

106TH CONGRESS
1ST SESSION

S. 1364

To amend title IV of the Social Security Act to increase public awareness regarding the benefits of lasting and stable marriages and community involvement in the promotion of marriage and fatherhood issues, to provide greater flexibility in the Welfare-to-Work grant program for long-term welfare recipients and low income custodial and noncustodial parents, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 14, 1999

Mr. BAYH (for himself, Mr. DOMENICI, Mrs. LINCOLN, Mr. LIEBERMAN, Ms. LANDRIEU, Mr. GRAHAM, Mr. LUGAR, Mr. VOINOVICH, Mr. ROBB, Mr. BREAUX, Mr. EDWARDS, and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title IV of the Social Security Act to increase public awareness regarding the benefits of lasting and stable marriages and community involvement in the promotion of marriage and fatherhood issues, to provide greater flexibility in the Welfare-to-Work grant program for long-term welfare recipients and low income custodial and noncustodial parents, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Responsible Father-
3 hood Act of 1999”.

4 **SEC. 2. FINDINGS.**

5 Congress finds that—

6 (1) nearly 25 million children in the United
7 States, or 36 percent of all such children, live apart
8 from their biological father;

9 (2) 60 percent of couples who divorce have at
10 least 1 child;

11 (3) the number of children living with only a
12 mother increased from just over 5,000,000 in 1960,
13 to 17,000,000 in 1999, and between 1981 and 1991
14 the percentage of children living with only 1 parent
15 increased from 19 percent to 25 percent;

16 (4) 40 percent of children who live in house-
17 holds without a father have not seen their father in
18 at least 1 year and 50 percent of such children have
19 never visited their father’s home;

20 (5) children who live without contact with their
21 biological father are, in comparison to children who
22 have such contact—

23 (A) 5 times more likely to live in poverty;

24 (B) more likely to bring weapons and
25 drugs into the classroom;

26 (C) twice as likely to commit crime;

1 (D) twice as likely to drop out of school;

2 (E) twice as likely to be abused;

3 (F) more likely to commit suicide;

4 (G) more than twice as likely to abuse al-
5cohol or drugs; and

6 (H) more likely to become pregnant as
7teenagers;

8 (6) violent criminals are overwhelmingly males
9who grew up without fathers and the best predictor
10of crime in a community is the percentage of absent
11father households;

12 (7) compared with Great Britain, Canada, Aus-
13tralia, Germany, and Italy, the United States has
14the highest percentage of single parent households
15with dependent children;

16 (8) 70 percent of United States citizens believe
17that the most significant family or social problem
18facing the United States is the physical absence of
19the father from the home, resulting in a lack of in-
20volvement of fathers in the rearing and development
21of children;

22 (9) States should be encouraged, not restricted,
23from implementing programs that provide support
24for responsible fatherhood, promote marriage, and
25increase the incidence of marriage;

1 (10) there is a social need to reconnect children
2 and fathers;

3 (11) the promotion of responsible fatherhood
4 and encouragement of two-parent families should
5 not—

6 (A) denigrate the standing or parenting ef-
7 forts of single mothers; or

8 (B) lessen the protection of children from
9 abusive parents;

10 but should increase the chance that children will
11 have two caring parents to help them grow up
12 healthy and secure;

13 (12) for the future of the United States and the
14 future of our children, Congress, States, and local
15 communities should assist parents to become more
16 actively involved in their children's lives; and

17 (13) child support is an important means by
18 which a parent can take financial responsibility for
19 a child and emotional support is an important
20 means by which a parent can take social responsi-
21 bility for a child.

1 **TITLE I—PUBLIC AWARENESS**
 2 **AND COMMUNITY INVOLVE-**
 3 **MENT IN FATHERHOOD**
 4 **ISSUES**

5 **SEC. 101. GRANTS TO STATES TO ENCOURAGE MEDIA CAM-**
 6 **PAIGNS.**

7 Part D of title IV of the Social Security Act (42
 8 U.S.C. 670 et seq.) is amended by adding at the end the
 9 following:

10 **“SEC. 469C. GRANTS TO STATES TO ENCOURAGE MEDIA**
 11 **CAMPAIGNS PROMOTING FATHERHOOD**
 12 **SKILLS.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) CHILDREN AT RISK.—The term ‘children
 15 at risk’ means a young child whose family income
 16 does not exceed 200 percent of the poverty line.

