

103D CONGRESS
1ST SESSION

H. R. 3500

To amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security, to strengthen child support enforcement, and to eliminate welfare payments for most groups of noncitizens.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 10, 1993

Mr. MICHEL (for himself, Mr. GINGRICH, Mr. SANTORUM, Mr. DELAY, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. GRANDY, Mr. CAMP, Mr. CASTLE, Mr. HERGER, Mr. HUTCHINSON, Mr. INGLIS of South Carolina, Mr. KNOLLENBERG, Mr. KOLBE, Mrs. ROUKEMA, Mr. ALLARD, Mr. ARCHER, Mr. ARMEY, Mr. BACHUS of Alabama, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BARTON of Texas, Mr. BATEMAN, Mrs. BENTLEY, Mr. BEREUTER, Mr. BILIRAKIS, Mr. BLILEY, Mr. BLUTE, Mr. BOEHNER, Mr. BONILLA, Mr. BUNNING, Mr. BURTON of Indiana, Mr. BUYER, Mr. CALLAHAN, Mr. CALVERT, Mr. CANADY, Mr. CLINGER, Mr. COBLE, Mr. COLLINS of Georgia, Mr. COX, Mr. CRANE, Mr. CRAPO, Mr. CUNNINGHAM, Mr. DICKEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. DREIER, Mr. DUNCAN, Ms. DUNN, Mr. EMERSON, Mr. EVERETT, Mr. EWING, Mr. FAWELL, Mr. FIELDS of Texas, Mrs. FOWLER, Mr. FRANKS of New Jersey, Mr. FRANKS of Connecticut, Mr. GALLEGLY, Mr. GALLO, Mr. GEKAS, Mr. GILCHREST, Mr. GILMAN, Mr. GOODLATTE, Mr. GOODLING, Mr. GOSS, Mr. GRAMS, Mr. GREENWOOD, Mr. GUNDERSON, Mr. HANCOCK, Mr. HANSEN, Mr. HASTERT, Mr. HEFLEY, Mr. HOBSON, Mr. HOEKSTRA, Mr. HOKE, Mr. HORN, Mr. HOUGHTON, Mr. HUFFINGTON, Mr. HUNTER, Mr. HYDE, Mr. INHOFE, Mr. ISTOOK, Mr. SAM JOHNSON of Texas, Mr. KASICH, Mr. KIM, Mr. KING, Mr. KINGSTON, Mr. KLUG, Mr. KYL, Mr. LAZIO, Mr. LEACH, Mr. LEVY, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIGHTFOOT, Mr. LINDER, Mr. LIVINGSTON, Mr. MCCANDLESS, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCDADE, Mr. MCHUGH, Mr. MCINNIS, Mr. McKEON, Mr. McMILLAN, Mr. MACHTLEY, Mr. MANZULLO, Mr. MICA, Mr. MILLER of Florida, Mr. MOORHEAD, Mr.

NUSSLE, Mr. OXLEY, Mr. PACKARD, Mr. PAXON, Mr. PETRI, Mr. POMBO, Mr. PORTER, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. QUILLEN, Mr. QUINN, Mr. RAMSTAD, Mr. RAVENEL, Mr. REGULA, Mr. RIDGE, Mr. ROBERTS, Mr. ROGERS, Mr. ROHRABACHER, Mr. ROTH, Mr. ROYCE, Mr. SAXTON, Mr. SCHAEFER, Mr. SENSENBRENNER, Mr. SHUSTER, Mr. SKEEN, Mr. SMITH of Texas, Mr. SMITH of Michigan, Mr. SMITH of Oregon, Mr. SOLOMON, Mr. SPENCE, Mr. STEARNS, Mr. STUMP, Mr. SUNDQUIST, Mr. TALENT, Mr. TAYLOR of North Carolina, Mr. THOMAS of Wyoming, Mr. THOMAS of California, Mr. TORKILDSEN, Mr. UPTON, Mr. WALKER, Mr. WALSH, Mr. WELDON, Mr. WOLF, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. ZELIFF, and Mr. ZIMMER) introduced the following bill; which was referred jointly to the Committees on Ways and Means, Education and Labor, Energy and Commerce, Agriculture, Banking, Finance and Urban Affairs, the Judiciary, Government Operations, and Rules

AUGUST 8, 1994

Additional sponsors: Mr. MYERS of Indiana and Mr. FISH

A BILL

To amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security, to strengthen child support enforcement, and to eliminate welfare payments for most groups of noncitizens.

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

5 SEC. 2. TABLE OF CONTENTS.

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

Sec. 2. Table of contents.

Sec. 104. Effective date; regulations.

Sec. 205. Effective date.

Sec. 310. Effective date.

Sec. 407. Reports.

Sec. 408. Sunset.

TITLE V—CHILD SUPPORT ENFORCEMENT

- Sec. 501. National reporting of information relating to child support with respect to certain employees.
- Sec. 502. State information systems.
- Sec. 503. National information systems.
- Sec. 504. Income withholding.
- Sec. 505. Uniform terms in orders.
- Sec. 506. Work requirement for noncustodial parents with child support arrearages.

TITLE VI—WELFARE RESTRICTIONS FOR ALIENS

- Sec. 601. Ineligibility of aliens for public welfare assistance.
- Sec. 602. State AFDC agencies required to provide information on illegal aliens to the Immigration and Naturalization Service.

TITLE VII—CONTROLLING WELFARE COSTS

- Sec. 701. Caps on certain means-tested programs.
- Sec. 702. Sequestration of Federal spending to enforce spending caps on means-tested programs.

TITLE VIII—CONSOLIDATED BLOCK GRANT TO STATES FOR FOOD ASSISTANCE

- Sec. 801. Food assistance block grant program.
- Sec. 802. Availability of Federal coupon program to States.
- Sec. 803. Authority to sell Federal surplus commodities.
- Sec. 804. Definitions.
- Sec. 805. Repealers and amendments.
- Sec. 806. Effective date; application of repealers and amendments.

TITLE IX—MISCELLANEOUS

- Sec. 901. AFDC recipients required to undergo necessary substance abuse treatment as a condition of receiving AFDC.
- Sec. 902. SSI benefits for drug and alcohol addicts.
- Sec. 903. Evaluation of education and training programs.
- Sec. 904. Job search required while AFDC application is pending.
- Sec. 905. Fraud and administrative efficiency.
- Sec. 906. Public housing rent reform.
- Sec. 907. Required immunizations for children.

1 **TITLE I—AFDC TRANSITION AND** 2 **WORK PROGRAM**

3 **SEC. 101. AFDC TRANSITION AND WORK PROGRAM.**

- 4 (a) PURPOSE.—Section 481(a) of the Social Security
- 5 Act (42 U.S.C. 681(a)) is amended by striking all that

1 follows “and” and inserting “work experience needed to
2 prepare them for a life without welfare.”.

