaning given the term in section
3 673(2) of the Community Services Block Grant Act
4 (42 U.S.C. 9902(2)).

5 “(8) SOUP KITCHEN.—The term ‘soup kitchen’
6 means a public or charitable institution that, as an
7 integral part of the normal activities of the institu-
8 tion, maintains an established feeding operation to
9 provide food to needy homeless persons on a regular
10 basis.

11 “(9) TOTAL VALUE OF ADDITIONAL COMMOD-
12 ITIES.—The term ‘total value of additional commod-
13 ities’ means the actual cost of all additional com-
14 modities made available under section 214 that are
15 paid by the Secretary (including the distribution and
16 processing costs incurred by the Secretary).

17 “(10) VALUE OF ADDITIONAL COMMODITIES
18 ALLOCATED TO EACH STATE.—The term ‘value of
19 additional commodities allocated to each State’
20 means the actual cost of additional commodities
21 made available under section 214 and allocated to
22 each State that are paid by the Secretary (including
23 the distribution and processing costs incurred by the
24 Secretary).”.

1 (b) STATE PLAN.—Section 202A of the Act (7 U.S.C.
2 612c note) is amended to read as follows:

3 **“SEC. 202A. STATE PLAN.**

4 “(a) IN GENERAL.—To receive commodities under
5 this Act, a State shall submit a plan of operation and ad-
6 ministration every 4 years to the Secretary for approval.
7 The plan may be amended at any time, with the approval
8 of the Secretary.

9 “(b) REQUIREMENTS.—Each plan shall—

10 “(1) designate the State agency responsible for
11 distributing the commodities received under this Act;

12 “(2) set forth a plan of operation and adminis-
13 tration to expeditiously distribute commodities under
14 this Act;

15 “(3) set forth the standards of eligibility for re-
16 cipient agencies; and

17 “(4) set forth the standards of eligibility for in-
18 dividual or household recipients of commodities,
19 which shall require—

20 “(A) individuals or households to be com-
21 prised of needy persons; and

22 “(B) individual or household members to
23 be residing in the geographic location served by
24 the distributing agency at the time of applying
25 for assistance.

1 “(c) STATE ADVISORY BOARD.—The Secretary shall
2 encourage each State receiving commodities under this Act
3 to establish a State advisory board consisting of represent-
4 atives of all interested entities, both public and private,
5 in the distribution of commodities received under this Act
6 in the State.”.

7 (c) AUTHORIZATION OF APPROPRIATIONS FOR AD-
8 MINISTRATIVE FUNDS.—Section 204(a)(1) of the Act (7
9 U.S.C. 612c note) is amended—

10 (1) in the first sentence by striking “for State
11 and local” and all that follows through “under this
12 title” and inserting “to pay for the direct and indi-
13 rect administrative costs of the State related to the
14 processing, transporting, and distributing to eligible
15 recipient agencies of commodities provided by the
16 Secretary under this Act and commodities secured
17 from other sources”; and

18 (2) by striking the fourth sentence.

19 (d) DELIVERY OF COMMODITIES.—Section 214 of the
20 Act (7 U.S.C. 612c note) is amended—

21 (1) by striking subsections (a) through (e) and
22 (j);

23 (2) by redesignating subsections (f) through (i)
24 as subsections (a) through (d), respectively;

1 (3) in subsection (b), as redesignated by para-
2 graph (2)—

3 (A) in the first sentence, by striking “sub-
4 section (f) or subsection (j) if applicable,” and
5 inserting “subsection (a)”; and

6 (B) in the second sentence, by striking
7 “subsection (f)” and inserting “subsection (a)”;
8 (4) by striking subsection (c), as redesignated
9 by paragraph (2), and inserting the following:

10 “(c) ADMINISTRATION.—

11 “(1) IN GENERAL.—Commodities made avail-
12 able for each fiscal year under this section shall be
13 delivered at reasonable intervals to States based on
14 the grants calculated under subsection (a), or reallo-
15 cated under subsection (b), before December 31 of
16 the following fiscal year.

