

been the lack of a sound process for selecting which IT initiatives to fund and for overseeing their development." It is precisely because of the great significance of this issue that I joined in developing this amendment.

Mr. President, this amendment strikes at the heart of these problems by repealing the so-called Brooks Act which has controlled the way government buys and manages information technology for the last 30 years. The Brooks Act never worked as it was intended. Its reliance upon the submission of reams of paperwork through layers of bureaucracy has not worked in the past. And, its tight bureaucratic controls are clearly not relevant to today, with information technology advancing exponentially in a highly competitive market.

Our amendment re-engineers this process, replacing red tape with a reliance on thorough, up-front investment planning and hands-on management practices which focus on bottom line results. The new process is modeled on the best practices used by America's most successful businesses. That model requires Government managers to focus like a laser on anticipating difficulties and then fixing them before they become problems. The amendment enables government agencies to accomplish these goals without additional paperwork or bureaucracy. Yet, this new process preserves the advantages and safeguards embodied in the Competition in Contracting Act.

Nevertheless, Mr. President, I have four major concerns that must be more fully addressed than the current amendment will permit. First, the amendment may be interpreted as consolidating bid protests affecting information technology along with those from all other procurement. I am not satisfied that the case for such dramatic change has been made. There is much debate about this kind of consolidation and several alternative approaches have been proposed. I intend to fully consider each of these and will keep an open mind during the next 2 months, as I work on a comprehensive procurement reform bill.

Second, the current amendment does not address the excessive layers of bureaucracy in the Federal buying system which hang like a dead weight around the necks of Government program managers. This is a government-wide problem not unique to information technology and not addressed by this amendment.

Third, I believe that we must do a better job of educating and training the entire acquisition workforce—not just those involved in information technology. I do not agree with those in the administration who believe that we can fix acquisition horror stories with an interagency review team. It is no replacement for well trained program managers, who have the skills and experience to prevent horror stories from occurring in the first place.

Lastly, I am convinced that we must move boldly to dismantle the existing network of perverse personnel incentives which strangle the entrepreneurial spirit of Government program managers. We must move to paying people for good performance, rather than for growing the size of their program.

Mr. President, while the current amendment highlights important issues of good management in Government, we know that most of these problems are not unique to information technology. They beg a broader solution. Happily, last year's acquisition reform bill established the framework for solving these matters. This framework simply needs to be strengthened. To achieve that purpose, Mr. President, the Governmental Affairs Committee, in cooperation with the Armed Services and Small Business Committees, has reassembled the bi-partisan staff-level working group which produced last year's round of substantive acquisition reform. Our group has been charged with reviewing the entire spectrum of Government acquisition. We are assessing all acquisition reform legislation currently pending and have received input from many other sources. The end result of our efforts will be a broadly-gauged new bill which calls for major Governmentwide acquisition reform. We plan to move that bill forward in the fall with the intent of enacting a Governmentwide comprehensive acquisition reform bill in the next several months.●

SCHEDULE

Mr. DOLE. I also say, with reference to the schedule next week, in a moment I will introduce the Work Opportunity Act of 1995. That debate will begin in earnest on Monday morning, at 10:30 a.m. From 9 to 10:30 there will be a period of morning business. But at 10:30 a.m. we will start serious debate on the Work Opportunity Act of 1995. I assume there will be a number of opening statements. Amendments can be offered. Votes can be expected on Monday. I do not know how long the opening statements will take. Of course, if we are able to go back to the DOD authorization bill we would have votes on that on Monday.

So I urge my colleagues to stay in close contact with their offices. I assume there will not be any votes prior to—4:30, 5 o'clock will be my best guess. It will be my hope we can complete the welfare reform measure, the Work Opportunity Act, next week. That is, Monday, Tuesday, Wednesday, Thursday, Friday. There will not be a Saturday session next Saturday.

I guess, if necessary, if we were near completion, we will come back then on the following Monday and try to complete action on the Work Opportunity Act of 1995. I have had a discussion with the distinguished Democratic leader, Senator DASCHLE. I have indicated to him that is our hope.

Also, there are a couple of appropriations bills we would like to, in our spare time, resolve next week. One is the Interior appropriations, which can be done in a matter of hours. And the other is the DOD appropriation bill, which will not be taken up until we complete action on the DOD authorization bill. That is a very, very big money bill. That might take as much as a day.

Now, obviously, I do not believe we can do all of those things next week. I hope to be in a position on Monday or Tuesday to advise my colleagues what to expect for the remainder of next week and the following week.

COMMENDATION OF JILL MAYCUMBER

Mr. DOLE. Mr. President, I rise to thank Jill Maycumber who is departing my staff after nearly 5 years of outstanding service to me, to the Senate, and to Kansas.

Like many Senate staff, Jill began her Senate career as an intern in my office. She quickly proved herself and became a key member of my staff.

For a time, Jill served as our receptionist—no doubt about it, the toughest job in Washington. But her outstanding people skills and deep desire to help Kansans made Jill the right choice to head my regional office in southeast Kansas.

When the massive floods struck the midwest in 1993, Jill Maycumber tirelessly crisscrossed the State, inspecting damage, and coordinating Federal assistance to flood victims. Hundreds of Kansans who have needed a helping hand knew who to call. They have Jill Maycumber to thank.

Earlier this year, Jill returned to Washington to help run my Senate office—not an easy task as my colleagues can attest. But most importantly, Jill took the extra time to greet thousands of constituents, always making sure that their visit to Washington and to my office was a special event.

I ask my colleagues to join me in thanking Jill Maycumber for her outstanding service to the Senate and to Kansas. Jill can be very proud of what she has accomplished—she has truly made a difference.

I extend my heartfelt thank you and best wishes to Jill in her new career.

FAMILY SELF-SUFFICIENCY ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar 125, H.R. 4, the welfare bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which

had been reported from the Committee on Finance, with an amendment to the title and an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Family Self-Sufficiency Act of 1995”.

(b) **REFERENCE TO SOCIAL SECURITY ACT.**—Except as otherwise specifically provided, wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; reference; table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 101. Block grants to States.

Sec. 102. Report on data processing.

Sec. 103. Continued application of current standards under medicaid program.

Sec. 104. Waivers.

Sec. 105. Deemed income requirement for Federal and federally funded programs under the Social Security Act.

Sec. 106. Conforming amendments to the Social Security Act.

Sec. 107. Conforming amendments to the Food Stamp Act of 1977 and related provisions.

Sec. 108. Conforming amendments to other laws.

Sec. 109. Secretarial submission of legislative proposal for technical and conforming amendments.

Sec. 110. Effective date; transition rule.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM

Sec. 201. Modifications to the JOBS program.

Sec. 202. Effective date.

TITLE III—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

Sec. 301. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.

Sec. 302. Limited eligibility of noncitizens for SSI benefits.

Sec. 303. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.

Sec. 304. Denial of SSI benefits for fugitive felons and probation and parole violators.

Sec. 305. Effective dates; application to current recipients.

Subtitle B—Benefits for Disabled Children

Sec. 311. Restrictions on eligibility for benefits.

Sec. 312. Continuing disability reviews.

Sec. 313. Treatment requirements for disabled individuals under the age of 18.

Subtitle C—Study of Disability Determination Process

Sec. 321. Study of disability determination process.

Subtitle D—National Commission on the Future of Disability

Sec. 331. Establishment.

Sec. 332. Duties of the Commission.

Sec. 333. Membership.

Sec. 334. Staff and support services.

Sec. 335. Powers of Commission.

Sec. 336. Reports.

Sec. 337. Termination.

TITLE IV—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 401. State obligation to provide child support enforcement services.

Sec. 402. Distribution of child support collections.

Sec. 403. Rights to notification and hearings.

Sec. 404. Privacy safeguards.

Subtitle B—Locate and Case Tracking

Sec. 411. State case registry.

Sec. 412. Collection and disbursement of support payments.

Sec. 413. State directory of new hires.

Sec. 414. Amendments concerning income withholding.

Sec. 415. Locator information from interstate networks.

Sec. 416. Expansion of the Federal parent locator service.

Sec. 417. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 421. Adoption of uniform State laws.

Sec. 422. Improvements to full faith and credit for child support orders.

Sec. 423. Administrative enforcement in interstate cases.

Sec. 424. Use of forms in interstate enforcement.

Sec. 425. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 431. State laws concerning paternity establishment.

Sec. 432. Outreach for voluntary paternity establishment.

Sec. 433. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 441. Federal matching payments.

Sec. 442. Performance-based incentives and penalties.

Sec. 443. Federal and State reviews and audits.

Sec. 444. Required reporting procedures.

Sec. 445. Automated data processing requirements.

Sec. 446. Technical assistance.

Sec. 447. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 451. National Child Support Guidelines Commission.

Sec. 452. Simplified process for review and adjustment of child support orders.

Sec. 453. Furnishing consumer reports for certain purposes relating to child support.

Sec. 454. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 461. Federal income tax refund offset.

Sec. 462. Internal Revenue Service collection of arrearages.

Sec. 463. Authority to collect support from Federal employees.

Sec. 464. Enforcement of child support obligations of members of the Armed Forces.

Sec. 465. Voiding of fraudulent transfers.

Sec. 466. Work requirement for persons owing child support.

Sec. 467. Definition of support order.

Sec. 468. Reporting arrearages to credit bureaus.

Sec. 469. Liens.

Sec. 470. State law authorizing suspension of licenses.

Sec. 471. Denial of passports for nonpayment of child support.

Subtitle H—Medical Support

Sec. 475. Technical correction to ERISA definition of medical child support order.

Sec. 476. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 481. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 491. Effective dates.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. BLOCK GRANTS TO STATES.

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

“PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN

“SEC. 401. PURPOSE.

“The purpose of this part is to increase the flexibility of States in operating a program designed to—

“(1) provide assistance to needy families with minor children;

“(2) provide job preparation and opportunities for such families; and

“(3) prevent and reduce the incidence of out-of-wedlock pregnancies.