3 (b) ESTABLISHMENT AND OPERATION OF PRO-
4 GRAM.—

5 (1) TRANSITION AND WORK COMPONENTS.—

6 Section 482 of such Act (42 U.S.C. 682) is amended
7 by adding at the end the following:

8 “(j) The program under this part must include—

9 “(1) a transition component that—

10 “(A) must include the job search program
11 established by the State under subsection (g);
12 and

13 “(B) may include any other service, activ-
14 ity, or program of the State that is referred to
15 in subsection (d)(1); and

16 “(2) a work component that may include—

17 “(A) a work supplementation program op-
18 erated by the State under subsection (e);

19 “(B) a community work experience pro-
20 gram established by the State under subsection
21 (f); or

22 “(C) any other work program of the State
23 that is approved by the Secretary.”.

1 (2) PARTICIPATION REQUIREMENTS.—Section
2 402(a)(19) of such Act (42 U.S.C. 602(a)(19)) is
3 amended by adding at the end the following:

4 “(I)(i) as used in this subparagraph, the
5 term ‘qualified individual’ means—

6 “(I) all individuals eligible for aid
7 under the plan who applied for such aid on
8 or after October 1, 1994, and are not de-
9 scribed in subparagraph (C); and

10 “(II) on and after October 1, 1998,
11 all individuals eligible for aid under the
12 plan who are not described in subpara-
13 graph (C);

14 “(ii)(I) each qualified individual must par-
15 ticipate in the transition component of the pro-
16 gram of the State under part F, except that—

17 “(aa) a qualified individual may not
18 be required (but may be allowed) to par-
19 ticipate in the transition component if, on
20 the basis of demographic criteria, the State
21 finds that it is unlikely that the individual
22 will be a recipient of aid under the plan
23 during a significant length of time;

24 “(bb) a qualified individual may not
25 participate in the transition component if

1 the individual has elected to participate in
2 the work component; and

3 “(cc) a qualified individual may not
4 participate in the transition component
5 after the first 24 months (or, at the option
6 of the State with respect to some or all
7 qualified individuals based on their desire
8 to work or on their readiness for employ-
9 ment, any period of lesser duration) for
10 which the individual is a qualified individ-
11 ual; and

12 “(dd) the State may, at its option, ex-
13 empt a qualified individual, during 12 of
14 the first 24 months for which an individual
15 is a qualified individual, from any require-
16 ment to participate in the transition com-
17 ponent if the individual is described in
18 paragraph (35)(A) and is in compliance
19 with paragraph (35)(A);

20 “(II)(aa) each qualified individual partici-
21 pating in the transition component must par-
22 ticipate in activities under such component for
23 an average of not fewer than 10 hours per week
24 during the first 24 months of such participa-
25 tion;

1 “(bb) the State, in consultation with the
2 Secretary, must establish guidelines by which
3 determinations under item (aa) will be made,
4 and which, in the case of educational activities,
5 must provide that an individual who is enrolled
6 full-time in a program of study at an edu-
7 cational institution (including a vocational or
8 technical training school), as determined by the
9 institution, and is making satisfactory progress
10 in the program of study, as determined by the
11 institution, is to be regarded as participating in
12 the transition component, in accordance with
13 such rules as the Secretary may prescribe (in-
14 cluding rules governing how time spent in such
15 a program of study is to be converted into
16 hours of participation in the transition compo-
17 nent);

18 “(iii)(I) if a qualified individual (other
19 than a qualified individual who is a member of
20 a family receiving aid under the plan by reason
21 of section 407) is not participating in the tran-
22 sition component of the program, the State
23 must require the qualified individual to partici-
24 pate in the work component of the program for
25 35 hours per week (or 30 hours per week, if the

1 State requires the participant to engage in a
2 job search program established by the State
3 under section 482(g);

4 “(II) in the case of a family which has re-
5 ceived aid under the plan by reason of section
6 407—

7 “(aa) the State must require at least
8 1 parent in the family to participate in the
9 work component by engaging in work ac-
10 tivities for 32 hours per week and by en-
11 gaging in job search activities for 8 hours
12 per week;

13 “(bb) the State must combine the aid
14 payable to the family under the plan, and
15 any food stamp benefits payable under the
16 Food Stamp Act of 1977 to a household
17 that includes a member of the family, into
18 a single cash payment to the family, which
19 shall be reduced pro rata with respect to
20 any period for which the family has not
21 complied with item (aa); and

22 “(III) any qualified individual participating
23 in the work component, may, with the approval
24 of the State, discontinue participation in the
25 work component and begin or resume participa-

1 tion in the transition component, subject to
2 clause (ii)(I)(cc);

3 “(iv) each qualified individual must cooper-
4 ate with the State in developing a plan which—

5 “(I) describes the respective respon-
6 sibilities of the State and of the individual
7 under the program with the goal of prepar-
8 ing the individual for work; and

9 “(II) includes a written statement in-
10 forming the individual that, upon comple-
11 tion of the transition component of the
12 program, aid under the State plan under
13 this part will be discontinued unless the in-
14 dividual finds gainful employment or is
15 participating in the work component of the
16 program;

17 “(v) if the State determines that a quali-
18 fied individual has failed to comply with any re-
19 quirement imposed under this subparagraph—

20 “(I) in the case of the 1st such fail-
21 ure, the State shall reduce the amount of
22 aid otherwise payable under this part to
23 the family of the individual by an amount
24 equal to 25 percent of the sum of such
25 otherwise payable amount and any food

1 stamp benefits payable under the Food
2 Stamp Act of 1977 to a household that in-
3 cludes a member of the family, and shall
4 apply such reduction until the failure to
5 comply ceases;

6 “(II) in the case of the 2nd such fail-
7 ure or a 1st such failure that continues for
8 more than 1 calendar month, the State
9 shall reduce the amount of aid otherwise
10 payable under this part to the family of
11 the individual by an amount equal to 25
12 percent of the sum of such otherwise pay-
13 able amount and any food stamp benefits
14 payable under the Food Stamp Act of
15 1977 to a household that includes a mem-
16 ber of the family, and shall apply such re-
17 duction until the failure to comply ceases;

18 “(III) in the case of the 3rd such fail-
19 ure, the family of the individual shall not
20 be eligible for aid under the State plan
21 under this part, notwithstanding any other
22 provision of this part; and

23 “(IV) any 1st such failure that contin-
24 ues for more than 1 calendar month shall
25 be considered the 2nd such failure, and

1 any 2nd such failure that continues for
2 more than 3 calendar months shall be con-
3 sidered the 3rd such failure;

4 “(vi) at the option of the State, the State
5 may impose a rule under which the family of an
6 individual shall not be eligible for aid under the
7 State plan under this part, notwithstanding any
8 other provision of this part, after the individual
9 has been required to participate in the work
10 component of the program for a period (deter-
11 mined by the State) of not less than 3 years;
12 and

13 “(vii) if a family becomes ineligible for aid
14 under the State plan under this part by reason
15 of clause (v)(II) or (vi), the family shall, for
16 purposes of medical assistance under the State
17 plan under title XIX, be deemed to be a recipi-
18 ent of aid under the State plan under this part
19 for so long as the family is otherwise eligible for
20 aid under the State plan under this part.”.