17 “(2) MEDIA CAMPAIGN.—The term ‘media cam-
 18 paign’ includes any communication or series of com-
 19 munications prepared for distribution through a
 20 broadcasting station, newspaper, magazine, outdoor
 21 advertising facility, mailing, or any other type of
 22 general public advertising.

23 “(3) STATE.—The term ‘State’ means any of
 24 the several States, the District of Columbia, the
 25 Commonwealth of Puerto Rico, the United States

1 Virgin Islands, Guam, American Samoa, and the
2 Commonwealth of the Northern Mariana Islands.

3 “(4) YOUNG CHILD.—The term ‘young child’
4 means an individual under age 5.

5 “(b) IN GENERAL.—The Secretary shall award
6 grants in accordance with this section to States for the
7 purpose of encouraging States—

8 “(1) to develop and carry out media campaigns,
9 in conjunction with local and private organizations
10 within the State, that promote the formation and
11 maintenance of married two-parent families,
12 strengthen fragile families, and promote responsible
13 fatherhood; and

14 “(2) to obtain donations of media access nec-
15 essary for such campaigns.

16 “(c) AMOUNT OF GRANT.—The amount of the grant
17 to be made to a State under this section for a fiscal year
18 shall be an amount equal to the lesser of—

19 “(1) 100 percent of State expenditures during
20 the fiscal year for activities described in subsection
21 (b); or

22 “(2) the allotment of the State under sub-
23 section (d) for the fiscal year.

24 “(d) ALLOTMENTS TO STATES.—From the funds ap-
25 propriated under subsection (i) for making grants under

1 this section for the fiscal year, the allotment of a State
 2 for a fiscal year is equal to the sum of—

3 “(1) an amount that bears the same ratio to 50
 4 percent of such funds as the number of young chil-
 5 dren in the State bears to the number of such chil-
 6 dren in all States; and

7 “(2) an amount that bears the same ratio to 50
 8 percent of such funds as the number of children at
 9 risk in the State bears to the number of such chil-
 10 dren in all States.

11 “(e) USE OF FUNDS.—The chief executive officer of
 12 a State receiving a grant under this section shall certify
 13 that—

14 “(1) 50 percent of such funds shall be used to
 15 strengthen fragile families and promote responsible
 16 fatherhood; and

17 “(2) 50 percent of such funds shall be used to
 18 promote the formation and maintenance of married
 19 two-parent families.

20 “(f) STATE EXPENDITURES.—

21 “(1) CASH OR IN KIND.—State expenditures
 22 under subsection (c)(1) may be in cash or in kind,
 23 including equipment or services contributed directly
 24 or through donations from public entities or private
 25 nonprofit organizations, including charitable and re-

1 religious organizations. Amounts provided by the Fed-
 2 eral Government, or services assisted or subsidized
 3 to any significant extent by the Federal Government,
 4 may not be included in determining the amount of
 5 such State expenditures.

6 “(2) NO CREDIT FOR PRE-AWARD EXPENDI-
 7 TURES.—Only State expenditures made after a
 8 grant has been awarded under this section may be
 9 counted for purposes of determining whether the
 10 State has satisfied the expenditure requirement
 11 under subsection (c)(1).