“SEC. 402. ELIGIBLE STATES; STATE PLAN.

“(a) **IN GENERAL.**—As used in this part, the term ‘eligible State’ means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

“(1) **OUTLINE OF FAMILY ASSISTANCE PROGRAM.**—A written document that outlines how the State intends to do the following:

“(A) Conduct a program designed to serve all political subdivisions in the State to—

“(i) provide assistance to needy families with not less than 1 minor child; and

“(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

“(B) Require a parent or caretaker receiving assistance under the program for more than 24 months (whether or not consecutive), or at the option of the State, a lesser period, to engage in work activities in accordance with section 404 and part F.

“(C) Satisfy the minimum participation rates specified in section 404.

“(D) Treat—

“(i) families with minor children moving into the State from another State; and

“(ii) noncitizens of the United States.

“(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

“(F) Take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

“(2) **CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.**—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D, in a manner that complies with the requirements of such part.

“(3) **CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.**—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B.

“(4) **CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.**—A certification by the chief executive officer of the State that, during the fiscal year,

the State will operate a foster care and adoption assistance program in accordance with part E.

"(5) CERTIFICATION THAT THE STATE WILL OPERATE A JOBS PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a JOBS program in accordance with part F.

"(6) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(7) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—The chief executive officer of the State shall certify which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year.

"(8) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part and part F.

"(9) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"(c) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has—

"(I) not attained 19 years of age; and

"(II) is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker relative.

"(2) WORK ACTIVITY.—The term 'work activity' means an activity described in section 482.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"SEC. 403. PAYMENTS TO STATES.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—Subject to the provisions of section 406, the Secretary shall pay to each eligible State for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State family assistance grant for the fiscal year.

"(2) APPROPRIATION.—

"(A) STATES.—There are authorized to be appropriated and there are appropriated \$16,779,000,000 for each fiscal year described in paragraph (1) for the purpose of paying State family assistance grants to States under such paragraph.

"(B) INDIAN TRIBES.—There are authorized to be appropriated and there are appropriated \$7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying State family assistance grants to Indian tribes under such paragraph in accordance with section 482(i).

"(b) STATE FAMILY ASSISTANCE GRANT.—

"(1) IN GENERAL.—For purposes of subsection (a), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(2) STATE APPROPRIATION OF GRANT.—Notwithstanding any other provision of law, any

funds received by a State under this part shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under this part.

"(3) SPECIAL RULE FOR INDIAN TRIBES.—For amount of a State family assistance grant for a fiscal year for an Indian tribe, see section 482(i).

"(c) USE OF GRANT.—

"(1) IN GENERAL.—Subject to this part, a State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) AUTHORITY TO PROVIDE CHILD CARE AND TRANSITIONAL SERVICES.—A State to which a grant is made under this section may provide, at the State's option, child care and transitional services to—

"(A) families at risk of becoming eligible for assistance under the program if child care is not provided; and

"(B) families that cease to receive assistance under the program because of employment.

"(d) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(e) LIMITATION ON FEDERAL AUTHORITY.—The Secretary may not regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

"(f) SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL LOAN FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Supplemental Assistance for Needy Families Federal Loan Fund'.

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, \$1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the Supplemental Assistance for Needy Families Federal Loan Fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO STATES.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) MAXIMUM LOAN.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (b) for a fiscal year.

"(D) LOAN-ELIGIBLE STATE.—For purposes of subparagraph (A), a loan-eligible State is a

State which has not had a penalty described in section 406 imposed against it at any time prior to the loan being made.

"(5) LIMITATION ON USE OF LOAN.—A State shall use a loan received under this subsection only for—

"(A) the purpose of providing assistance under the State program funded under this part; or

"(B) welfare anti-fraud activities, systems, or initiatives, including positive client identity verification and computerized data record matching and analysis.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

The minimum participation rate is:

"If the fiscal year is:	rate is:
1996	20
1997	30
1998	35
1999	40
2000	45
2001 or thereafter	50.

"(B) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year before fiscal year 1999, a State may opt to not require an individual described in section 402(a)(19)(C) (as such section was in effect on September 30, 1995) to engage in work activities and may exclude such individuals from the determination of the minimum participation rate specified for such fiscal year in subparagraph (A).

"(C) CHILD CARE FOR INDIVIDUALS WITH CHILDREN UNDER 6 YEARS OF AGE.—If a State requires an individual described in section 402(a)(19)(C)(iii)(II) (as such section was in effect on September 30, 1995) to engage in work activities, the State shall provide the individual with child care.

"(D) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month, expressed as a percentage, is—

"(I) the number of families receiving assistance under the State program funded under this part which include an individual who is engaged in work activities for the month; divided by

"(II) the total number of families receiving assistance under the State program funded under this part during the month.

"(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is participating, per the State's requirement which must be at least 20 hours each week in the month, in work activities described in clause (i), (ii), (vi), (vii), (viii), (ix), or (x) of section 482(d)(1)(A), (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in any such clause or in clause (iii), (iv), or (v) of such section).

"(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

The minimum participation rate is:

"If the fiscal year is:	rate is:
1996	60

1997 or 1998 75
1999 or thereafter 90.

“(B) PARTICIPATION RATE.—For purposes of this paragraph:

“(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

“(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

“(I) the number of 2-parent families receiving assistance under the State program funded under this part which include at least 1 adult who is engaged in work activities for the month; divided by

“(II) the total number of 2-parent families receiving assistance under the State program funded under this part during the month.

“(iii) ENGAGED.—An adult is engaged in work activities for a month in a fiscal year if the adult is making progress in such activities, per the State's requirement which must be at least 30 hours each week in a month, in work activities described in clause (vi), (vii), (viii), (ix), or (x) of section 482(d)(1)(A) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in any such clause or in clause (iii), (iv), or (v) of such section).

“(b) PENALTIES AGAINST INDIVIDUALS.—

“(1) APPLICABLE TO ALL FAMILIES.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage (within the meaning of subsection (a)(1)(C)(iii)) in work activities required under this section, a State to which a grant is made under section 403 shall—

“(A) reduce the amount of assistance that would otherwise be payable to the family; or

“(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

“(2) APPLICABLE TO 2-PARENT FAMILIES.—If an adult in a 2-parent family refuses to engage (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 30 hours per week during any month, a State to which a grant is made under section 402 shall—

“(A) reduce the amount of assistance otherwise payable to the family; or

“(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

“(3) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

“SEC. 405. LIMITATIONS.

“(a) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

“(1) IN GENERAL.—Except as provided under paragraph (2), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family of an individual who has received assistance under the program operated under this part for the lesser of—

“(A) the period of time established at the option of the State; or

“(B) 60 months (whether or not consecutive) after September 30, 1995.

“(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

“(3) HARDSHIP EXCEPTION.—

“(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

“(B) LIMITATION.—The number of families with respect to which an exemption made by a

State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

“(b) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

“(c) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

“(1) IN GENERAL.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

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

“(B) violating a condition of probation or parole imposed under Federal or State law.

“(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

“(A) such recipient—

“(i) is described in subparagraph (A) or (B) of paragraph (1); or

“(ii) has information that is necessary for the officer to conduct the officer's official duties; and

“(B) the location or apprehension of the recipient is within such officer's official duties.

“(d) STATE OPTION TO PROHIBIT ASSISTANCE FOR CERTAIN ALIENS.—

“(1) IN GENERAL.—A State to which a grant is made under section 403 may, at its option, prohibit the use of any part of the grant to provide assistance under the State program funded under this part for an individual who is not a citizen or national of the United States.

“(2) DEEMING OF INCOME AND RESOURCES IF ASSISTANCE IS PROVIDED.—For deeming of income and resources requirements if assistance is provided to an individual who is not a citizen or national of the United States, see section 1145.

“SEC. 406. STATE PENALTIES.

“(a) IN GENERAL.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

“(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

“(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

“(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the

end of a fiscal year, submitted the report required by section 408 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

“(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

“(3) FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

“(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404 for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

“(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

“(4) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

“(5) FOR FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—

“(A) IN GENERAL.—Notwithstanding any other provision of this Act, if a State's program operated under part D of this title is found as a result of a review conducted under section 452(a)(4) of this title not to have complied substantially with the requirements of such part for any quarter beginning after September 30, 1983, and the Secretary determines that the State's program is not complying substantially with such requirements at the time such finding is made, the amounts otherwise payable to the State under section 403 for such quarter and each subsequent quarter, prior to the first quarter throughout which the State program is found to be in substantial compliance with such requirements, shall be reduced (subject to paragraph (2)) by—

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

“(ii) not less than 2 nor more than 3 percent, if the finding is the second consecutive such finding made as a result of such a review; or

“(iii) not less than 3 nor more than 5 percent, if the finding is the third or a subsequent consecutive such finding made as a result of such a review.

“(B) SUSPENSION OF REDUCTIONS.—

“(i) IN GENERAL.—The reductions required under subparagraph (A) shall be suspended for any quarter if—

“(I) the State submits a corrective action plan, within a period prescribed by the Secretary following notice of the finding under subparagraph (A), which contains steps necessary to achieve substantial compliance within a time period which the Secretary finds to be appropriate;

“(II) the Secretary approves such corrective action plan (and any amendments thereto) as being sufficient to achieve substantial compliance; and

“(III) the Secretary finds that the corrective action plan (and any amendments approved under subclause (II)) is being fully implemented by the State and that the State is progressing in accordance with the timetable contained in the plan to achieve substantial compliance with such requirements.

“(ii) CONTINUATION OF SUSPENSION.—A suspension of the penalty under clause (i) shall

continue until such time as the Secretary determines that—

“(I) the State has achieved substantial compliance;

“(II) the State is no longer implementing its corrective action plan; or

“(III) the State is implementing or has implemented its corrective action plan but has failed to achieve substantial compliance within the appropriate time period (as specified in clause (i)(I)).

“(iii) EXCEPTIONS.—

“(I) ACHIEVES COMPLIANCE.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(I), the penalty shall not be applied.