21 (3) PERSONS EXEMPTED FROM PARTICIPA-
22 TION.—Section 402(a)(19)(C) of such Act (42
23 U.S.C. 602(a)(19)(C)) is amended by striking all
24 that follows “—” and inserting the following:

1 “(C) that an individual may not be re-
2 quired to participate in the program—

3 “(i) if the individual is incapacitated;

4 “(ii) if the individual works 30 or
5 more hours per week;

6 “(iii) if the individual attends, full-
7 time, an elementary, secondary, or voca-
8 tional (or technical) school;

9 “(iv) if the individual is the parent of
10 a child who was returned to the home of
11 the individual during the preceding 2
12 months after having been removed from
13 the home;

14 “(v) if the individual is providing full-
15 time care for a disabled dependent of the
16 individual;

17 “(vi) at the option of the State, if the
18 individual is making progress in a sub-
19 stance abuse treatment program, unless
20 this clause has been applied to the individ-
21 ual for 12 months;

22 “(vii) during such 6-month period as
23 the individual may select, in which the in-
24 dividual gives birth to the first child born

1 to the individual after becoming eligible for
2 aid under this part; or

3 “(viii) during such 4-month period as
4 the individual may select, in which the in-
5 dividual gives birth to the second or subse-
6 quent child born to the individual after be-
7 coming eligible for aid under this part;”.

8 (4) EXTENSION TO ALL STATES OF OPTION TO
9 LIMIT AFDC-UP.—Section 407(b)(2)(B) of such Act
10 (42 U.S.C. 607(b)(2)(B)) is amended by striking
11 clause (iii).

12 (5) INCREASE IN REQUIRED JOBS PARTICIPA-
13 TION RATES.—Section 403(l)(3) of such Act (42
14 U.S.C. 603(l)(3)) is amended—

15 (A) in subparagraph (A)—

16 (i) by striking all that follows “—”
17 and inserting the following:

18 “(i) with respect to all individuals eligible for
19 aid under the State plan who applied for such aid
20 before October 1, 1994, and are not described in
21 section 402(a)(19)(C)—

22 “(I) 7 percent if the preceding fiscal year
23 is 1990;

24 “(II) 7 percent if such year is 1991;

25 “(III) 11 percent if such year is 1992;

1 “(IV) 11 percent if such year is 1993;

2 “(V) 15 percent if such year is 1994;

3 “(VI) 20 percent if such year is 1995;

4 “(VII) 20 percent if such year is 1996;

5 “(VIII) 20 percent if such year is 1997;

6 and

7 “(IX) 20 percent if such year is 1998;

8 “(ii) with respect to all individuals eligible for
9 aid under the State plan who applied for such aid
10 on or after October 1, 1994, and are not described
11 in section 402(a)(19)(C)—

12 “(I) 30 percent if such year is 1996;

13 “(II) 40 percent if such year is 1997; and

14 “(III) 50 percent if such year is 1998; and

15 “(iii) with respect to all individuals eligible for
16 aid under the State plan who are not described in
17 section 402(a)(19)(C)—

18 “(I) 60 percent if such year is 1999;

19 “(II) 70 percent if such year is 2000;

20 “(III) 80 percent if such year is 2001; and

21 “(IV) 90 percent if such year is 2002.”;

22 and

23 (B) in subparagraph (B)(ii)(IV), by strik-
24 ing “and 1995” and inserting “through 2002”.

1 (6) INCREASE IN REQUIRED WORK PROGRAM
2 PARTICIPATION RATES OF UNEMPLOYED PAR-
3 ENTS.—Section 403(l)(4)(B) of such Act (42 U.S.C.
4 603(l)(4)(B)) is amended—

5 (A) in clause (iii), by striking “and”;

6 (B) in clause (iv), by striking “each of the
7 fiscal years 1997 and 1998.” and inserting “fis-
8 cal year 1997; and”; and

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

10 “(v) 90 percent in the case of the average of
11 each month in fiscal year 1998.”.

12 (c) PAYMENTS TO STATES.—Section 403 of such Act
13 (42 U.S.C. 603) is amended by adding at the end the fol-
14 lowing:

15 “(o)(1) Each State which has been paid under sub-
16 section (l) of this section for any fiscal year an amount
17 equal to the limitation determined under subsection (k)(2)
18 of this section for the fiscal year shall be entitled to pay-
19 ments under paragraph (4) of this subsection for the fiscal
20 year in an amount equal to the lesser of—

21 “(A) the sum of the applicable percentages
22 (specified in such paragraph (4)) of its expenditures
23 to carry out the program of the State under part F
24 (subject to limitations prescribed by or pursuant to
25 such part or such paragraph (4) on expenditures

1 that may be included for purposes of determining
2 payment under such paragraph (4)); or

3 “(B) the limitation determined under paragraph
4 (2) of this subsection with respect to the State for
5 the fiscal year.

6 “(2) The limitation determined under this paragraph
7 with respect to a State for any fiscal year is the amount
8 that bears the same ratio to the amount specified in para-
9 graph (3) of this subsection for the fiscal year as the aver-
10 age monthly number of adult recipients (as defined in sub-
11 section (k)(4)) in the State in the preceding fiscal year
12 bears to the average monthly number of such recipients
13 in all the States for such preceding year.

14 “(3) The amount specified in this paragraph is—

15 “(A) \$300,000,000 for fiscal year 1996;

16 “(B) \$1,000,000,000 for fiscal year 1997; and

17 “(C) \$1,900,000,000 for fiscal year 1998.

18 “(4) Each State which has been paid under sub-
19 section (l) of this section for a fiscal year an amount equal
20 to the limitation determined under subsection (k)(2) of
21 this section for the fiscal year shall, in addition to any
22 payment under subsection (a) or (l) of this section, be en-
23 titled to payment from the Secretary of an amount equal
24 to—

1 “(A) 50 percent of the expenditures of the
2 State for administrative costs incurred in operating
3 the program under part F during the fiscal year
4 (other than personnel costs for staff employed in the
5 operation of the program) with respect to which pay-
6 ment has not been made under subsection (l); and

7 “(B) the greater of 70 percent or the Federal
8 medical assistance percentage (as defined in section
9 1118 in the case of a State to which section 1108
10 applies, or as defined in section 1905(b) in the case
11 of any other State) of the other expenditures of the
12 State incurred in operating the program during the
13 fiscal year with respect to which payment has not
14 been made under subsection (l).

