

107TH CONGRESS  
1ST SESSION

# S. 916

To provide more child support money to families leaving welfare, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 21, 2001

Mr. KOHL (for himself, Ms. SNOWE, Mr. BAYH, Mr. GRAHAM, Mr. JOHNSON, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. BREAUX, and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide more child support money to families leaving welfare, and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Children First Child Support Reform Act of 2001”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Modification of rule requiring assignment of support rights as a condition of receiving TANF.

Sec. 3. Increasing child support payments to families and simplifying child support distribution rules.

Sec. 4. State option to discontinue certain support assignments.

Sec. 5. Effective date.

**1 SEC. 2. MODIFICATION OF RULE REQUIRING ASSIGNMENT**  
**2 OF SUPPORT RIGHTS AS A CONDITION OF RE-**  
**3 CEIVING TANF.**

4 Section 408(a)(3) of the Social Security Act (42  
 5 U.S.C. 608(a)(3)) is amended to read as follows:

6 “(3) NO ASSISTANCE FOR FAMILIES NOT AS-  
 7 SIGNING CERTAIN SUPPORT RIGHTS TO THE  
 8 STATE.—A State to which a grant is made under  
 9 section 403 shall require, as a condition of paying  
 10 assistance to a family under the State program  
 11 funded under this part, that a member of the family  
 12 assign to the State any rights the family member  
 13 may have (on behalf of the family member or of any  
 14 other person for whom the family member has ap-  
 15 plied for or is receiving such assistance) to support  
 16 from any other person, not exceeding the total  
 17 amount of assistance so paid to the family, which ac-  
 18 crues during the period that the family receives as-  
 19 sistance under the program.”.

**20 SEC. 3. INCREASING CHILD SUPPORT PAYMENTS TO FAMI-**  
**21 LIES AND SIMPLIFYING CHILD SUPPORT DIS-**  
**22 TRIBUTION RULES.**

23 (a) DISTRIBUTION RULES.—

1           (1) IN GENERAL.—Section 457(a) of the Social  
 2           Security Act (42 U.S.C. 657(a)) is amended to read  
 3           as follows:

4           “(a) IN GENERAL.—Subject to subsections (e) and  
 5           (f), the amounts collected on behalf of a family as support  
 6           by a State under a plan approved under this part shall  
 7           be distributed as follows:

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

11                  “(A) pay to the Federal Government the  
 12                  Federal share of the amount collected, subject  
 13                  to paragraph (3)(A);

14                  “(B) retain, or pay to the family, the State  
 15                  share of the amount collected, subject to para-  
 16                  graph (3)(B); and

17                  “(C) pay to the family any remaining  
 18                  amount.

19           “(2) FAMILIES THAT FORMERLY RECEIVED AS-  
 20           SISTANCE.—In the case of a family that formerly re-  
 21           ceived assistance from the State:

22                  “(A) CURRENT SUPPORT.—To the extent  
 23                  that the amount collected does not exceed the  
 24                  current support amount, the State shall pay the  
 25                  amount to the family.

“(B) ARREARAGES.—Except as otherwise provided in the State plan approved under section 454, to the extent that the amount collected exceeds the current support amount, the State—

“(i) shall first pay to the family the excess amount, to the extent necessary to satisfy support arrearages not assigned under section 408(a)(3);

“(ii) if the amount collected exceeds the amount required to be paid to the family under clause (i), shall—

“(I) pay to the Federal Government, the Federal share of the excess amount described in this clause, subject to paragraph (3)(A); and

“(II) retain, or pay to the family, the State share of the excess amount described in this clause, subject to paragraph (3)(B); and

“(iii) shall pay to the family any remaining amount.

“(3) LIMITATIONS.—

“(A) FEDERAL REIMBURSEMENTS.—The total of the amounts paid by the State to the

1 Federal Government under paragraphs (1) and  
 2 (2) with respect to a family shall not exceed the  
 3 Federal share of the amount assigned with re-  
 4 spect to the family under section 408(a)(3).

5 “(B) STATE REIMBURSEMENTS.—The  
 6 total of the amounts retained by the State  
 7 under paragraphs (1) and (2) with respect to a  
 8 family shall not exceed the State share of the  
 9 amount assigned with respect to the family  
 10 under section 408(a)(3).