12 “(g) NATIONAL CLEARINGHOUSE.—From the funds
 13 appropriated under subsection (i) for the fiscal year to
 14 carry out programs under this subsection, the Secretary
 15 shall contract with a nationally recognized, nonprofit, fa-
 16 therhood promotion organization with at least 4 years of
 17 experience in designing and disseminating a national pub-
 18 lic education campaign, including the production and suc-
 19 cessful placement of television, radio, and print public
 20 service announcements which promote the importance of
 21 responsible fatherhood, and with at least 4 years experi-
 22 ence providing consultation and training to community
 23 based organizations interested in implementing fatherhood
 24 outreach, support, or skills programs with an emphasis on

1 promoting married fatherhood as the ideal, such as the
2 National Fatherhood Initiative, to—

3 “(1) develop, promote, and distribute to inter-
4 ested States, local governments and public agencies,
5 and private nonprofit organizations, including chari-
6 table and religious organizations, a media campaign
7 that encourages the appropriate involvement of both
8 parents in the life of any child of the parents, with
9 a priority for programs that specifically address the
10 issue of responsible fatherhood; and

11 “(2) develop a national clearinghouse to assist
12 States and communities in efforts to promote and
13 support responsible fatherhood by collecting, evalu-
14 ating, and making available (through the Internet
15 and by other means) to other States, information re-
16 garding media campaigns and programs instituted
17 by States using the funds available under this sec-
18 tion.

19 “(h) STATE ADMINISTRATION.—Each State to which
20 a grant is made under this section—

21 “(1) may administer State programs funded
22 with the grant directly or through grants to or con-
23 tracts with local governments and public agencies,
24 and private nonprofit organizations, including chari-
25 table and religious organizations; and

1 “(2) shall monitor, evaluate, and annually re-
 2 port on such programs to the Secretary in such
 3 manner as the Secretary determines in consultation
 4 with the States.

5 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
 6 are authorized to be appropriated to carry out this
 7 section—

8 “(1) \$25,000,000 for each fiscal year beginning
 9 on or after October 1, 1999, for the purpose of mak-
 10 ing grants under this section; and

11 “(2) \$2,000,000 for each such fiscal year for
 12 the purposes of carrying out programs under sub-
 13 section (g).”.

14 **SEC. 102. RESPONSIBLE FATHERHOOD BLOCK GRANT.**

15 (a) GRANT.—Section 403(a)(5) of the Social Security
 16 Act (42 U.S.C. 603(a)(5)) is amended by adding at the
 17 end the following:

18 “(K) RESPONSIBLE FATHERHOOD BLOCK
 19 GRANT.—

20 “(i) DEFINITIONS.—In this subpara-
 21 graph:

22 “(I) CHILDREN AT RISK.—The
 23 term ‘children at risk’ means a young
 24 child whose family income does not
 25 exceed 200 percent of the poverty line.

1 “(II) STATE.—The term ‘State’
 2 means any of the several States, the
 3 District of Columbia, the Common-
 4 wealth of Puerto Rico, the United
 5 States Virgin Islands, Guam, Amer-
 6 ican Samoa, and the Commonwealth
 7 of the Northern Mariana Islands.

8 “(III) YOUNG CHILD.—The term
 9 ‘young child’ means an individual
 10 under age 5.

11 “(ii) AUTHORITY.—The Secretary
 12 shall award grants to States in accordance
 13 with this subparagraph to encourage
 14 States to provide support for the efforts of
 15 local governments and public agencies, and
 16 private nonprofit organizations, including
 17 charitable and religious organizations, to
 18 promote the formation and maintenance of
 19 married two-parent families, strengthen
 20 fragile families, and promote responsible
 21 fatherhood.

22 “(iii) REQUIREMENT OF MATCHING
 23 FUNDS.—

24 “(I) IN GENERAL.—To be eligible
 25 to receive a grant under this subpara-

1 graph, the State shall agree to make
 2 available (directly or through dona-
 3 tions from public entities or profit or
 4 nonprofit organizations, including
 5 charitable and religious organizations)
 6 non-Federal contributions toward the
 7 costs of the activities to be carried out
 8 by a State pursuant to clause (v) in
 9 an amount that is not less than 25
 10 percent of such costs.