15 “(5)(A) Notwithstanding paragraph (4) of this sub-
16 section, the Secretary shall pay to a State an amount
17 equal to 50 percent of the expenditures of the State in-
18 curred in operating the program under part F during a
19 fiscal year and with respect to which payment has not
20 been made under subsection (l) if the State’s participation
21 rate (determined under subparagraph (B) of this para-
22 graph) for the immediately preceding fiscal year is less
23 than—

24 “(i) 15 percent if the preceding fiscal year is
25 1994;

- 1 “(ii) 20 percent if such year is 1995;
- 2 “(iii) 30 percent if such year is 1996;
- 3 “(iv) 40 percent if such year is 1997;
- 4 “(v) 50 percent if such year is 1998;
- 5 “(vi) 60 percent if such year is 1999;
- 6 “(vii) 70 percent if such year is 2000;
- 7 “(viii) 80 percent if such year is 2001; and
- 8 “(ix) 90 percent if such year is 2002.

9 “(B)(i) The State’s participation rate for a fiscal year
10 shall be the number, expressed as a percentage, equal to—

11 “(I) the number of individuals who participated
12 in the State’s program under part F in the year; di-
13 vided by

14 “(II) the number of individuals required to par-
15 ticipate in the program in the year (including indi-
16 viduals with respect to whom the State has exercised
17 its option to require their participation).

18 “(ii) For purposes of this subparagraph, an individ-
19 ual shall not be considered to have satisfactorily partici-
20 pated in the program under part F solely by reason of
21 the individual being registered to participate in the pro-
22 gram.

23 “(C) For purposes of this paragraph, an individual
24 shall be considered to have participated in the program
25 under part F if the individual has participated in accord-

1 ance with such requirements, consistent with regulations
2 of the Secretary, as the State shall establish.

3 “(D)(i) If the Secretary determines that a State has
4 failed to achieve the participation rate for any fiscal year
5 specified in subparagraph (A) of this paragraph, then,
6 subject to clause (ii), the Secretary may waive, in whole
7 or in part, the reduction in the payment rate otherwise
8 required by such subparagraph (A) if the Secretary finds
9 that the State—

10 “(I) is in conformity with section 402(a)(19)
11 and part F;

12 “(II) has made a good faith effort to achieve
13 the participation rate; and

14 “(III) has submitted a proposal which is likely
15 to achieve the applicable participation rates for the
16 current fiscal year and any succeeding fiscal year so
17 specified.

18 “(ii) The Secretary may not grant a waiver to any
19 State under clause (i) for more than 12 months (whether
20 or not consecutive) in any 48-month period.”.

21 (d) CONFORMING AMENDMENT.—Section
22 403(l)(3)(D) of such Act (42 U.S.C. 603(l)(3)(D)) is
23 amended—

24 (1) by inserting “(i)” after (D)”;

1 (2) by inserting “who is eligible for aid under
 2 the State plan, who applied for such aid on or after
 3 October 1, 1994, and who is not described in section
 4 402(a)(19)(C)” after “an individual”; and

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

6 “(ii) For purposes of this paragraph, an individual
 7 who is eligible for aid under the State plan, who applied
 8 for such aid before October 1, 1994, and is not described
 9 in section 402(a)(19)(C) shall not be determined to have
 10 participated in the program under part F for a week, if
 11 such individual has participated in such program for less
 12 than 10 hours during the week.”.

13 (e) SENSE OF THE CONGRESS.—Each State that op-
 14 erates a program under section 402(a)(19), and part F
 15 of title IV, of the Social Security Act is encouraged to
 16 begin with families that include older preschool or school-
 17 age children.

18 **SEC. 102. COMMUNITY WORK EXPERIENCE PROGRAM**
 19 **AMENDMENTS.**

20 Section 482(f)(1)(B) of the Social Security Act (42
 21 U.S.C. 682(f)(1)(B)) is amended—

22 (1) in clause (i)—

23 (A) by inserting “(I)” after “(B)(i)”; and

24 (B) by striking “(as determined by the
 25 State)” and inserting “in the transition compo-

1 nent of the program under this part who is re-
 2 quired to participate in the program established
 3 under this subsection”; and

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

5 “(II) Each participant in the work component of the
 6 program under this part who is required to participate in
 7 the program established under this subsection must be re-
 8 quired to work for exactly 35 hours per week (or 30 hours
 9 per week, if the State requires the participant to engage
 10 in a job search program established by the State under
 11 subsection (g)).”; and

12 (2) in clause (ii), by inserting “who is a partici-
 13 pant in the transition component of the program
 14 under this part” after “an individual”.

15 **SEC. 103. WORK SUPPLEMENTATION PROGRAM AMEND-**
 16 **MENTS.**

17 (a) AUTHORITY OF STATES TO ASSIGN PARTICI-
 18 PANTS TO UNFILLED JOBS.—Section 484(c) of the Social
 19 Security Act (42 U.S.C. 684(c)) is amended by striking
 20 the last sentence.

21 (b) AUTHORITY OF STATES TO USE SUMS THAT
 22 WOULD OTHERWISE BE EXPENDED FOR FOOD STAMP
 23 BENEFITS TO PROVIDE SUBSIDIZED JOBS FOR PARTICI-
 24 PANTS.—

1 (1) IN GENERAL.—Section 482(e)(1) of such
2 Act (42 U.S.C. 682(e)(1)) is amended—

3 (A) by inserting “, and the sums that
4 would otherwise be used to provide participants
5 in the program under this subsection with food
6 stamp benefits under the Food Stamp Act of
7 1977,” before “and use”; and

8 (B) by inserting “and the food stamp ben-
9 efits that would otherwise be so provided to
10 them” before the period.

11 (2) SUBSIDIES PROVIDED TO EMPLOYERS AND
12 INCLUDED IN WAGES OF PARTICIPANTS; MINIMUM
13 EMPLOYER CONTRIBUTION.—Section 482(e)(3) of
14 such Act (42 U.S.C. 682(e)(3)) is amended by add-
15 ing at the end the following:

16 “(E) Each State operating a work supplementation
17 program under this subsection shall enter into an agree-
18 ment with the employer who is to provide an eligible indi-
19 vidual with a supplemented job under the program, under
20 which—

21 “(i) the State is required to pay the employer
22 an amount specified in the agreement as the sub-
23 sidized portion of the wages of the eligible individ-
24 ual; and

1 “(ii) the employer is required to pay the eligible
2 individual wages which, when added to an amount
3 that will be payable as aid to families with depend-
4 ent children to the individual if the individual is paid
5 such wages, are not less than 100 percent of the
6 sum of—

7 “(I) the amount that would otherwise be
8 payable as aid to families with dependent chil-
9 dren to the eligible individual if the State did
10 not have a work supplementation program
11 under this subsection in effect; and

12 “(II) if the State elects to subsidize jobs
13 for participants in the program through the res-
14 ervation of sums that would otherwise be used
15 to provide such participants with food stamp
16 benefits under the Food Stamp Act of 1977,
17 the amount paid to the State by the Secretary
18 of Agriculture that represents the cash value of
19 the food stamp benefits for which the household
20 of the eligible individual is a member is eligible
21 under such Act.