11 “(4) FAMILIES THAT NEVER RECEIVED ASSIST-  
 12 ANCE.—In the case of any other family, the State  
 13 shall pay the amount collected to the family.

14 “(5) FAMILIES UNDER CERTAIN AGREE-  
 15 MENTS.—Notwithstanding paragraphs (1) through  
 16 (4), in the case of an amount collected for a family  
 17 in accordance with a cooperative agreement under  
 18 section 454(33), the State shall distribute the  
 19 amount collected under the terms of the agreement.

20 “(6) STATE FINANCING OPTIONS.—To the ex-  
 21 tent that the State share of the amount payable to  
 22 a family under paragraph (2)(B) exceeds the  
 23 amount that the State estimates (under procedures  
 24 approved by the Secretary) would have been payable  
 25 to the family under former section 457(a)(2)(B) (as

1 in effect for the State immediately before the date  
 2 on which this subsection, as amended by the Chil-  
 3 dren First Child Support Reform Act of 2001, first  
 4 applies to the State) if such former section had re-  
 5 mained in effect, the State may elect to use the  
 6 grant made to the State under section 403(a) to pay  
 7 the amount, or to have the payment considered a  
 8 qualified State expenditure for purposes of section  
 9 409(a)(7), but not both.

10 “(7) STATE OPTION TO PASS THROUGH ADDI-  
 11 TIONAL SUPPORT WITH FEDERAL FINANCIAL PAR-  
 12 TICIPATION.—

13 “(A) IN GENERAL.—Notwithstanding  
 14 paragraphs (1) and (2), a State shall not be re-  
 15 quired to pay to the Federal Government the  
 16 Federal share of an amount collected on behalf  
 17 of a family that is not a recipient of assistance  
 18 under the State program funded under part A,  
 19 to the extent that the State pays the amount to  
 20 the family.

21 “(B) RECIPIENTS OF TANF FOR LESS  
 22 THAN 5 YEARS.—

23 “(i) IN GENERAL.—Notwithstanding  
 24 paragraphs (1) and (2), a State shall not  
 25 be required to pay to the Federal Govern-

1           ment the Federal share of an amount col-  
 2           lected on behalf of a family that is a recipi-  
 3           ent of assistance under the State program  
 4           funded under part A and, if the family in-  
 5           cludes an adult, that has received the as-  
 6           sistance for not more than 5 years after  
 7           the date of enactment of this paragraph, to  
 8           the extent that—

9                       “(I) the State pays the amount  
 10                      to the family; and

11                     “(II) subject to clause (ii), the  
 12                      amount is disregarded in determining  
 13                      the amount and type of the assistance  
 14                      provided to the family.

15                     “(ii) LIMITATION.—Of the amount  
 16                      disregarded as described in clause (i)(II),  
 17                      the maximum amount that may be taken  
 18                      into account for purposes of clause (i) shall  
 19                      not exceed \$400 per month, except that, in  
 20                      the case of a family that includes 2 or  
 21                      more children, the State may elect to in-  
 22                      crease the maximum amount to not more  
 23                      than \$600 per month.

24                     “(8) STATES WITH DEMONSTRATION WAIV-  
 25                      ERS.—Notwithstanding the preceding paragraphs, a

1 State with a waiver under section 1115 that became  
 2 effective on or before October 1, 1997, the terms of  
 3 which allow passthrough of child support payments,  
 4 may pass through such payments in accordance with  
 5 such terms with respect to families subject to the  
 6 waiver.”.

7 (2) STATE PLAN TO INCLUDE ELECTION AS TO  
 8 WHICH RULES TO APPLY IN DISTRIBUTING CHILD  
 9 SUPPORT ARREARAGES COLLECTED ON BEHALF OF  
 10 FAMILIES FORMERLY RECEIVING ASSISTANCE.—Sec-  
 11 tion 454 of the Social Security Act (42 U.S.C. 654)  
 12 is amended—

13 (A) by striking “and” at the end of para-  
 14 graph (32);

15 (B) by striking the period at the end of  
 16 paragraph (33) and inserting “; and”; and

17 (C) by inserting after paragraph (33) the  
 18 following:

19 “(34) include an election by the State to apply  
 20 section 457(a)(2)(B) or former section 457(a)(2)(B)  
 21 (as in effect for the State immediately before the  
 22 date this paragraph, as amended by the Children  
 23 First Child Support Reform Act of 2001, first ap-  
 24 plies to the State) to the distribution of the amounts  
 25 which are the subject of such sections, and for so



1 long as the State elects to so apply such former sec-  
 2 tion, the amendments made by section 2 of the Chil-  
 3 dren First Child Support Reform Act of 2001 shall  
 4 not apply with respect to the State, notwithstanding  
 5 section 6(a) of such Act.”.