“(II) NO LONGER IMPLEMENTING CORRECTIVE ACTION PLAN.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(II), the penalty shall be applied as if the suspension had not occurred.

“(III) FAILURE TO ACHIEVE COMPLIANCE WITHIN APPROPRIATE TIME PERIOD.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(III), the penalty shall be applied to all quarters ending after the expiration of the time period specified in such clause and prior to the first quarter throughout which the State program is found to be in substantial compliance.

“(C) DETERMINATION OF SUBSTANTIAL COMPLIANCE.—For purposes of this paragraph and section 452(a)(4) of this title, a State which is not in full compliance with the requirements of part D shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the child support enforcement program.

“(6) FOR FAILURE TO TIMELY REPAY A SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL LOAN.—If the Secretary determines that a State has failed to repay any amount borrowed from the Supplemental Assistance for Needy Families Federal Loan Fund established under section 403(f) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

“(b) REQUIREMENTS.—

“(1) LIMITATION ON AMOUNT OF PENALTY.—

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

“(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

“(2) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

“(3) REASONABLE CAUSE FOR NONCOMPLIANCE.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

“SEC. 407. RELIGIOUS CHARACTER AND FREEDOM.

“Notwithstanding any other provision of law, any religious organization participating in the State program funded under this part shall re-

tain its independence from Federal, State, and local government, including such an organization's control over the definition, development, practice, and expression of its religious beliefs. However, a religious organization participating in the State program under this part shall not deny needy families and children any assistance provided under this part on the basis of religion, a religious belief, or refusal to participate in a religious practice.

“SEC. 408. DATA COLLECTION AND REPORTING.

“(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part:

“(1) The number of adults receiving such assistance.

“(2) The number of children receiving such assistance and the average age of the children.

“(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

“(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

“(5) The average amount of cash and other assistance provided to the families under the program.

“(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

“(7) The total number of months for which assistance has been provided to the families under the program.

“(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

“(9) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404 and part F, and the average monthly number of adults in each such component.

“(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11), the number of cases with reduced assistance, and the number of cases closed due to employment.

“(11) The number of cases closed due to section 405(a).

“(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part.

“(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

“(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of—

“(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

“(2) the total amount of State funds that are used to cover such costs or overhead.

“(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

“(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in

the State who participated in work activities during the fiscal year.

“(f) REPORT ON CHILD SUPPORT COLLECTED.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the State agency administering the State program under part D on behalf of a family receiving assistance under this part.

“(g) REPORT ON CHILD CARE.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the program under this part, along with a description of the types of child care provided, including—

“(1) child care provided in the case of a family that has ceased to receive assistance under this part because of employment; or

“(2) child care provided in the case of a family that is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

“(h) REPORT ON TRANSITIONAL SERVICES.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

“SEC. 409. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

“(a) RESEARCH.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

“(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

“(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

“(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

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

“(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

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

“(f) STUDY ON ALTERNATIVE OUTCOMES MEASURES.—

“(1) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

“(2) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee

on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 410. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by titles I and II of the Family Self-Sufficiency Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census \$10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 411. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part, part D, and part F of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 412. STATE DEMONSTRATION PROGRAMS.

"Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 413. NO INDIVIDUAL ENTITLEMENT.

"Notwithstanding any other provision of law, no individual is entitled to any assistance under this part or any service under part F."

SEC. 102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

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

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

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 103. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et seq.) is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF AFDC STANDARDS

"SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

"(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of June 1, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of June 1, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may, at the option of the State, continue to be applied in relation to this title after the date the waiver would otherwise expire."

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931."

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (1)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title."

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

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 104. WAIVERS.

(a) CONTINUATION OF WAIVERS.—

(1) IN GENERAL.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 of the Social Security Act or otherwise which relates to the provision of assistance under a State plan under part A of title IV of such Act (42 U.S.C. 1396 et seq.), is in effect or approved by the Secretary of Health and Human Services (in this section referred to as the "Secretary") as of October 1, 1995, the amendments made by this Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

(2) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403 of the Social Security Act, as added by section 101, in lieu of any other payment provided for in the waiver.

(b) STATE OPTION TO TERMINATE WAIVER.—

(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

(3) HOLD HARMLESS PROVISION.—

(A) IN GENERAL.—A State that, not later than the date described in subparagraph (B), submits

a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

(i) January 1, 1996; or

(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

SEC. 105. DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS UNDER THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Part A of title XI (42 U.S.C. 1301–1320b-14) is amended by adding at the end the following new section:

"DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS

"SEC. 1145. (a) DEEMING REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any Federal program of assistance authorized under this Act, or any program of assistance authorized under this Act funded in whole or in part by the Federal Government for which eligibility is based on need, the income and resources described in subsection (b) shall, notwithstanding any other provision of law, be deemed to be the income and resources of such individual.

"(b) DEEMED INCOME AND RESOURCES.—The income and resources described in this subsection include the following:

"(1) The income and resources of any person who, as a sponsor of such individual's entry into the United States (or in order to enable such individual lawfully to remain in the United States), executed an affidavit of support or similar agreement with respect to such individual.

"(2) The income and resources of such sponsor's spouse.

"(c) LENGTH OF DEEMED INCOME PERIOD.—The requirement of subsection (a) shall apply for the period for which the sponsor has agreed, in such affidavit or agreement, to provide support for such individual, or for a period of 5 years beginning on the date such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer.

"(d) DEEMED INCOME AUTHORITY TO STATE AND LOCAL AGENCIES.—

"(1) IN GENERAL.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any State or local program of assistance authorized under this Act for which eligibility is based on need, or any need-based program of assistance authorized under this Act and administered by a State or local government other than a program described in subsection (a), the State or local government may, notwithstanding any other provision of law, require that the income and resources described in subsection (b) be deemed to be the income and resources of such individual.

"(2) LENGTH OF DEEMING PERIOD.—A State or local government may impose a requirement described in paragraph (1) for the period described in subsection (c)."

(b) CONFORMING AMENDMENTS.—

(1) Section 1621 (42 U.S.C. 1382j) is repealed.

(2) Section 1614(f)(3) (42 U.S.C. 1382c(f)(3)) is amended by striking "section 1621" and inserting "section 1145".

SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

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

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

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

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

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

(c) AMENDMENTS TO PART D OF TITLE IV.—(1) Section 451 (42 U.S.C. 651) is amended by striking “aid” and inserting “assistance under a State program funded”.

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

(A) by striking “aid to families with dependent children” and inserting “assistance under a State program funded under part A”; and

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

(C) by striking “402(a)(26) or”.

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

(A) by striking “aid under a State plan approved” and inserting “assistance under a State program funded”; and

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

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

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

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

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

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

(A) by striking “who is a dependent child by reason of the death of a parent” and inserting “with respect to whom assistance is being provided under the State program funded under part A”; and

(B) by inserting “by the State agency administering the State plan approved under this part” after “found”; and

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

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking “under section 402(a)(26)”.

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking “aid” and inserting “assistance under a State program funded”.

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

(A) in paragraph (5)(A)—

(i) by striking “under section 402(a)(26)”;

(ii) by striking “except that this paragraph shall not apply to such payments for any month following the first month in which the amount

collected is sufficient to make such family ineligible for assistance under the State plan approved under part A”; and

(B) in paragraph (6)(D), by striking “aid under a State plan approved” and inserting “assistance under a State program funded”.

(12) Section 456 (42 U.S.C. 656) is amended by striking “under section 402(a)(26)” each place it appears.

(13) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking “402(a)(26) or”.

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

(15) Section 469(a) (42 U.S.C. 669(a)) is amended—

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

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

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

(1) Section 470 (42 U.S.C. 670) is amended by striking “the State’s plan approved” and inserting “a State program funded”.

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

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

(A) in the matter preceding paragraph (1), by striking “would meet the requirements of section 406(a) or of section 407 but for his removal from the home of a relative (specified in section 406(a))” and inserting “would be a minor child in a needy family under the State program funded under part A but for the child’s removal from the home of the child’s custodial parent or caretaker relative.”; and

(B) in paragraph (4)—

(i) in subparagraph (A), by striking “aid under a State plan approved under section 402” and inserting “assistance under a State program funded under part A”; and

(ii) in subparagraph (B)—

(I) in clause (i), by striking “aid” and inserting “assistance”; and

(II) in clause (ii), by striking “relative specified in section 406(a)” and inserting “the child’s custodial parent or caretaker relative”.

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

“(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

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

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

(A) in subparagraph (A)(i)—

(i) by striking “met the requirements of section 406(a) or section 407” and all that follows through “specified in section 406(a),” and inserting “was a minor child in a needy family under the State program funded under part A or would have met such a standard except for the child’s removal from the home of the child’s custodial parent or caretaker relative.”; and

(ii) by striking “(or 403)”;

(B) in subparagraph (B)(i), by striking “aid under the State plan approved under section 402” and inserting “assistance under the State program funded under part A”;

(C) in subparagraph (B)(ii)—

(i) in subclause (I), by striking “aid” and inserting “assistance”; and

(ii) in subclause (II)—

(I) by striking “a relative specified in section 406(a)” and inserting “the child’s custodial parent or caretaker relative”; and

(II) by striking “aid” each place such term appears and inserting “assistance”.

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

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

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

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

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

“(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or not adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

“(B) with respect to whom foster care maintenance payments are being made under section 472.”.

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

(e) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking “aid to families with dependent children under the State plan approved under section 402 of this Act” and inserting “assistance under a State program funded under part A of title IV”.

(f) AMENDMENTS TO TITLE XI.—

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

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting “(A)” after “(2)”;

(ii) by striking “403.”;

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

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

“(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part.”; and

(B) in subsection (c)(3), by striking “under the program of aid to families with dependent children” and inserting “part A of such title”.

(3) Section 1116 (42 U.S.C. 1316) is amended—

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

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

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking “403(a).”;

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

(C) by striking “, and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV”.