17 “(2) ENTITLEMENT.—Each State shall be enti-
18 tled to receive the value of additional commodities
19 determined under subsection (a).”; and

20 (5) in subsection (d), as redesignated by para-
21 graph (2), by striking “or reduce” and all that fol-
22 lows through “each fiscal year”.

23 (e) TECHNICAL AMENDMENTS.—The Act (7 U.S.C.
24 612c note) is amended—

1 tural Adjustment Act, and for other purposes’, approved
 2 August 24, 1935 (7 U.S.C. 612c), and distribute the com-
 3 modities to States for distribution in accordance with sec-
 4 tion 214 of the Emergency Food Assistance Act of 1983
 5 (Public Law 98–8; 7 U.S.C. 612c note).

6 “(b) BASIS FOR COMMODITY PURCHASES.—In pur-
 7 chasing commodities under subsection (a), the Secretary
 8 shall, to the extent practicable and appropriate, make pur-
 9 chases based on—

10 “(1) agricultural market conditions;

11 “(2) preferences and needs of States and dis-
 12 tributing agencies; and

13 “(3) preferences of recipients.”.

14 (h) EFFECTIVE DATE.—The amendments made by
 15 subsection (d) shall become effective on October 1, 1996.

16 **SEC. 1072. FOOD BANK DEMONSTRATION PROJECT.**

17 Section 3 of the Charitable Assistance and Food
 18 Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c
 19 note) is repealed.

20 **SEC. 1073. HUNGER PREVENTION PROGRAMS.**

21 The Hunger Prevention Act of 1988 (Public Law
 22 100–435; 7 U.S.C. 612c note) is amended—

23 (1) by striking section 110;

24 (2) by striking subtitle C of title II; and

25 (3) by striking section 502.

1 **SEC. 1074. 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 XI—MISCELLANEOUS**

7 **SEC. 1101. 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. 1102. 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. 1103. 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. 1104. SENSE OF THE SENATE REGARDING THE IN-**
13 **ABILITY OF THE NON-CUSTODIAL PARENT TO**
14 **PAY CHILD SUPPORT.**

15 It is the sense of the Senate that—

16 (a) States should diligently continue their efforts to
17 enforce child support payments by the non-custodial par-
18 ent to the custodial parent, regardless of the employment
19 status or location of the non-custodial parent; and

20 (b) States are encouraged to pursue pilot programs
21 in which the parents of a non-adult, non-custodial parent
22 who refuses to or is unable to pay child support must—

23 (1) pay or contribute to the child support owed
24 by the non-custodial parent; or

1 (2) otherwise fulfill all financial obligations and
2 meet all conditions imposed on the non-custodial
3 parent, such as participation in a work program or
4 other related activity.

5 **SEC. 1105. FOOD STAMP ELIGIBILITY.**

6 Section 6(f) of the Food Stamp Act of 1977 (7
7 U.S.C. 2015(f)) is amended by striking the third sentence
8 and inserting the following:

9 “The State agency shall, at its option, consider either
10 all income and financial resources of the individual ren-
11 dered ineligible to participate in the food stamp program
12 under this subsection, or such income, less a pro rata
13 share, and the financial resources of the ineligible individ-
14 ual, to determine the eligibility and the value of the allot-
15 ment of the household of which such individual is a mem-
16 ber.”.

17 **SEC. 1106. ESTABLISHING NATIONAL GOALS TO PREVENT**
18 **TEENAGE PREGNANCIES.**

19 (a) IN GENERAL.—Not later than January 1, 1997,
20 the Secretary of Health and Human Services shall estab-
21 lish and implement a strategy for—

22 (1) preventing out-of-wedlock teenage preg-
23 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. 1107. 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. 1108. 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. 1109. 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 (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-
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. 1111. 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;
3 “(6) \$2,380,000,000 for the fiscal year 1997;
4 “(7) \$2,240,000,000 for each of the fiscal years
5 1997 through 2002; and
6 “(8) \$2,380,000,000 for the fiscal year 2003
7 and each succeeding fiscal year.”.