6 (3) APPROVAL OF ESTIMATION PROCEDURES.—

7 Not later than October 1, 2002, the Secretary of  
 8 Health and Human Services, in consultation with  
 9 the States (as defined for purposes of part D of title  
 10 IV of the Social Security Act (42 U.S.C. 651 et  
 11 seq.)), shall establish the procedures to be used to  
 12 make the estimate described in section 457(a)(6) of  
 13 such Act (42 U.S.C. 657(a)(6)).

14 (b) CURRENT SUPPORT AMOUNT DEFINED.—Section

15 457(c) of the Social Security Act (42 U.S.C. 657(c)) is  
 16 amended by adding at the end the following:

17 “(5) CURRENT SUPPORT AMOUNT.—The term

18 ‘current support amount’ means, with respect to  
 19 amounts collected as support on behalf of a family,  
 20 the amount designated as the monthly support obli-  
 21 gation of the noncustodial parent in the order re-  
 22 quiring the support.”.

23 (c) CONFORMING AMENDMENTS.—

24 (1) Section 404(a) of the Social Security Act  
 25 (42 U.S.C. 604(a)) is amended—

1 (A) by striking “or” at the end of para-  
 2 graph (1);

3 (B) by striking the period at the end of  
 4 paragraph (2) and inserting “; or”; and

5 (C) by adding at the end the following:

6 “(3) to fund payment of an amount under sec-  
 7 tion 457(a)(2)(B), but only to the extent that the  
 8 State properly elects under section 457(a)(6) to use  
 9 the grant to fund the payment.”.

10 (2) Section 409(a)(7)(B)(i) of the Social Secu-  
 11 rity Act (42 U.S.C. 609(a)(7)(B)(i)) is amended—

12 (A) in subclause (I)(aa), by striking  
 13 “457(a)(1)(B)” and inserting “457(a)(1)”; and

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

15 “(V) PORTIONS OF CERTAIN  
 16 CHILD SUPPORT PAYMENTS COL-  
 17 LECTED ON BEHALF OF AND DISTRIB-  
 18 UTED TO FAMILIES NO LONGER RE-  
 19 CEIVING ASSISTANCE.—Any amount  
 20 paid by a State under section  
 21 457(a)(2)(B), but only to the extent  
 22 that the State properly elects under  
 23 section 457(a)(6) to have the payment  
 24 considered a qualified State expendi-  
 25 ture.”.

1 **SEC. 4. STATE OPTION TO DISCONTINUE CERTAIN SUP-**  
2 **PORT ASSIGNMENTS.**

3 Section 457(b) of the Social Security Act (42 U.S.C.  
4 657(b)) is amended by striking “shall” and inserting  
5 “may”.

6 **SEC. 5. EFFECTIVE DATE.**

7 (a) IN GENERAL.—The amendments made by this  
8 section shall take effect on October 1, 2005, and shall  
9 apply to payments under parts A and D of title IV of the  
10 Social Security Act (42 U.S.C. 601 et seq. and 651 et  
11 seq.) for calendar quarters beginning on or after such  
12 date, and without regard to whether regulations to imple-  
13 ment the amendments (in the case of State programs op-  
14 erated under such part D) are promulgated by such date.

15 (b) STATE OPTION TO ACCELERATE EFFECTIVE  
16 DATE.—In addition, a State may elect to have the amend-  
17 ments made by section 2 or 3 apply to the State and to  
18 amounts collected by the State, on and after such date  
19 as the State may select that is after the date of enactment  
20 of this Act, by including an election to that effect in the  
21 State plan under part D of title IV of the Social Security  
22 Act (42 U.S.C. 651 et seq.).

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