11 “(II) DETERMINATION OF
 12 AMOUNT CONTRIBUTED.—Non-Fed-
 13 eral contributions required in sub-
 14 clause (I) may be in cash or in kind,
 15 fairly evaluated, including equipment
 16 or services. Amounts provided by the
 17 Federal Government, or services as-
 18 sisted or subsidized to any significant
 19 extent by the Federal Government,
 20 may not be included in determining
 21 the amount of such non-Federal con-
 22 tributions.

23 “(iv) ALLOTMENTS TO STATES.—
 24 From the funds appropriated under clause
 25 (viii) for grants under this subparagraph

1 for the fiscal year, the allotment of a State
2 for such fiscal year is equal to the sum
3 of—

4 “(I) an amount that bears the
5 same ratio to 50 percent of such
6 funds as the number of young chil-
7 dren in the State bears to the number
8 of such children in all States; and

9 “(II) an amount that bears the
10 same ratio to 50 percent of such
11 funds as the number of children at
12 risk in the State bears to the number
13 of such children in all States.

14 “(v) USE OF FUNDS.—

15 “(I) IN GENERAL.—A State that
16 receives a grant under this subpara-
17 graph shall use the funds received to
18 support programs of local govern-
19 ments and public agencies, and pri-
20 vate nonprofit organizations, including
21 charitable and religious organizations,
22 that encourage the appropriate in-
23 volvement of both parents in the life
24 of any child of the parents, with a pri-
25 ority for programs that specifically

1 address the issue of responsible fa-
2 therhood, promote the formation and
3 maintenance of married two-parent
4 families, and strengthen fragile fami-
5 lies.

6 “(II) CERTIFICATION OF SET-
7 ASIDE.—The chief executive officer of
8 a State receiving funds under this
9 subparagraph shall certify that—

10 “(aa) 50 percent of such
11 funds shall be used to strengthen
12 fragile families and promote re-
13 sponsible fatherhood; and

14 (bb) 50 percent of such
15 funds shall be used to promote
16 the formation and maintenance
17 of married two-parent families.

18 “(III) SUPPLEMENT NOT SUP-
19 PLANT.—

20 “(aa) IN GENERAL.—Except
21 as provided in item (bb),
22 amounts paid to a State under
23 this subparagraph shall be used
24 to supplement and not supplant
25 other Federal, State, or local

1 funds provided to the State
2 under this part or any other pro-
3 vision of law.

4 (bb) EXCEPTION.—Item
5 (aa) shall not apply to amounts
6 provided to the State under this
7 part.

8 “(vi) STATE ADMINISTRATION.—Each
9 State to which a grant is made under this
10 subparagraph shall monitor, evaluate, and
11 provide a report on programs funded with
12 this grant to the Secretary in such manner
13 as the Secretary determines in consultation
14 with the States.

15 “(vii) COORDINATION WITH OTHER
16 PROVISIONS.—

17 “(I) For purposes of this sub-
18 paragraph, the limitations contained
19 in subparagraph (C) shall not apply.

20 “(II) For purposes of sections
21 404, 405, 407, and 408, a grant
22 under this subparagraph shall not be
23 considered to be a grant made under
24 section 403.

1 “(viii) AUTHORIZATION OF APPRO-
 2 PRIATIONS.—There are authorized to be
 3 appropriated to carry out this subpara-
 4 graph, \$50,000,000 for each fiscal year be-
 5 ginning on or after October 1, 1999, for
 6 the purpose of making grants under this
 7 subparagraph.”.

8 (b) CONFORMING AMENDMENT.—Section
 9 403(a)(5)(I)(i) of the Social Security Act (42 U.S.C.
 10 603(a)(5)(I)(i)) is amended by inserting “(other than
 11 grants under subparagraph (K))” before the period.