22 “(F) For purposes of computing the amount of the
23 Federal payment to a State under paragraph (1) or (2)
24 of section 403(a), for expenditures incurred in making
25 payments to individuals and employers under the State’s

1 work supplementation program under this section, the
2 State may claim as such expenditures the maximum
3 amount payable to the State under paragraph (4) of this
4 subsection.

5 “(G) Notwithstanding paragraph (1), a State may
6 use for any purpose the sums reserved under paragraph
7 (1) which are not used to subsidize jobs under this sub-
8 section attributable to savings achieved by operation of
9 subparagraph (E).”.

10 (3) CONFORMING AMENDMENT.—Section
11 482(e)(3)(A) of such Act (42 U.S.C. 682(e)(3)(A))
12 is amended by striking the 2nd sentence.

13 (4) EMPLOYMENT CASHOUT OF FOOD STAMP
14 BENEFITS.—Section 16 of the Food Stamp Act of
15 1977 (7 U.S.C. 2025) is amended by adding at the
16 end the following:

17 “(l) If a State agency of a State that makes the elec-
18 tion described in section 482(e)(3)(E)(ii)(II) of the Social
19 Security Act informs the Secretary that an individual who
20 is participating in the work supplementation program car-
21 ried out under section 482(e) of such Act is a member
22 of a household that participates in the food stamp pro-
23 gram and all the members of the household receive bene-
24 fits under a State plan approved under part A of title IV
25 of such Act—

1 “(1) the Secretary shall pay to the State an
2 amount equal to the value of the food stamp benefits
3 the household is eligible to receive under this Act;

4 “(2) the State shall expend the amount in ac-
5 cordance with section 482(e)(3) of the Social Secu-
6 rity Act to make a payment to the individual in lieu
7 of food stamp benefits the household would receive
8 but for the operation of this subsection;

9 “(3) for purposes of—

10 “(A) sections 5 and 8(a) of this Act, the
11 amount shall be excluded from household in-
12 come and resources; and

13 “(B) section 8(b) of this Act, the amount
14 shall be considered as the value of an allotment
15 provided to the household; and

16 “(4) the household shall not receive food stamp
17 benefits from the State agency for the period during
18 which the member continues to participate in the
19 work supplementation program.”.

20 **SEC. 104. EFFECTIVE DATE; REGULATIONS.**

21 (a) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), the amendments made by this title shall
24 take effect on October 1, 1994.

1 (2) STATE OPTION FOR EARLY APPLICABIL-
2 ITY.—If a State formally notifies the Secretary of
3 Health and Human Services of its desire to operate
4 a program under section 402(a)(19) and part F of
5 title IV of the Social Security Act (as amended by
6 this title), during any period which begins after the
7 date of the enactment of this Act and ends on Sep-
8 tember 30, 1994, with respect to 1 or more groups
9 of individuals selected by the State who are eligible
10 for aid under the State plan approved under section
11 402 of the Social Security Act, and makes such
12 changes in the plan as are required in order to so
13 operate the program (except that, in lieu of the defi-
14 nition contained in section 402(a)(19)(I)(i) of the
15 Social Security Act, there is substituted a definition
16 which describes such group or groups) then—

17 (A) section 402(a)(19)(I) of the Social Se-
18 curity Act (with such substituted definition)
19 shall apply to the State during the period; and

20 (B) section 403(o)(4)(B) of the Social Se-
21 curity Act shall be applied to the State for the
22 first 12 months of such period by substituting
23 “85 percent” for “the greater of 70 percent or
24 the Federal medical assistance percentage (as
25 defined in section 1118 in the case of a State

1 to which section 1108 applies, or as defined in
 2 section 1905(b) in the case of any other
 3 State)''.

4 (b) REGULATIONS.—Not later than 1 year after the
 5 date of the enactment of this Act, the Secretary of Health
 6 and Human Services shall prescribe such regulations as
 7 may be necessary to enable States to establish and operate
 8 programs pursuant to the amendments made by this title.

9 **TITLE II—PATERNTIY** 10 **ESTABLISHMENT**

11 **SEC. 201. REDUCTION OR DENIAL OF AFDC FOR CHILDREN**

12 **WHOSE PATERNITY IS NOT ESTABLISHED.**

13 (a) FAMILIES APPLYING FOR AFDC.—

14 (1) IN GENERAL.—Section 402(a) of the Social
 15 Security Act (42 U.S.C. 602(a)) is amended—

16 (A) by striking “and” at the end of para-
 17 graph (44);

18 (B) by striking the period at the end of
 19 paragraph (45) and inserting “; and”; and

20 (C) by inserting after paragraph (45) the
 21 following:

22 “(46) unless the State has enacted a law ex-
 23 empting itself from the application of this para-
 24 graph, provide that—

1 “(A) except as provided in subparagraph
2 (B), aid under the State plan shall not be pay-
3 able to a family applying for such aid with re-
4 spect to a dependent child whose paternity has
5 not been established, unless—

6 “(i) the child was conceived as a re-
7 sult of rape or incest; or

8 “(ii) the State determines that efforts
9 to establish such paternity would result in
10 physical danger to the relative claiming
11 such aid;

12 “(B) if the paternity of a dependent child
13 has not been established, the relative claiming
14 such aid alleges that any of not more than 3
15 named individuals may be the father of the
16 child and provides the address of each of the
17 named individuals or of the immediate relatives
18 of each of the named individuals, and the State
19 has not disproved the allegation, then—

20 “(i) aid under the State plan shall be
21 payable to the family in the amount pay-
22 able family whose size is determined with-
23 out regard to the dependent child; and

1 “(ii) the entire family shall be eligible
2 for medical assistance under the State plan
3 approved under title XIX; and

4 “(C) the relative claiming such aid shall
5 have the burden of proving any allegation of pa-
6 ternity of a dependent child by an individual
7 who is deceased, in accordance with procedures
8 established by the State in consultation with
9 the Secretary.”.

10 (2) EFFECTIVE DATE.—The amendments made
11 by paragraph (1) shall take effect on October 1,
12 1993, and shall apply to payments under part A of
13 title IV of the Social Security Act for calendar quar-
14 ters beginning on or after such date.

15 (b) ALL FAMILIES.—

16 (1) IN GENERAL.—Section 402(a)(46) of such
17 Act (42 U.S.C. 602(a)(46)), as added by subsection
18 (a) of this section, is amended by striking “applying
19 for such aid”.