(5) Section 1119 (42 U.S.C. 1319) is amended—
(A) by striking “or part A of title IV”; and
(B) by striking “403(a).”.

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

(7) Section 1136 (42 U.S.C. 1320b-6) is repealed.

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

(A) in subsection (b), by striking paragraph (1) and inserting the following:

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

(B) in subsection (d)(1)(B)—

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

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

(iii) by moving such redesignated material 2 ems to the left.

(g) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking “aid to families with dependent children under the State plan approved under section 402 of this Act” and inserting “assistance under a State program funded under part A of title IV”.

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

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

SEC. 107. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

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

(1) in the second sentence of subsection (a), by striking “a State plan approved” and inserting “a State program funded”;;

(2) in subsection (d)(5)—

(A) by striking “assistance to families with dependent children” and inserting “assistance under a State program funded”; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking “a State plan approved” and inserting “a State program funded”; and

(4) in subsection (k)(1)(A), by striking “a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved” and inserting “assistance payable to the household under a State program funded”.

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

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

(2) in subsection (d)(4)—

(A) in subparagraph (B)(i), by striking “in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act” and inserting “under the State program funded under part A of title IV of the Social Security Act”;;

(B) in subparagraph (I)(i)(II), by striking “benefits under part A” and inserting “assistance under a State program funded under part A”; and

(C) in subparagraph (L)(ii) by striking “training”; and

(3) in subsection (e)(6), by striking “aid to families with dependent children” and inserting “assistance under a State program funded”.

(c) Section 8(e) of such Act (7 U.S.C. 2017(e)) is amended—

(1) in paragraph (1)(A)(i), by striking “aid to families with dependent children” and inserting “assistance under a State program”;;

(2) in paragraph (2)(A)(ii)(I), by striking “benefits paid to such household under a State plan for aid to families with dependent children approved” and inserting “assistance paid to such household under a State program funded”; and

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

(d) Section 11 of such Act (7 U.S.C. 2020) is amended—

(1) in subsection (e)(2), by striking “the aid to families with dependent children program” and inserting “the State program funded”; and

(2) in subsection (i)(1), by striking “the aid to families with dependent children program” and inserting “the State program funded”.

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

(f) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in subsection (b)—

(A) the first sentence of paragraph (1)(A), by striking “aid to families with dependent children” and inserting “assistance under a State program funded”; and

(B) in paragraph (3)—

(i) in the first sentence of subparagraph (B), by striking “aid to families with dependent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.)” and inserting “assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)”;;

(ii) in subparagraph (C)—

(II) in the first sentence, by striking “subsections (a)(19) and (g)” and all that follows through “section 402(g)(1)(A) and”; and

(III) in the second sentence, by striking “aid to families with dependent children” and inserting “assistance under the State program funded under part A”;

(iii) in subparagraph (E), by striking “the provisions of section 402, and sections 481 through 487,” and inserting “sections 481 through 487”; and

(2) in subsection (i)—

(A) in paragraph (1), by striking “benefits under a State plan” and all that follows through “and without regard” and inserting “assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (referred to in this subsection as an ‘eligible household’) shall be issued monthly allotments following the rules and procedures of the program, and without regard”; and

(B) in paragraph (2)—

(i) in subparagraph (C)—

(I) in the first sentence, by striking “benefit provided under” and inserting “assistance provided under a State program funded under”; and

(II) in the first sentence, by striking “section 402(a)(7)(C)” and all that follows to the end period and inserting “any nonrecurring lump-sum income and income deemed or allocated to the household under the State program funded under such part”; and

(ii) in subparagraph (E)—

(I) in the first sentence, by striking “section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8))” and inserting “the State program funded under part A of title IV of the Social Security Act”; and

(II) in the second sentence, by striking “the earned income disregards provided under 402(a)(8) of the Social Security Act” and inserting “any earned income disregards provided

under the State program funded under such part”.

(g) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-186; 7 U.S.C. 612c note) is amended by striking “the program for aid to families with dependent children” and inserting “the State program funded”.

(h) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II), by striking “program for aid to families with dependent children” and inserting “State program funded”; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii), by striking “an AFDC assistance unit (under the aid to families with dependent children program authorized” and inserting “a family (under the State program funded”; and

(ii) in subparagraph (B), by striking “aid to families with dependent children” and inserting “assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)”; and

(2) in subsection (d)(2)(C), by striking “program for aid to families with dependent children” and inserting “State program funded”.

(i) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (d)(2)(A)(ii)(II), by striking “program for aid to families with dependent children established” and inserting “State program funded”;;

(2) in subsection (e)(4)(A), by striking “program for aid to families with dependent children” and inserting “State program funded”; and

(3) in subsection (f)(1)(C)(iii), by striking “aid to families with dependent children,” and inserting “State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and with the”.

SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (Public Law 94-566; 90 Stat. 2689) is amended to read as follows:

“(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

“(1) pursuant to the third sentence of section 3(a) of the Act entitled ‘An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes’, approved June 6, 1933 (29 U.S.C. 49b(a)), or

“(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

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

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

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

(g) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is repealed.

(h) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

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

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

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

(1) in section 404C(c)(3) (20 U.S.C. 1070a-23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(j) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

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

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

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

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

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

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

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

(l) Chapter VII of title I of Public Law 99-88 (25 U.S.C. 13d-1) is amended to read as follows: "Provided further, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment."

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

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such fi-

nancial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)"; and

(5) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(n) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

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

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

(2) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(3) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(4) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded".

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

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act";

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

"(i) assistance under the State program funded under part A of title IV of the Social Security Act";

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

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

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

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

(1) in section 255(h) (2 U.S.C. 905(h)), by striking "Aid to families with dependent children (75-0412-0-1-609);" and inserting "Block grants to States for temporary assistance for needy families"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

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

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

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

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded

under part A of title IV of the Social Security Act"; and

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

(u) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

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

SEC. 109. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 110. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE.—

(1) STATE OPTION TO CONTINUE AFDC PROGRAM.—

(A) 6-MONTH EXTENSION.—A State may continue a State program under parts A and F of title IV of the Social Security Act, as in effect on September 30, 1995 (for purposes of this paragraph, the "State AFDC program") until March 31, 1996.

(B) REDUCTION OF FISCAL YEAR 1996 GRANT.—In the case of any State opting to continue the State AFDC program pursuant to subparagraph (A), the State family assistance grant paid to such State under section 403(b) of the Social Security Act (as added by section 101 and as in effect on and after October 1, 1995) for fiscal year 1996 (after the termination of the State AFDC program) shall be reduced by an amount equal to the total Federal payment to such State under section 403 of the Social Security Act (as in effect on September 30, 1995) for such fiscal year.

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

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

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM

SEC. 201. MODIFICATIONS TO THE JOBS PROGRAM.

(a) INCREASED EMPLOYMENT AND JOB RETENTION.—

(1) JOB OPPORTUNITIES AND BASIC SKILLS.—The heading for part F of title IV (42 U.S.C. 681 et seq.) is amended by striking "TRAINING".

(2) PURPOSE.—Section 481(a) (42 U.S.C. 681(a)) is amended to read as follows:

"SEC. 481. (a) PURPOSE.—It is the purpose of this part to assist each State in providing such services as the State determines to be necessary to—

"(1) enable individuals receiving assistance under part A to enter employment as quickly as possible;

"(2) increase job retention among such individuals; and

"(3) ensure that needy families with children obtain the supportive services that will help them avoid long-term welfare dependence."

(b) ESTABLISHMENT AND OPERATION OF STATE PROGRAMS.—

(1) STATE PLANS FOR JOBS PROGRAMS.—Section 482(a) (42 U.S.C. 682(a)) is amended—

(A) in the heading, by striking "TRAINING";

(B) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking "of aid to families with dependent children";

(II) by striking "training"; and

(III) by striking "under a plan approved" and all that follows through the period and inserting a period;

(ii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking "plan for establishing and operating the program must describe" and inserting "shall submit to the Secretary periodically, but not less frequently than every 2 years, a plan describing";

(II) in clause (ii)—

(aa) by striking "the extent to which such services are expected to be made available by other agencies on a nonreimbursable basis,"; and

(bb) by striking "program, and" and inserting "program."; and

(III) by striking clause (iii);

(iii) by striking subparagraph (C);

(iv) in subparagraph (D)(i), by striking "Not later than October 1, 1992, each State shall make" and inserting "Each State shall make appropriate services of"; and

(v) by redesignating subparagraph (D) as subparagraph (C);

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting "(2)(A) The";

(ii) by striking "approved"; and

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

"(B) The State agency shall establish procedures to—

"(i) encourage the placement of participants in jobs as quickly as possible, including using performance measures that reward staff performance, or such other management practice as the State may choose; and

"(ii) assist participants in retaining employment after they are hired.

"(C) The Secretary shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to achieve the purpose of this part."; and

(D) by striking paragraph (3).

(2) EMPLOYABILITY PLAN.—Section 482(b)(1) (42 U.S.C. 682(b)(1)) is amended—

(A) in subparagraph (A), by inserting "the employability of each participant under the program and, in appropriate circumstances, a subsequent assessment which may include" after "assessment of"; and

(B) in subparagraph (B)—

(i) by striking "such assessment" and inserting "the subsequent assessment"; and

(ii) by striking the last sentence.

(3) PROVISION OF INFORMATION.—Section 482(c) (42 U.S.C. 682(c)) is amended—

(A) in paragraph (1), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A";

(B) in paragraph (2), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A";

(C) in paragraph (4), by striking "aid to families with dependent children of the grounds for exemption from participation in the program and the consequences of refusal to participate if not exempt" and inserting "assistance under the State program funded under part A of the consequences of refusal to participate in the program under this part"; and

(D) by striking paragraph (5).

(4) SERVICES AND ACTIVITIES.—Section 482(d) (42 U.S.C. 682(d)) is amended—

(A) in paragraph (1)(A), by striking "Such services and activities—" and all that follows through the period and inserting "Such services and activities shall be designed to improve the employability of participants and may include any combination of the following:

"(i) Educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency.