12 **TITLE II—REMOVAL OF BURDEN-**
 13 **SOME FEDERAL RESTRIC-**
 14 **TIONS**

15 **SEC. 201. WELFARE-TO-WORK PROGRAM GRANT MODIFICA-**
 16 **TIONS.**

17 (a) MODIFICATION OF RECIPIENT REQUIRE-
 18 MENTS.—Clause (ii) of section 403(a)(5)(C) of the Social
 19 Security Act (42 U.S.C. 603(a)(5)(C)) is amended—

20 (1) in the matter preceding subclause (I), by in-
 21 serting “, as applicable” after “subclauses”; and

22 (2) in subclause (I)—

23 (A) in the matter preceding item (aa)—

24 (i) by striking “2” and inserting “1”;

1 (ii) by striking “apply” and inserting
2 “applies”; and

3 (iii) by striking “or the noncustodial
4 parent”;

5 (B) in item (aa), by striking “, and has
6 low skills in reading or mathematics”;

7 (C) by redesignating items (bb) and (cc) as
8 items (cc) and (dd), respectively; and

9 (D) by inserting after item (aa) the fol-
10 lowing:

11 “(bb) The individual has low
12 skills in reading or mathe-
13 matics.”.

14 (b) REQUIREMENTS FOR CUSTODIAL AND NON-
15 CUSTODIAL PARENTS.—Clause (ii) of section
16 403(a)(5)(C) of the Social Security Act (42 U.S.C.
17 603(a)(5)(C)) is amended—

18 (1) by redesignating subclause (II) as subclause
19 (IV); and

20 (2) by inserting after subclause (I), the fol-
21 lowing:

22 “(II) At least 1 of the following
23 applies to the recipient or the non-
24 custodial parent:

1 “(aa) The individual is un-
2 employed.

3 “(bb) The individual is un-
4 deremployed.

5 “(cc) The individual is hav-
6 ing difficulty in paying child sup-
7 port obligations.

8 “(dd) The income of the in-
9 dividual is not greater than 200
10 percent of the poverty line.

11 “(III) At least 1 of the following
12 applies to a minor child of the non-
13 custodial parent or the recipient:

14 “(aa) The minor child of the
15 recipient or the recipient meets
16 the requirements of subclause
17 (IV).

18 “(bb) The minor child is eli-
19 gible for, or is receiving, benefits
20 under the program funded under
21 this part.

22 “(cc) The minor child re-
23 ceived benefits under the pro-
24 gram funded under this part in
25 the 12-month period preceding

1 the date of the determination but
 2 no longer receives such benefits.

3 “(dd) The minor child is eli-
 4 gible for, or is receiving, assist-
 5 ance under the Food Stamp Act
 6 of 1977, benefits under the sup-
 7 plemental security income pro-
 8 gram under title XVI of this Act,
 9 medical assistance under title
 10 XIX of this Act, or child health
 11 assistance under title XXI of this
 12 Act.

13 Notwithstanding this subclause, not
 14 more than 10 percent of the funds
 15 provided for projects under this clause
 16 may be used for the benefit of recipi-
 17 ents or noncustodial parents who do
 18 not meet the requirements of this sub-
 19 clause.”.

20 (c) INCREASE IN IN-KIND DONATIONS.—Section
 21 403(a)(5)(A)(i) of the Social Security Act (42 U.S.C.
 22 603(a)(5)(A)(i)) is amended by adding at the end the fol-
 23 lowing flush sentence:

24 “For purposes of determining expenditures by
 25 the State under this clause, in kind donations

1 may be included in an amount not to exceed
 2 75 percent of the total amount of expendi-
 3 tures.”.

4 (d) ADDITIONAL USE OF FUNDS.—Section
 5 403(a)(5)(C)(i) of the Social Security Act (42 U.S.C.
 6 603(a)(5)(C)(i)) is amended by inserting after subclause
 7 (VI) the following:

8 “(VII) Programs to increase par-
 9 enting skills of low income parents eli-
 10 gible for assistance under the program
 11 funded under this part, to encourage
 12 the formation and maintenance of
 13 married two-parent families, and to
 14 promote responsible fatherhood.”.

15 (e) CONFORMING AMENDMENT.—Section
 16 404(k)(1)(C)(iii) of the Social Security Act (42 U.S.C.
 17 604(k)(1)(C)(iii)) is amended by striking “(ii)(II)” and in-
 18 serting “(ii)(III)”.