20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) shall take effect on October 1,
22 1994, and shall apply to payments under part A of
23 title IV of the Social Security Act for calendar quar-
24 ters beginning on or after such date.

1 **SEC. 202. TEENS RECEIVING AFDC REQUIRED TO LIVE AT**
2 **HOME.**

3 Section 402(a)(43) of the Social Security Act (42
4 U.S.C. 602(a)(43)) is amended—

5 (1) by striking “at the option of the State,”;
6 and

7 (2) by striking “18” and inserting “19”.

8 **SEC. 203. EARLIER PATERNITY ESTABLISHMENT EFFORTS**
9 **BY STATES.**

10 (a) IN GENERAL.—Section 466(a)(5)(C) of the Social
11 Security Act (42 U.S.C. 666(a)(5)(C)) is amended by re-
12 designating clauses (i) and (ii) as clauses (ii) and (iii) and
13 by inserting before clause (ii) (as so redesignated) the fol-
14 lowing: “(i) a requirement that, as soon as an officer or
15 employee of the State becomes aware, in the performance
16 of official duties, of a pregnant, unmarried individual, the
17 officer or employee (I) inform the individual, orally and
18 in writing, that she will be ineligible for aid under the
19 State plan under part A unless she informs the State of
20 the identity of the prospective father and, after the child
21 is born, cooperates in establishing the paternity of the
22 child, and (II) encourage the individual to urge the pro-
23 spective father to acknowledge paternity,”.

24 (b) CONFORMING AMENDMENTS.—Section 466(a)(5)
25 of such Act (42 U.S.C. 666(a)(5)) is amended in each of

1 subparagraphs (D) and (E) by striking “(C)(ii)” and in-
2 serting “(C)(iii)”.

3 (c) SENSE OF THE CONGRESS.—The Congress en-
4 courages the States to develop procedures in public hos-
5 pitals and clinics to facilitate the acknowledgement of
6 paternity.

7 **SEC. 204. INCREASE IN PATERNITY ESTABLISHMENT PER-**
8 **CENTAGE.**

9 Section 452(g)(1) of the Social Security Act (42
10 U.S.C. 652(g)(1)) is amended by striking all that follows
11 “—” and inserting the following:

12 “(A) 90 percent;

13 “(B) for a State with a paternity establishment
14 percentage of not less than 50 percent but less than
15 90 percent for such fiscal year, the paternity estab-
16 lishment percentage of the State for the immediately
17 preceding fiscal year plus 6 percentage points; or

18 “(C) for a State with a paternity establishment
19 percentage of less than 50 percent for such fiscal
20 year, the paternity establishment percentage of the
21 State for the immediately preceding fiscal year plus
22 10 percentage points.”.

23 **SEC. 205. EFFECTIVE DATE.**

24 Except as provided in section 201, the amendments
25 made by this title shall take effect on October 1, 1993,

1 and shall apply to payments under part A of title IV of
2 the Social Security Act for calendar quarters ending be-
3 ginning on or after such date.

4 **TITLE III—EXPANSION OF STAT-**
5 **UTORY FLEXIBILITY OF**
6 **STATES**

7 **SEC. 301. OPTION TO CONVERT AFDC INTO A BLOCK GRANT**
8 **PROGRAM.**

9 Section 403 of the Social Security Act (42 U.S.C.
10 603) is amended by inserting after subsection (b) the fol-
11 lowing:

12 “(c)(1) Any State may elect to receive payments
13 under this subsection in lieu of receiving payments under
14 the other subsections of this section.

15 “(2) If a State makes an election under paragraph
16 (1), then, in lieu of any payment under any other sub-
17 section of this section, the Secretary shall make payments
18 to the State under this subsection for each fiscal year in
19 an amount equal to 103 percent of the total amount to
20 which the State was entitled under this section for fiscal
21 year 1992, subject to paragraph (5).

22 “(3) Each State to which an amount is paid under
23 paragraph (2) for a fiscal year shall expend the amount
24 to carry out any program established by the State to pro-
25 vide benefits to needy families with dependent children.

1 “(4) Within 3 months after the end of each fiscal
2 year, each State that has made an election under para-
3 graph (1) shall submit to the Secretary a report that ac-
4 counts for all expenditures of amounts paid to the State
5 under this subsection for the fiscal year.

6 “(5) The Secretary shall reduce by 20 percent the
7 amount that would otherwise be payable to a State under
8 this subsection for a fiscal year if the Secretary finds that
9 the State has expended any amount provided under this
10 subsection for any purpose other than to carry out a pro-
11 gram of cash benefits to needy families with children.

12 “(6) The regulations issued with respect to State
13 plans and the operation of State programs under this part
14 (other than under this subsection) shall not apply to any
15 State that makes an election under paragraph (1).”.

16 **SEC. 302. OPTION TO DENY AFDC IF EITHER PARENT IS A**
17 **MINOR.**

18 (a) IN GENERAL.—Section 402(a) of the Social Secu-
19 rity Act (42 U.S.C. 602(a)), as amended by section
20 201(a)(1) of this Act, is amended—

21 (1) by striking “and” at the end of paragraph
22 (45);

23 (2) by striking the period at the end of para-
24 graph (46) and inserting “; and”; and

1 (3) by inserting after paragraph (46) the fol-
2 lowing:

3 “(47) unless the State has enacted a law ex-
4 empting itself from the application of this para-
5 graph, provide that aid under the plan shall not be
6 payable with respect to a child if either parent of the
7 child is a minor (as defined by the State).”.

8 (b) AVAILABILITY OF AFDC-UP BENEFITS.—Sec-
9 tion 407(b)(1)(A) of such Act (42 U.S.C. 607(b)(1)(A))
10 is amended by inserting “, notwithstanding section
11 402(a)(50),” before “when—”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall take effect on October 1, 1993, and shall
14 apply with respect to applications for aid under a State
15 plan approved under part A of title IV of the Social Secu-
16 rity Act that are made on or after such date.

17 **SEC. 303. OPTION TO TREAT INTERSTATE IMMIGRANTS**
18 **UNDER RULES OF FORMER STATE.**

19 Section 402(a) of the Social Security Act (42 U.S.C.
20 602(a)), as amended by sections 201(a)(1) and 302 of this
21 Act, is amended—

22 (1) by striking “and” at the end of paragraph
23 (46);

24 (2) by striking the period at the end of para-
25 graph (47) and inserting “; and”; and

1 (3) by inserting after paragraph (47) the fol-
2 lowing:

3 “(48) at the option of the State, in the case of
4 a family applying for aid under the State plan that
5 has moved to the State from another jurisdiction of
6 the United States with a State plan approved under
7 this part, and has resided in the State for less than
8 12 months consecutively, apply the rules that would
9 have been applied by such other jurisdiction if the
10 family had not moved from such other jurisdiction,
11 in determining the eligibility of the family for bene-
12 fits, and the amount of benefits payable to the fam-
13 ily, under the State plan.”.