"(ii) Job skills training.

"(iii) Job readiness activities to help prepare participants for work.

"(iv) Job development and job placement.

"(v) Group and individual job search.

"(vi) On-the-job training.

"(vii) Work supplementation programs as described in subsection (e).

"(viii) Community work experience programs as described in subsection (f), or any other community service programs approved by the State.

"(ix) A job placement voucher program, as described in subsection (g).

"(x) Unsubsidized employment.";

(B) in paragraph (2), by striking the last sentence; and

(C) in paragraph (3)—

(i) by striking "the Secretary shall permit up to 5 States to" and inserting "A State may"; and

(ii) by striking the last sentence.

(5) WORK SUPPLEMENTATION PROGRAM.—Section 482(e) (42 U.S.C. 682(e)) is amended—

(A) in paragraph (1)—

(i) by striking "aid to families with dependent children" each place it appears and inserting "assistance under the State program funded under part A"; and

(ii) by striking "paragraph (3)(C)(i) and (ii)" and inserting "paragraph (3)"; and

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (C), (D), (F), and (G);

(ii) in subparagraph (B), by striking "approved";

(iii) in subparagraph (E)—

(I) by striking "aid to families with dependent children" and inserting "assistance";

(II) by striking "(as determined under subparagraph (D))"; and

(III) by striking "State plan approved" and inserting "State program"; and

(iv) by redesignating subparagraphs (B) and (E) as subparagraphs (A) and (B), respectively;

(C) in paragraph (3) to read as follows:

"(3) For purposes of this section, a subsidized job is a job provided to an individual for not more than a 12-month period—

"(A) by the State or local agency administering the State plan under part A; or

"(B) by any other employer for which all or part of the wages are paid by such State or local agency.

A State may provide or subsidize under the program any type of job which such State determines to be appropriate.";

(D) by striking paragraph (4);

(E) in paragraph (5)(A)—

(i) by striking "eligible" each place it appears; and

(ii) by redesignating such paragraph as paragraph (4);

(F) in paragraph (6)—

(i) by striking "aid to families with dependent children under the State plan approved" each place it appears and inserting "assistance"; and

(ii) by redesignating such paragraph as paragraph (5); and

(G) by striking paragraph (7).

(6) COMMUNITY WORK EXPERIENCE PROGRAM.—Section 482(f) (42 U.S.C. 682(f)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (i), by striking "aid to families with dependent children payable with respect to

the family of which such individual is a member under the State plan approved under this part" and inserting "assistance payable with respect to the family of which such individual is a member under the State program funded under part A"; and

(II) in clause (ii), by striking "aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part (excluding any portion of such aid" and inserting "assistance payable with respect to the family of which such individual is a member under the State program funded under part A (excluding any portion of such assistance";

(ii) by striking subparagraph (C);

(iii) in subparagraph (D)—

(I) by striking "approved"; and

(II) by striking "community work experience program" and all that follows through the period and inserting "community service program."; and

(iv) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(B) in paragraph (3)—

(i) by striking "any program of job search under subsection (g)."; and

(ii) by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A"; and

(C) by striking paragraph (4).

(7) JOB PLACEMENT VOUCHER PROGRAM.—Section 482(g) (42 U.S.C. 682(g)) is amended to read as follows:

"(g) JOB PLACEMENT VOUCHER PROGRAM.—(1) The State agency may establish and operate a job placement voucher program for individuals participating in the program under this part.

"(2) A State that elects to operate a job placement voucher program under this subsection—

"(i) shall establish eligibility requirements for participation in the job placement voucher program; and

"(ii) may establish other requirements for such voucher program as the State deems appropriate.

"(3) A job placement voucher program operated by a State under this subsection shall include the following requirements:

"(A) The State shall identify, maintain, and make available to an individual applying for or receiving assistance under part A a list of State-approved job placement organizations that offer services in the area where the individual resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

"(B)(i) An individual determined to be eligible for assistance under part A shall, at the time the individual becomes eligible for such assistance—

"(I) receive the list and description described in subparagraph (A);

"(II) agree, in exchange for job placement and support services, to—

"(aa) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the individual; and

"(bb) comply with the terms of the contract; and

"(III) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

"(ii) The State shall impose the sanctions provided for in section 404(b) on any individual who does not fulfill the terms of a contract executed with a State-approved job placement organization.

"(C) At the time an individual executes a contract with a State-approved job placement organization, the individual shall provide the organization with the job placement voucher that the individual received pursuant to subparagraph (B).

"(D)(i) A State-approved job placement organization may redeem for payment from the State

not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing an individual in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

“(I) finds an employment position (as determined by the State) for the individual who provided the voucher; and

“(II) certifies to the State that the individual remains employed with the employer that the organization originally placed the individual with for the greater of—

“(aa) 6 continuous months; or

“(bb) a period determined by the State.

“(iii) A State may modify, on a case-by-case basis, the requirement of clause (i)(II) under such terms and conditions as the State deems appropriate.

“(E)(i) The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for individuals participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

“(ii) The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under clause (i).

“(iii) The State shall submit a report containing the results of an evaluation conducted under clause (ii) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this clause and may require the State to revise the performance-based standards if the Secretary determines that the State is not achieving an adequate rate of success for such State.”

(8) DISPUTE RESOLUTION PROCEDURES.—Section 482(h) (42 U.S.C. 682(h)) is amended by striking “or through the provision of a hearing pursuant to section 402(a)(4); but in no event shall aid to families with dependent children” and inserting “; but in no event shall assistance under the State program funded under part A”.

(9) PROVISIONS RELATING TO INDIAN TRIBES.—Section 482(i) (42 U.S.C. 682(i)) is amended—

(A) in paragraph (1)—

(i) by striking “training” each place it appears; and

(ii) in the second sentence, by inserting “, for fiscal years before 1996,” after “State”;

(B) in paragraph (2), by inserting “, for fiscal years before 1996,” after “paragraph (1)”;

(C) in paragraph (3)—

(i) by striking “training” each place it appears; and

(ii) by striking “402(a)(19)” and inserting “404”;

(D) in paragraph (4)—

(i) by striking “training”; and

(ii) by striking “and the maximum amount” and all that follows through the period at the end of the second sentence and inserting “and the amount that may be paid under section 403 to the State within which the tribe or Alaska Native organization is located shall be increased by any portion of the amount retained by the Secretary with respect to such program (and not payable to such tribe or Alaska Native organization for obligations already incurred).”;

(E) in paragraph (7)(D), by striking “training” each place it appears;

(F) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9), respectively; and

(G) by inserting after paragraph (2), the following new paragraph:

“(3) For any fiscal year after 1995, the amount of payment to any tribe or organization

received under this subsection shall be an amount equal to the amount such tribe or organization received for fiscal year 1994.”.

(c) COORDINATION REQUIREMENTS.—Section 483 (42 U.S.C. 683) is amended—

(1) in subsection (a)(2), by striking “not less than 60 days before its submission to the Secretary.”;

(2) in subsection (b), by striking “education and training services” and inserting “necessary and supportive assistance for employment”; and

(3) in subsection (c), by striking “approved”.

(d) PROVISIONS GENERALLY APPLICABLE.—Section 484 (42 U.S.C. 684) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “family responsibilities,”; and

(B) in paragraph (5), by striking “, the participant’s circumstances.”;

(2) in subsection (c), by striking the last sentence; and

(3) in subsection (e), by striking “AFDC program” and inserting “State program funded under part A”.

(e) CONTRACT AUTHORITY.—Section 485 (42 U.S.C. 685) is amended in subsections (a) and (c), by striking “approved” each place it appears.

(f) PERFORMANCE STANDARDS.—Section 487(c) (42 U.S.C. 687(c)) is amended by striking “matching rate” and inserting “payment to the States under section 403”.

SEC. 202. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1995, unless a State has exercised the option described in section 110(b).

TITLE III—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

SEC. 301. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following new subparagraph:

“(1) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner’s determination that the individual is disabled.”.

(b) CONFORMING AMENDMENTS.—

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

(2) Section 1631(a)(2)(A)(ii) (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking “(I)”;

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking “(ix)” and inserting “(viii)”;

(C) in clause (ix)—

(i) by striking “(viii)” and inserting “(vii)”;

and

(ii) in subclause (II), by striking all that follows “15 years” and inserting a period;

(D) in clause (xiii)—

(i) by striking “(xi)” and inserting “(x)”;

(ii) by striking “(xi)” and inserting “(x)”;

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows “\$25.00 per month” and inserting a period.

(5) Section 1634 (42 U.S.C. 1383c) is amended by striking subsection (e).

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

(A) by striking “—” and all that follows through “(A)” the 1st place it appears;

(B) by striking “and” the 3rd place it appears;

(C) by striking subparagraph (B);

(D) by striking “either subparagraph (A) or subparagraph (B)” and inserting “the preceding sentence”; and

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

SEC. 302. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking “either” and all that follows through “, or” and inserting “(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or”; and

(2) by adding at the end the following new flush sentence:

“For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.”.

SEC. 303. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

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

SEC. 304. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 301(b)(1) of this Act, is amended by inserting after paragraph (2) the following new paragraph:

“(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

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

“(B) violating a condition of probation or parole imposed under Federal or State law.”.

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

“(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

“(A) the recipient—

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

“(ii) is violating a condition of probation or parole imposed under Federal or State law; or

“(iii) has information that is necessary for the officer to conduct the officer's official duties; and

“(B) the location or apprehension of the recipient is within the officer's official duties.”.

SEC. 305. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTIONS 301 AND 302.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by sections 301 and 302 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 301 or 302, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 303 and 304 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 311. RESTRICTIONS ON ELIGIBILITY FOR BENEFITS.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 301(a), is amended—

(1) in subparagraph (A), by striking “An individual” and inserting “Except as provided in subparagraph (C), an individual;

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

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

“(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked, pervasive, and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.”; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking “(D)” and inserting “(E)”.