19 **SEC. 202. DISTRIBUTION AND TREATMENT OF CHILD SUP-**
 20 **PORT COLLECTED BY THE STATE.**

21 (a) STATE OPTION TO PASS PORTION OF CHILD
 22 SUPPORT COLLECTED DIRECTLY TO THE FAMILY.—

23 (1) IN GENERAL.—Section 457 of the Social
 24 Security Act (42 U.S.C. 657) is amended—

1 (A) in subsection (a), by striking “(e) and
2 (f)” and inserting “(e), (f), and (g)”; and

3 (B) by adding at the end the following:

4 “(g) STATE OPTION TO PASS THROUGH PORTION OF
5 SUPPORT COLLECTED TO THE FAMILY.—

6 “(1) IN GENERAL.—At State option, subject to
7 paragraph (2), and subsections (a)(4), (b), (d), (e),
8 and (f), this section shall not apply to up to the first
9 \$75 of any monthly amount collected on behalf of a
10 family as support by the State and any amount so
11 collected shall be distributed to the family.

12 “(2) INCOME PROTECTION REQUIREMENT.—A
13 State may not elect the option described in para-
14 graph (1) unless the State ensures that any amount
15 distributed to a family in accordance with that para-
16 graph is not included in the income of the family for
17 purposes of determining the eligibility of the family
18 for, or the amount of, assistance under the State
19 program funded under part A until the family has
20 actually received the amount.

21 “(3) OPTION TO PASS THROUGH AMOUNTS COL-
22 LECTED PURSUANT TO A CONTINUED ASSIGN-
23 MENT.—At State option, any amount collected pur-
24 suant to an assignment continued under subsection

(b) may be distributed to the family in accordance with paragraph (1).

“(4) RELEASE OF OBLIGATION TO PAY FEDERAL SHARE.—If a State that elects the option described in paragraph (1) also elects to disregard under section 408(a)(12)(B) the total amount annually collected and distributed to all families in accordance with paragraph (1) for purposes of determining the amount of assistance for such families under the State program funded under part A, the State is released from—

“(A) calculating the Federal share of the amounts so distributed and disregarded; and

“(B) paying such share to the Federal Government.”.

(2) AUTHORITY TO CLAIM PASSED THROUGH AMOUNT FOR PURPOSES OF TANF MAINTENANCE OF EFFORT REQUIREMENTS.—Section 409(a)(7)(B)(i)(I)(aa) of the Social Security Act (42 U.S.C. 609(a)(7)(B)(i)(I)(aa)) is amended by inserting “, and, in the case of a State that elects under section 457(g) to distribute up to the first \$75 of any monthly amount so collected directly to the family, a percentage of any amount so distributed (and disregarded under section 408(a)(12) in determining

1 the eligibility of the family for, or the amount of,
 2 such assistance) equal to 100 percent minus the
 3 Federal medical assistance percentage (as defined in
 4 section 1905(b)) for such State for the fiscal year”
 5 before the period.

6 (b) STATE OPTION TO DISREGARD CHILD SUPPORT
 7 COLLECTED FOR PURPOSES OF DETERMINING ELIGI-
 8 BILITY FOR, OR AMOUNT OF, TANF ASSISTANCE.—Sec-
 9 tion 408(a) of the Social Security Act (42 U.S.C. 608(a))
 10 is amended by adding at the end the following:

11 “(12) STATE OPTION TO DISREGARD CHILD
 12 SUPPORT IN DETERMINING ELIGIBILITY FOR, OR
 13 AMOUNT OF, ASSISTANCE.—

14 “(A) OPTION TO DISREGARD CHILD SUP-
 15 PORT FOR PURPOSES OF DETERMINING ELIGI-
 16 BILITY.—A State to which a grant is made
 17 under section 403 may disregard any part of
 18 any amount received by a family as a result of
 19 a child support obligation in determining the
 20 family’s income for purposes of determining the
 21 family’s eligibility for assistance under the
 22 State program funded under this part.