14 **SEC. 304. OPTION TO IMPOSE PENALTY FOR FAILURE TO**
15 **ATTEND SCHOOL.**

16 Section 402(a) of the Social Security Act (42 U.S.C.
17 602(a)), as amended by sections 201(a)(1), 302, and 303
18 of this Act, is amended—

19 (1) by striking “and” at the end of paragraph
20 (47);

21 (2) by striking the period at the end of para-
22 graph (48) and inserting “; and”; and

23 (3) by inserting after paragraph (48) the fol-
24 lowing:

1 “(49) at the option of the State, provide that
2 the aid otherwise payable under the plan to a family
3 may be reduced by not more than \$75 per month for
4 each parent under 21 years of age who has not com-
5 pleted secondary school (or the equivalent) and each
6 dependent child in the family who, during the imme-
7 diately preceding month, has failed, without good
8 cause (as defined by the State in consultation with
9 the Secretary), to maintain minimum attendance (as
10 defined by the State in consultation with the Sec-
11 retary) at an educational institution.”.

12 **SEC. 305. OPTION TO DENY AFDC FOR ADDITIONAL CHIL-**
13 **DREN.**

14 Section 402(a) of the Social Security Act (42 U.S.C.
15 602(a)), as amended by sections 201(a)(1), 302, 303, and
16 304 of this Act, is amended—

17 (1) by striking “and” at the end of paragraph
18 (48);

19 (2) by striking the period at the end of para-
20 graph (49) and inserting “; and”; and

21 (3) by inserting after paragraph (49) the fol-
22 lowing:

23 “(50) unless the State has enacted a law ex-
24 empting itself from the application of this para-

1 graph, provide that aid under the plan shall not be
2 payable with respect to a child born to—

3 “(A) a recipient of aid under the plan; or

4 “(B) an individual who received such aid
5 at any time during the 10-month period ending
6 with the birth of the child.”.

7 **SEC. 306. OPTION TO MODIFY CERTAIN AFDC INCOME DIS-**
8 **REGARD RULES.**

9 Section 402(a)(8)(B) of the Social Security Act (42
10 U.S.C. 602(a)(8)(B)) is amended—

11 (1) by striking “and” at the end of clause (i);

12 and

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

14 “(iii) notwithstanding clauses (ii) and (iv)
15 of subparagraph (A) and clause (ii) of this sub-
16 paragraph, may disregard earned income of any
17 child or relative receiving aid to families with
18 dependent children, or of any other individual
19 (living in the same home as such relative and
20 child) whose needs as taken into account in
21 making the determination under paragraph (7),
22 in accordance with any combination of rules
23 which (as determined by the State in accord-
24 ance with regulations prescribed by the Sec-
25 retary) is at least as favorable to the recipient

of such aid as the combination of rules contained in such clauses, but not more favorable to the recipient than a rule providing for the disregard of the first \$200 of the total of such earned income for such month plus $\frac{1}{2}$ of the remainder thereof; and”.

SEC. 307. OPTION TO PROVIDE MARRIED COUPLE TRANSITION BENEFIT.

(a) IN GENERAL.—Section 402(a) of the Social Security Act (42 U.S.C. 602(a)), as amended by sections 201(a)(1), 302, 303, 304, and 305 of this Act, is amended—

(1) by striking “and” at the end of paragraph (49);

(2) by striking the period at the end of paragraph (50) and inserting “; and”; and

(3) by inserting after paragraph (50) the following:

“(51) at the option of the State, provide that—

“(A) if a recipient of aid under the plan marries an individual who is not a parent of a child of the recipient and (but for this paragraph) the resulting family would have become ineligible for such aid by reason of the marriage, then the family shall remain eligible for

1 aid under the plan, in an amount equal to 50
2 percent of the aid payable to the recipient im-
3 mediately before the marriage, for a period
4 (specified by the State) of not more than 12
5 months, but only for so long as the income of
6 the family is less than 150 percent of the in-
7 come official poverty line (as defined by the Of-
8 fice of Management and Budget, and revised
9 annually in accordance with section 673(2) of
10 the Omnibus Budget Reconciliation Act of
11 1981) applicable to a family of the size in-
12 volved; and

13 “(B) if a recipient of aid under the plan
14 marries an individual who is not a parent of a
15 child of the recipient and the resulting family
16 would (in the absence of this subparagraph) be
17 eligible for such aid by reason of section 407,
18 then the State may provide aid to the family in
19 accordance with section 407 or subparagraph
20 (A) of this paragraph, but not both.”.

21 (b) APPLICABILITY.—The amendments made by sub-
22 section (a) shall apply only with respect to individuals who
23 first become recipients of aid under State plans approved
24 under part A of title IV of the Social Security Act on or
25 after October 1, 1993.

1 **SEC. 308. OPTION TO DISREGARD INCOME AND RESOURCES**
2 **DESIGNATED FOR EDUCATION, TRAINING,**
3 **AND EMPLOYABILITY, OR RELATED TO SELF-**
4 **EMPLOYMENT.**

5 (a) RESOURCE DISREGARDS.—Section 402(a)(7)(B)
6 of the Social Security Act (42 U.S.C. 602(a)(7)(B)) is
7 amended—

8 (1) by striking “or” before “(iv)”; and

9 (2) by inserting “(v) at the option of the State,
10 in the case of a family receiving aid under the State
11 plan (and a family not receiving such aid but which
12 received such aid in at least 1 of the preceding 4
13 months or became ineligible for such aid during the
14 preceding 12 months because of excessive earnings),
15 any amount (determined by the State) not to exceed
16 \$10,000 in a qualified asset account (as defined in
17 section 406(i)) of the family, or (vi) at the option of
18 the State, the first \$10,000 of the net worth (assets
19 reduced by liabilities with respect thereto) of all
20 microenterprises (as defined in section 406(j)(1))
21 owned, in whole or in part, by such child, relative,
22 or other individual, for a period not to exceed 2
23 years” before “; and”.

24 (b) DISREGARD OF INCOME FROM QUALIFIED ASSET
25 ACCOUNTS.—Section 402(a)(8)(A) of such Act (42 U.S.C.
26 602(a)(8)(A)) is amended—

1 (1) by striking “and” at the end of clause (vii);
2 and

3 (2) by inserting after clause (viii) the following
4 new clause:

5 “(ix) at the option of the State, may
6 disregard any interest or income earned on
7 a qualified asset account (as defined in
8 section 406(i)), and any qualified distribu-
9 tion (as defined in section 406(i)(2)) from
10 a qualified asset account (as defined in
11 section 406(i)(1)); and”.