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavioral function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individual functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) CONTINUING DISABILITY REVIEWS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine pursuant to the procedures of title XVI of the Social Security Act the eligibility of any individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by subsection (a) or (b). The Commissioner of Social Security shall give redetermination reviews under this subparagraph priority over other redetermination reviews.

(B) GRANDFATHER AND HOLD HARMLESS.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997, and such individual shall be held harmless for any payment of benefits made until such date.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 312. CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING FOR CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 311(a)(3), is amended—

(1) by inserting “(i)” after “(H)”;

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

“(ii) (I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of disability.

“(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.”.

(b) DISABILITY REVIEW REQUIRED FOR SSI RECIPIENTS WHO ARE 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

“(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

“(I) during the 1-year period beginning on the individual's 18th birthday; and

“(II) by applying the criteria used in determining such eligibility for applicants who have attained the age of 18 years.

A review under this clause shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 1-year period.”.

(2) REPORT TO THE CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(H)(iii) of the Social Security Act, as added by paragraph (1).

(3) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

“(iv) (I) Not later than 12 months after the birth of an individual, the Commissioner shall redetermine the eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

“(II) A redetermination under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 313. TREATMENT REQUIREMENTS FOR DISABLED INDIVIDUALS UNDER THE AGE OF 18.

(a) IN GENERAL.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

“(E) (i) Not later than 3 months after the Commissioner determines that an individual under the age of 18 is eligible for benefits under this title by reason of disability (and periodically thereafter, as the Commissioner may require), the representative payee of such individual shall file with the State agency that makes disability determinations on behalf of the Commissioner of Social Security in the State in which such individual resides, a copy of the treatment plan required by clause (ii).

“(ii) The treatment plan required by this clause shall be developed by the individual's treating physician or other medical provider, or if approved by the Commissioner, other service provider, and shall describe the services that such physician or provider determines is appropriate for the treatment of such individual's impairment or combination of impairments. Such plan shall be in such form and contain such information as the Commissioner may prescribe.

“(iii) The representative payee of any individual described in clause (i) shall provide evidence of adherence to the treatment plan described in

clause (ii) at the time of any redetermination of eligibility conducted pursuant to section 1614(a)(3)(G)(ii), and at such other time as the Commissioner may prescribe.

"(iv) The failure of a representative payee to comply without good cause with the requirements of clause (i) or (iii) shall constitute misuse of benefits to which subparagraph (A)(iii) (but not subparagraph (F)) shall apply. In providing for an alternative representative payee as required by subparagraph (A)(iii), the Commissioner shall give preference to the State agency that administers the State plan approved under title XIX for the State in which the individual described in clause (i) resides or any other State agency designated by the State for such responsibility, unless the Commissioner determines that selection of another organization or person would be appropriate. Any such State agency that serves as a representative payee shall be a 'qualified organization' for purposes of subparagraph (D) of this paragraph.

"(v) This subparagraph shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determinations, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments) and the availability of treatment for such impairment (or impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of this subparagraph should not apply to an individual's representative payee."

(b) ACCESS TO MEDICAID RECORDS.—

(1) REQUIREMENT TO FURNISH INFORMATION.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 103(b), is amended—

(A) by striking "and" at the end of paragraph (62);

(B) by striking the period at the end of paragraph (63) and inserting "; and"; and

(C) by adding after paragraph (63) the following new paragraph:

"(64) provide that the State agency that administers the plan described in this section shall make available to the Commissioner of Social Security such information as the Commissioner may request in connection with the verification of information furnished to the Commissioner by a representative payee pursuant to section 1631(a)(2)(E)(iii)."

(2) REIMBURSEMENT OF STATE COSTS.—Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following new subsection:

"(d) The Commissioner of Social Security shall reimburse a State for the costs of providing information pursuant to section 1902(a)(64) from funds available for carrying out this title."

(c) REPORT TO THE CONGRESS.—Not later than the last day of the 36th month beginning after the date of the enactment of this Act, the Inspector General of the Social Security Administration shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of this section.

(d) EFFECTIVE DATE.—This section shall take effect on the 1st day of the 12th month that begins after the date of the enactment of this Act.

Subtitle C—Study of Disability Determination Process

SEC. 321. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall contract with the National Academy of Sciences, or other independent entity, to conduct a comprehensive study of the disability determination process under titles II and XVI of the Social Security Act, including the validity, reliability, equity, and consistency with current scientific knowledge and standards of the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations.

(b) STUDY OF DEFINITIONS.—The study described in subsection (a) shall also include an examination of the appropriateness of the definitions of disability in titles II and XVI of the Social Security Act and the advantages and disadvantages of alternative definitions.

(c) REPORTS.—The Commissioner of Social Security shall, through the applicable entity, issue an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 12 months and 24 months, respectively, from the date of the contract for such study.

Subtitle D—National Commission on the Future of Disability

SEC. 331. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 332. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 333. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individ-

uals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 334. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected

representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) **PHYSICAL FACILITIES.**—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 335. POWERS OF COMMISSION.

(a) **HEARINGS.**—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) **DELEGATION OF AUTHORITY.**—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) **INFORMATION.**—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) **GIFTS, BEQUESTS, AND DEVICES.**—The Commission may accept, use, and dispose of gifts, bequests, or devices of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devices of money and proceeds from sales of other property received as gifts, bequests, or devices shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) **MAILS.**—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 336. REPORTS.

(a) **INTERIM REPORT.**—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 337, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) **FINAL REPORT.**—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) **PRINTING AND PUBLIC DISTRIBUTION.**—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 337. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

TITLE IV—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 401. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

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

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

“(4) provide that the State will—

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

“(i) each child for whom (I) cash assistance is provided under the State program funded under part A of this title, (II) benefits or services are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

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

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

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

“(ii) the custodial parent of such a child.”;

(2) in paragraph (6)—

(A) by striking “provide that” and inserting “provide that—”;

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

“(A) services under the plan shall be made available to nonresidents on the same terms as to residents;”;

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

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

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

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

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) **CONFORMING AMENDMENTS.**—

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

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

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

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

SEC. 402. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

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

“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

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

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

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

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

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

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

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

“(i) **DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.**—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before or after the family received cash assistance from the State.

“(ii) **REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.**—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse amounts paid to the family as cash assistance from the State.

“(iii) **DISTRIBUTION OF THE REMAINDER TO THE FAMILY.**—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

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

“(b) **DEFINITIONS.**—As used in subsection (a):

“(1) **CASH ASSISTANCE.**—The term ‘cash assistance from the State’ means—

“(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

“(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1995).

“(2) **FEDERAL SHARE.**—The term ‘Federal share’ means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

“(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

“(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

“(3) **FEDERAL MEDICAL ASSISTANCE PERCENTAGE.**—The term ‘Federal medical assistance percentage’ means—

“(A) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any State for which subparagraph (B) does not apply; or

“(B) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

“(4) **FEDERAL REIMBURSEMENT PERCENTAGE.**—The term ‘Federal reimbursement percentage’ means, with respect to a fiscal year—

“(A) the total amount paid to the State under section 403 for the fiscal year; divided by

“(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

“(5) **STATE SHARE.**—The term ‘State share’ means 100 percent minus the Federal share.

“(c) **CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.**—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services shall

not be required of such a family and section 454(6)(B) shall not apply to the family."

(b) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

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

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), the amendment made by subsection (a) shall become effective on October 1, 1995.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING CASH ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

(3) CLERICAL AMENDMENTS.—The amendments made by subsection (b) shall become effective on October 1, 1995.

SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 402(b), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

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

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

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order);"

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

SEC. 404. PRIVACY SAFEGUARDS.

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

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

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

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

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

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

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

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

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

Subtitle B—Locate and Case Tracking

SEC. 411. STATE CASE REGISTRY.

Section 454A, as added by section 445(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

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

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

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

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

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

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

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

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

"(C) the distribution of such collected amounts;

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

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

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

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

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

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

"(D) any other relevant information.

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

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

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

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

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

SEC. 412. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 404(a) of this Act, is amended—

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

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

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

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

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

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

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

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

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 445(a)(2) of this Act, is amended by inserting after section 454A the following new section:

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

"(a) STATE DISBURSEMENT UNIT.—

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

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

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

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

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

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

"(1) for receipt of payments from parents, employers, and other States, and for disbursements

to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

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

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

"(c) TIMING OF DISBURSEMENTS.—

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

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

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

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 445(a)(2) of this Act and as amended by section 411 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

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

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

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

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

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

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

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

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

SEC. 413. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a) and 412(a) of this Act, is amended—

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

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

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

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

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

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

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information

supplied in accordance with subsection (b) by employers on each newly hired employee.

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

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

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

"(B) EMPLOYER.—The term 'employer' includes—

"(i) any governmental entity, and

"(ii) any labor organization.

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

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—Each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) in the case of an employer that reports by magnetic or electronic means, the 1st business day of the week following the date on which the employee 1st receives wages or other compensation from the employer.

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

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) \$25; or

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

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

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

"(f) INFORMATION COMPARISONS.—

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

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide

support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

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

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

"(A) NEW HIRE INFORMATION.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

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

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

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

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

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

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs."

SEC. 414. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

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

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

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

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking "(5),"; and
 (ii) by inserting "; and, at the option of the State, the requirements of subsection (b)(5)" before the period.

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

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

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

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

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

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

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

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part."; and

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

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

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

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

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or
 "(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection."

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

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

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

SEC. 415. LOCATOR INFORMATION FROM INTER-STATE NETWORKS.

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

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

SEC. 416. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

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

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting "; for the purpose of establishing parentage, establishing,

setting the amount of, modifying, or enforcing child support obligations, or enforcing child visitation orders—

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

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

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

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

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

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

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

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

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

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

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

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

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

"(4) the absent parent, only with regard to a court order against a resident parent for child visitation rights."