23 “(B) OPTION TO DISREGARD CHILD SUP-
 24 PORT IN DETERMINING AMOUNT OF ASSIST-
 25 ANCE.—A State to which a grant is made under

1 section 403 may disregard any part of any
 2 amount received by a family as a result of a
 3 child support obligation in determining the
 4 amount of assistance that the State will provide
 5 to the family under the State program funded
 6 under this part.”.

7 (c) CONFORMING AMENDMENT.—Section 457(f) of
 8 the Social Security Act (42 U.S.C. 657(f)) is amended by
 9 striking “Notwithstanding” and inserting “AMOUNTS
 10 COLLECTED ON BEHALF OF CHILDREN IN FOSTER
 11 CARE.—Notwithstanding”.

12 (d) EFFECTIVE DATE.—The amendments made by
 13 this section take effect on October 1, 1999.

14 **SEC. 203. USE OF CERTAIN FEDERAL SHARE AMOUNTS TO**
 15 **PROVIDE FATHERHOOD PROGRAMS.**

16 (a) RELEASE OF OBLIGATION TO PAY FEDERAL
 17 SHARE ON AMOUNTS USED FOR FATHERHOOD PRO-
 18 GRAMS.—Section 457 of the Social Security Act (42
 19 U.S.C. 657), as amended by section 202(a), is amended—

20 (1) in subsection (a), by striking “(f) and (g)”
 21 and inserting “(f), (g), and (h)”; and

22 (2) by adding at the end the following:

23 “(h) OPTION TO USE AMOUNTS COLLECTED FOR
 24 FATHERHOOD PROGRAMS.—

1 “(1) IN GENERAL.—At State option, subject to
 2 paragraph (2), paragraphs (2), (3), and (4) of sub-
 3 section (a), and subsections (b), (d), (e), and (f),
 4 this section shall not apply to any amounts collected
 5 by a State as child support and retained by the
 6 State to provide services described in paragraph (3).

7 “(2) REQUIREMENT TO MAKE ELECTION
 8 UNDER SUBSECTION (g).—This subsection shall only
 9 apply to a State which has made an election under
 10 subsection (g)(1) with respect to the first \$75 of any
 11 monthly amount collected on behalf of a family as
 12 support by the State and elects to disregard under
 13 section 408(a)(12)(B) the total amount distributed
 14 for purposes of determining the amount of assist-
 15 ance for such families under the State program
 16 funded under part A.

17 “(3) FATHERHOOD SERVICE.—A service is de-
 18 scribed in this paragraph if it is a service that en-
 19 courages the appropriate involvement of both par-
 20 ents in the life of any child of the parents, with a
 21 priority for programs that specifically address the
 22 issue of responsible fatherhood for low income non-
 23 custodial fathers.

24 “(4) RELEASE OF OBLIGATION TO PAY FED-
 25 ERAL SHARE.—If a State provides services described

1 in paragraph (3) using amounts described in para-
 2 graph (1), the State is released from—

3 “(A) calculating the Federal share of the
 4 lesser of—

5 “(i) the State expenditures for the fis-
 6 cal year for such services; or

7 “(ii) the amount collected on behalf of
 8 each family as support by the State for the
 9 fiscal year but only to the extent that such
 10 Federal share does not exceed an amount
 11 equal to the first \$50 of each monthly
 12 amount (determined, at the option of the
 13 State, in the aggregate or on a case-by-
 14 case basis); and

15 “(B) paying such share to the Federal
 16 Government.”.

17 (b) EFFECTIVE DATE.—The amendments made by
 18 this section take effect on October 1, 1999.

19 **SEC. 204. TANF BONUS TO REWARD HIGH PERFORMANCE**
 20 **STATES.**

21 Section 403(a)(4)(C) of the Social Security Act (42
 22 U.S.C. 603(a)(4)(C)) is amended by adding at the end the
 23 following: “The formula shall provide for the awarding of
 24 grants under this paragraph based on a State’s effort to

- 1 encourage the formation and maintenance of two-parent
- 2 families.”.