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

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

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

(e) TECHNICAL AMENDMENTS.—

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

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

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

"(h)(1) Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall

contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

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

"(i)(1) In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

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

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

"(j)(1)(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

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

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

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

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

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

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

"(3) To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

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

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

"(4) The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

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

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

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

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

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

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

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

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

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

(1) by inserting "(including governmental entities)" after "employers"; and

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

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

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

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

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

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

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

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

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

"(B) wage and unemployment compensation information contained in the records of such

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

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

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

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

(D) by adding after paragraph (10) the following new paragraph:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports."

SEC. 417. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 415 of this Act, is amended by adding at the end the following new paragraph:

"(13) Procedures requiring that the social security number of—

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

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

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

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

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

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

(3) in clause (vi), by striking "may" and inserting "shall"; and

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

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

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter."

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 421. ADOPTION OF UNIFORM STATE LAWS.

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

"(f)(1) In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) The State law enacted pursuant to paragraph (1) may be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

"(1) the following requirements are met:

"(i) the child, the individual obligee, and the obligor—

"(I) do not reside in the issuing State; and

"(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or"

"(4) The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding."

SEC. 422. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

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

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

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

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

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

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

(5) in subsection (d)—

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

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

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

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

(8) in subsection (e)(2)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 423. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415 and 417(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) Procedures under which—

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

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

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

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

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

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

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

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

"(D) the State shall maintain records of—

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

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

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

SEC. 424. USE OF FORMS IN INTERSTATE ENFORCEMENT.

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

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

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

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

"(11) no later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

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

"(B) imposition of liens; and

"(C) administrative subpoenas."

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

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

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

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

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

SEC. 425. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) **STATE LAW REQUIREMENTS.**—Section 466 (42 U.S.C. 666), as amended by section 414 of this Act, is amended—

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

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

"(c) The procedures specified in this subsection are the following:

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

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

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

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

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

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

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

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

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

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

"(V) employment security records;

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

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

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

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

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

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

"(G) To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

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

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

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

"(II) judgments, settlements, and lotteries;

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

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

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

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

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

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

"(A) Procedures under which—

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

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

address filed with the tribunal pursuant to clause (i).

“(B) Procedures under which—

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

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

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 445(a)(2) of this Act and as amended by sections 411 and 412(c) of this Act, is amended by adding at the end the following new subsection:

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

Subtitle D—Paternity Establishment

SEC. 431. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

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

“(5)(A)(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 21 years of age.

“(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 21 years was then in effect in the State.

“(B)(i) Procedures under which the State is required, in a contested paternity case, unless otherwise barred by State law, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

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

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

“(ii) Procedures which require the State agency in any case in which the agency orders genetic testing—

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

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

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

“(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

“(iii)(I) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

“(II)(aa) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

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

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

“(D)(i) Procedures under which the name of the father shall be included on the record of birth of the child only if the father and mother have signed an acknowledgment of paternity and under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

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

“(E) Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

“(F) Procedures—

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

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

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

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

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

“(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

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

“(I) Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

“(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

“(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred

for such services or for testing on behalf of the child.

“(L) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

“(M) Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.”.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting “; and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent” before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking “a simple civil process for voluntarily acknowledging paternity and”.

SEC. 432. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

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

SEC. 433. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(a), and 413(a) of this Act, is amended—

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

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

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

“(28) provide that the State agency responsible for administering the State plan—

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

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

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

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

Subtitle E—Program Administration and Funding

SEC. 441. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

“(2) The percent specified in this paragraph for any quarter is 66 percent.”.

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking “From” and inserting “Subject to subsection (c), from”; and

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

“(c) Notwithstanding subsection (a), the total expenditures under the State plan approved

under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified in paragraph (2) for the fiscal year shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent."

SEC. 442. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.

"(a) INCENTIVE ADJUSTMENTS.—

"(1) IN GENERAL.—Beginning with fiscal year 1999, the Secretary shall increase the percent specified in section 455(a)(2) that applies to payments to a State under section 455(a)(1)(A) for each quarter in a fiscal year by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to the paternity establishment percentage of the State for the immediately preceding fiscal year and with respect to overall performance of the State in child support enforcement during such preceding fiscal year.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which a State must attain to qualify for an incentive adjustment under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to a State that achieves specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 12 percentage points, in connection with paternity establishment; and

"(II) 12 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) RECYCLING OF INCENTIVE ADJUSTMENT.—A State to which funds are paid by the Federal Government as a result of an incentive adjustment under this section shall expend the funds in the State program under this part within 2 years after the date of the payment.

"(b) DEFINITIONS.—As used in this section:

"(1) PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'paternity establishment percentage' means, with respect to a State and a fiscal year—

"(A) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

"(B) the total number of children born out of wedlock in the State during the fiscal year.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations (after consultation with the States).

"(3) STATE DEFINED.—The term 'State' does not include any area within the jurisdiction of an Indian tribal government."

(b) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the 1st place such term appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

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

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,"; and

(B) in each of subparagraphs (A) and (B), by striking "75" and inserting "90".

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

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

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

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

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

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

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

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

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

SEC. 443. FEDERAL AND STATE REVIEWS AND AUDITS.

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

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

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

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

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, which shall include such information as

may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

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

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

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

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

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

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

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

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

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

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

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

SEC. 444. REQUIRED REPORTING PROCEDURES.

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

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(a), 413(a), and 433 of this Act, is amended—

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

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

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

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

SEC. 445. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

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

(A) by striking “, at the option of the State,”;
(B) by inserting “and operation by the State agency” after “for the establishment”;

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

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

(E) by striking “(i)”;

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

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

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

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

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

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

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

“(1) use the automated system—

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

“(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

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

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

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

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

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

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

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

“(4) **TRAINING AND INFORMATION.**—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those

in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

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

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

(4) **IMPLEMENTATION TIMETABLE.**—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 404(a)(2) and 412(a)(1) of this Act, is amended to read as follows:

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

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

“(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Family Self-Sufficiency Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 445(a)(3) of the Family Self-Sufficiency Act of 1995.”.

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

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

(A) in paragraph (1)(B)—

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

(ii) by striking “so much of”;

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

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

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

“(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1998 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

“(ii) The percentage specified in this clause is the greater of—

“(I) 80 percent; or

“(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).”.

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

(A) **IN GENERAL.**—The Secretary of Health and Human Services may not pay more than \$260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

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

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

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

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

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

SEC. 446. TECHNICAL ASSISTANCE.

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

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

“(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

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

(b) **OPERATION OF FEDERAL PARENT LOCATOR SERVICE.**—Section 453 (42 U.S.C. 653), as amended by section 416(f) of this Act, is amended by adding at the end the following new subsection:

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

SEC. 447. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) **ANNUAL REPORT TO CONGRESS.**—

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

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

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

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

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

“(iii) the number of cases involving families—
“(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

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

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

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

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

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

(iii) by inserting “or 1912” after “471(a)(17)”;

and
(iv) by inserting “(2)” before “all other”;

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

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

(D) by striking clause (iv); and

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

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

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

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

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

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

(A) in subparagraph (H), by striking “and”;

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

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

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

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

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

Subtitle F—Establishment and Modification of Support Orders

SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the National Child Support Guidelines Commission (in this section referred to as the “Commission”).

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent’s spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care)

and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including—

(A) support (including shared support) for postsecondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the Consumer Price Index or either parent’s income and expenses in particular cases;

(8) procedures to help noncustodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(c) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The 1st sentence of subparagraph (C), the 1st and 3rd sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

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

“(10) Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

“(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

“(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

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

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

“(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

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

(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.”.

SEC. 453. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

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

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

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

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

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

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

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

SEC. 454. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

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

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

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

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

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

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

(A) the greater of—

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

(ii) the sum of—

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

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

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

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

(1) The term "depository institution" means—

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

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

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

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

(3) The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.

(a) **CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.**—

(1) **IN GENERAL.**—Subsection (c) of section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended by striking the 3rd and 4th sentences and inserting the following new sentences: "A reduction under this subsection shall be applied 1st to satisfy past-due support, before any other reductions allowed by law (including a credit against future liability for an internal revenue tax) have been made. A reduction under this subsection shall be assigned to the State with respect to past-due support owed to individuals for periods such individuals were receiving assistance under part A or B of title IV of the Social Security Act only after satisfying all other past-due support.".

(2) **CONFORMING AMENDMENT.**—Paragraph (2) of section 6402(d) of such Code is amended by

striking "with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act".

(b) **ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NONASSIGNED ARREARAGES.**—

(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking "(a)" and inserting "(a) OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the 1st sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the 2nd sentence, by striking "in accordance with section 457(b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(C) by striking paragraph (2) and inserting the following new paragraph:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with section 457(a), in the case of past-due support assigned to a State; and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned."; and

(D) in paragraph (3)—

(i) by striking "or (2)" each place such term appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting the following:

"(b) **REGULATIONS.**—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting the following:

"(c) **DEFINITION.**—As"; and

(B) by striking paragraphs (2) and (3).

SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) **AMENDMENT TO INTERNAL REVENUE CODE.**—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

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

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

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

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

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

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

SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"(e) **NO REQUIREMENT TO VARY PAY CYCLES.**—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment

obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

“(f) RELIEF FROM LIABILITY.—

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

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

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

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

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

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

“(h) MONEYS SUBJECT TO PROCESS.—

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

“(A) consist of—

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

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

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

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

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

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

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

“(iii) workers' compensation benefits paid under Federal or State law; but

“(B) do not include any payment—

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

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

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

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

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

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

“(D) are deducted as health insurance premiums;

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

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

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

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

“(2) **CHILD SUPPORT.**—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

“(3) **ALIMONY.**—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

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

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

“(A) which is issued by—

“(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

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

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

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

(b) CONFORMING AMENDMENTS.—

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

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

(c) MILITARY RETIRED AND RETAINER PAY.—

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

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

(B) by striking the period at the end of subparagraph (C) and inserting “; and”; and

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

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

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting “or a court order for the payment of child support not included in or accompanied by such a decree or settlement,” before “which—”.

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

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

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

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

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

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

SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

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

(2) TYPE OF ADDRESS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 463(c)(4) of this Act, is amended—

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

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

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

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: "In the case of a spouse or former spouse who assigns to a State the

rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights."

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

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

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

SEC. 465. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 421 of this Act, is amended by adding at the end the following new subsection:

"(g) In order to satisfy section 454(20)(A), each State must have in effect—

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

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

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

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

"(A) seek to void such transfer; or

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

SEC. 466. WORK REQUIREMENT FOR PERSONS OWING CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 401(a), 415, 417(a), and 423 of this Act, is amended by adding at the end the following new paragraph:

"(16) Procedures requiring the State, in any case in which an individual owes support with respect to a child receiving services under this part, to seek a court order or administrative order that requires the individual to—

"(A) pay such support in accordance with a plan approved by the court; or

"(B) if the individual is not working and is not incapacitated, participate in work activities (including, at State option, work activities as defined in section 482) as the court deems appropriate."

SEC. 467. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 416 and 446(b) of this Act, is amended by adding at the end the following new subsection:

"(o) As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief."

SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

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

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

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

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

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

SEC. 469. LIENS.

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

"(4) Procedures under which—

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

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

SEC. 470. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415, 417(a), and 423 of this Act, is amended by adding at the end the following new paragraph:

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

SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 446, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(30) that an individual owes arrearages of child support in an amount exceeding \$5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 471(b) of the Family Self-Sufficiency Act of 1995.

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

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(b), 413(a), 433, and 444(a), is amended—

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

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

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

"(30) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(k) (concerning denial of passports) determinations that individuals owe arrearages of child support

in an amount exceeding \$5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

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

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

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

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(k) of the Social Security Act, that an individual owes arrearages of child support in excess of \$5,000 or in an amount exceeding 24 months' worth of child support, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

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

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

Subtitle H—Medical Support

SEC. 475. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking “issued by a court of competent jurisdiction”;

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

“if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 476. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415, 417(a), 423, and 469 of this Act, is amended by adding at the end the following new paragraph:

“(16) Procedures under which all child support orders enforced under this part shall include a provision for the health care coverage of the child, and in the case in which an absent parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the absent parent's health plan, unless the absent parent contests the notice.”.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

SEC. 481. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651-669) is amended by adding at the end the following new section:

“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

“(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

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

“(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

“(2) the allotment of the State under subsection (c) for the fiscal year.

“(c) ALLOTMENTS TO STATES.—

“(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

“(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

“(A) \$50,000 for fiscal year 1996 or 1997; or

“(B) \$100,000 for any succeeding fiscal year.

“(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

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

“(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

“(2) shall not be required to operate such programs on a statewide basis; and

“(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.”.

Subtitle J—Effect of Enactment

SEC. 491. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the

1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

Amend the title so as to read: “An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.”.

Mr. DOLE. There is an old saying that “everybody talks about the weather, but nobody does anything about it.”

For the past several years, that saying could also apply to welfare reform. Everyone talked about it, but nobody did anything about it that really mattered.

That will change Monday, when we begin serious debate. In fact, it will change today because we will introduce the substitute here in a moment. But on Monday, the Senate will begin serious debate on the Work Opportunity Act of 1995.

There is a true national consensus to transform welfare from a program that does not work into one that does. It is my intention that once the Senate begins to talk about welfare reform, we will continue until we actually have done something about it. And when all the talking is done, I believe we will pass legislation that will transform welfare from a failed system into one that succeeds in providing work, hope, and opportunity for many, many Americans in need.

At the center of our debate will be the legislation introduced this week by 33 Senate Republicans including the entire Senate Republican leadership. I am also very proud that our legislation has the support of a majority of America's Governors. Hopefully, it is bipartisan, but I can say that there are 30 Republican Governors out of the 50 States, and 30 Republican Governors represent 70 percent of the people in America, and every one of the 30 Republican Governors support our legislation.

Our bill is based on three conservative principles:

First and foremost, welfare reform should be designed and run by those closest to the problem—the States. Not by Washington, not by some faceless, nameless bureaucrat but by the States, by the State legislators and by the Governors and the people they appoint. We believe this is the key to true conservative reform. The Congress has dedicated itself to restoring the 10th amendment to the Constitution and to getting the Federal Government out of the mandate business, and States should not have to play a game of

"mother may I" with the Federal Government when it comes to welfare.

Second: Welfare programs should include a real work requirement which in no uncertain terms requires able-bodied welfare recipients to find a job rather than to stay at home or stay in a training program forever. And make no mistake about it; our legislation contains real work requirements.

And third: No program with an unlimited budget will ever be made to work effectively and efficiently. Therefore, we must put a cap on welfare spending.

We will be discussing those principles in greater detail during the debate. I believe the entire Senate, Republicans and Democrats, begins this debate united in many ways. We begin united in the knowledge that our current welfare system is broke, and we begin united in a commitment to fix it.

We have made valiant efforts in the past. And I see my colleague from New York who is the expert on welfare and has been for some 30 years in my memory and who has made a lot of suggestions that had we followed years ago, we would not be in the trouble we are today; they were not followed. I hope that he will enlist in our efforts to make some rather radical changes.

That is not to say we are not going to have disagreements. I hope it is not going to be party line. In my view, the best we can do when it comes to the Work Opportunity Act of 1995, or whatever title other Members may have on their bills, is to work together, iron out some of the problems we have, and have a big vote for change in this Senate Chamber.

There will be a number of close votes during the debate, but by remembering what unites us, I feel confident we will pass a bill with wide bipartisan support. I hope this is a bill we do not have to go through the cloture exercise; that we do not have a filibuster either by amendment or by intent because it seems to me if we have—I know Senator PACKWOOD, the chairman of the Finance Committee, will be leading the debate on this side. He is a very early riser. He will be willing to start at 7, 6, 7:30, 8 o'clock, and so there will be—I do not know how many literally—not hundreds of hours but 40, 50, 60 hours of debate, so hopefully we can move very quickly once we start on Monday.

AMENDMENT NO. 2280

Mr. DOLE. I send to the desk my amendment to the underlying bill, H.R. 4 in the form of a first-degree amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 2280.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOLE. I know the amendment is probably several hundred pages.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I just say for the information of all Senators, my first-degree amendment will be printed and available for all Members by late Monday morning. We believe we have introduced it in a way that when someone offers an amendment, they can be sure they are going to get a vote on their amendment. Nobody is going to be able to second degree it. If the Senator from New York has an amendment, there will be a vote on that amendment. It might be a tabling motion, but there will be a vote on or in relation to the amendment.

So I think we are ready to go, and I know the Senator from New York has been waiting to make a statement. I appreciate his patience.

Mr. MOYNIHAN. May I first thank the distinguished majority leader, the Republican leader, for the tone and the openness with which he begins once again a welfare debate.

We did this 7 years ago with the Family Support Act of 1988. I had introduced it a year earlier.

It was a bipartisan measure. It passed the Senate 96-1. President Reagan signed it in the company of the Governors who had been so much involved, then chairman of the association, Governor Clinton of Arkansas; the chairman of the committee of the Governors' Association concerned with this matter; then-Governor Castle of Delaware, now Representative Castle.

I regret that the time now has seemingly come when we will be asked to put an end to the Federal commitment to sharing State efforts to provide for the dependent children. They are a massive number. They overwhelm the capacity of our great cities. Would the Senator from Kansas believe, for example, that in the city of Los Angeles, 62 percent of all children are on AFDC, in Chicago 44 percent, in New York 28 percent, and in Detroit 79 percent? This is beyond—this is a social experience which we have had, of which there is no counterpart.

We put in place legislation in 1988, which has been working. States have been innovating. The results are beginning to appear. I will have a bill which is offered in the Finance Committee, the Family Support Act of 1995, bringing it up to date as I believe we should. The distinguished Democratic leader, with Senator MIKULSKI and Senator BREAUX, will have measures. We will have amendments. We will have a good debate. It need not be an endless debate. I hope the outcome will be better than is now forecast. And we will see.

Mr. President, I thank the Senate for giving me this time late in the day. I look forward to 10:30 on Monday morning when we will commence.

I yield the floor.

Mr. DOLE. I thank the Senator from New York.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

BEST WISHES TO ELIZABETH MACDONOUGH

Mr. DOLE. Mr. President, the Senate will lose one of its most dedicated floor staffers today. Elizabeth MacDonough will be leaving us to attend law school this fall at the University of Vermont. Liz has worked in the Senate for the past 5 years, first in the Senate Library as a legislative reference assistant, and then as the assistant morning business editor of the CONGRESSIONAL RECORD. In addition to her duties preparing the morning business section of the RECORD, Liz can be found sitting at the corner of the Reporters' table in the well of the Senate, listening intently to our every word, ready to chase us down to retrieve those materials we have asked to have printed in the RECORD. We will miss her dedication and wonderful sense of humor. On behalf of all Senators, I say farewell and wish her good luck in all her future endeavors.

Mr. DASCHLE. Mr. President, let me also associate myself with the remarks of the majority leader with regard to Elizabeth McDonough. We will miss her. She has been a delight to work with. We wish her well as she goes on to school and hope that she comes back frequently. She has been a very, very important member of the floor staff, and we are delighted to have had the opportunity to work with her.

BASE CLOSURE COMMUNITY REDEVELOPMENT AND HOMELESS ASSISTANCE ACT

Mr. LAUTENBERG. Mr. President, the 1994 Base Closure Community Redevelopment and Homeless Assistance Act Public Law 103-421, signed into law October 25, 1994, applied not only to bases that would thereafter be designated for closure, but also to bases previously designated under the 1990 and 1988 Base Closure Acts, so long as the recognized redevelopment authority for the base elected within 60 days after enactment to proceed under the 1994 Act. The 1994 Act then set out a schedule for preparation, review, and approval of redevelopment plans and the ultimate disposal of property by the Government pursuant to such plans. This process will unavoidably extend beyond the end of the current fiscal year. Indeed, regulations to guide