12 (c) NONRECURRING LUMP SUM EXEMPT FROM
13 LUMP SUM RULE.—Section 402(a)(17) of such Act (42
14 U.S.C. 602(a)(17)) is amended by adding at the end the
15 following: “; and, at the option of the State, that this para-
16 graph shall not apply to earned or unearned income re-
17 ceived in a month on a nonrecurring basis to the extent
18 that such income is placed in a qualified asset account
19 (as defined in section 406(i)) the total amounts in which,
20 after such placement, does not exceed \$10,000;”.

21 (d) ONLY NET PROFITS OF MICROENTERPRISE
22 TREATED AS INCOME.—Section 402(a)(7) of such Act (42
23 U.S.C. 602(a)(7)), as amended by subsection (a) of this
24 section, is amended—

1 (1) by striking “and” at the end of subpara-
2 graph (B);

3 (2) by striking the semicolon at the end of sub-
4 paragraph (C) and inserting “; and”; and

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

6 “(D) at the option of the State, may take
7 into consideration as earned income of the fam-
8 ily of which the child is a member, only the net
9 profits (as defined in section 406(j)(2)) of
10 microenterprises (as defined in section
11 406(j)(1)) owned, in whole or in part, by such
12 child, relative, or other individual, for a period
13 not to exceed 2 years.”.

14 (e) DEFINITIONS.—Section 406 of such Act (42
15 U.S.C. 606) is amended by adding at the end the follow-
16 ing:

17 “(i)(1) The term ‘qualified asset account’ means a
18 mechanism approved by the State (such as individual re-
19 tirement accounts, escrow accounts, or savings bonds) that
20 allows savings of a family receiving aid to families with
21 dependent children to be used for qualified distributions.

22 “(2) The term ‘qualified distribution’ means a dis-
23 tribution from a qualified asset account for expenses di-
24 rectly related to 1 or more of the following purposes:

1 “(A) The attendance of a member of the family
2 at any education or training program.

3 “(B) The improvement of the employability (in-
4 cluding self-employment) of a member of the family
5 (such as through the purchase of an automobile).

6 “(C) The purchase of a home for the family.

7 “(D) A change of the family residence.

8 “(j)(1) The term ‘microenterprise’ means a commer-
9 cial enterprise which has 5 or fewer employees, 1 or more
10 of whom owns the enterprise.

11 “(2) The term ‘net profits’ means, with respect to
12 a microenterprise, the gross receipts of the business,
13 minus—

14 “(A) payments of principal or interest on a loan
15 to the microenterprise;

16 “(B) transportation expenses;

17 “(C) inventory costs;

18 “(D) expenditures to purchase capital equip-
19 ment;

20 “(E) cash retained by the microenterprise for
21 future use by the business;

22 “(F) taxes paid by reason of the business;

23 “(G) if the business is covered under a policy
24 of insurance against loss—

1 “(i) the premiums paid for such insurance;
2 and

3 “(ii) the losses incurred by the business
4 that are not reimbursed by the insurer solely by
5 reason of the existence of a deductible with re-
6 spect to the insurance policy;

7 “(H) the reasonable costs of obtaining 1 motor
8 vehicle necessary for the conduct of the business;
9 and

10 “(I) the other expenses of the business.”.

11 **SEC. 309. OPTION TO REQUIRE ATTENDANCE AT**
12 **PARENTING AND MONEY MANAGEMENT**
13 **CLASSES, AND PRIOR APPROVAL OF ANY AC-**
14 **TION THAT WOULD RESULT IN A CHANGE OF**
15 **SCHOOL FOR A DEPENDENT CHILD.**

16 (a) IN GENERAL.—Section 402(a) of the Social Secu-
17 rity Act (42 U.S.C. 602(a)), as amended by sections
18 201(a)(1), 302, 303, 304, 305, and 307 of this Act, is
19 amended—

20 (1) by striking “and” at the end of paragraph
21 (50);

22 (2) by striking the period at the end of para-
23 graph (51) and inserting “; and”; and

24 (3) by inserting after paragraph (51) the fol-
25 lowing:

1 “(52) at the option of the State, provide that,
 2 as a condition of receiving aid under the State plan,
 3 the recipient must attend parenting and money
 4 management classes, and must receive the permis-
 5 sion of the State agency before taking any action
 6 that would require a change in the educational insti-
 7 tution attended by a dependent child of the
 8 recipient.”.

9 **SEC. 310. EFFECTIVE DATE.**

10 The amendments made by this title shall take effect
 11 on October 1, 1993, and shall apply to payments under
 12 part A of title IV of the Social Security Act for calendar
 13 quarters beginning on or after such date.

14 **TITLE IV—EXPANSION OF STATE**
 15 **AND LOCAL FLEXIBILITY**

16 **SEC. 401. INTERAGENCY WAIVER REQUEST BOARD.**

17 (a) ESTABLISHMENT AND PURPOSE.—In order to
 18 provide a focal point within the Federal Government for
 19 the development and coordination of waiver requests de-
 20 signed to improve opportunities for low-income individuals
 21 and families, there is established an Interagency Waiver
 22 Request Board.

23 (b) MEMBERSHIP.—

24 (1) PERMANENT MEMBERS.—The Board shall
 25 consist of 9 permanent members, as follows:

1 (A) The Secretary of Agriculture (or the
2 designee of the Secretary).

3 (B) The Secretary of Health and Human
4 Services (or the designee of the Secretary).

5 (C) The Secretary of Housing and Urban
6 Development (or the designee of the Secretary).

7 (D) The Secretary of Labor (or the des-
8 ignee of the Secretary).

9 (E) The Secretary of Education (or the
10 designee of the Secretary).

11 (F) The Attorney General of the United
12 States (or the designee of the Attorney Gen-
13 eral).

14 (G) The Secretary of the Interior (or the
15 designee of the Secretary).

16 (H) The Director of the Office of Manage-
17 ment and Budget (or the designee of the Direc-
18 tor).

19 (I) 1 individual appointed by the Presi-
20 dent.

21 (2) LIMITED PURPOSE MEMBERS.—

22 (A) IN GENERAL.—With respect to an ap-
23 plication submitted under this title, the Board
24 shall include the head of each department or
25 agency (or the designee of the head) having re-

1 sponsibility for the administration of a program
2 included in the assistance plan contained in the
3 application.

4 (B) BOARD OF DIRECTORS OF THE LEGAL
5 SERVICES CORPORATION.—The Board of Direc-
6 tors of the Legal Services Corporation is
7 deemed to be the head of the department or
8 agency having responsibility for the administra-
9 tion of the program of legal assistance to eligi-
10 ble clients and other programs under the Legal
11 Services Corporation Act (42 U.S.C. 2996
12 et seq.).

13 (c) CHAIRPERSON.—The member of the Board ap-
14 pointed under subsection (b)(1)(I) shall serve as Chair-
15 person of the Board.

16 (d) VACANCIES.—A vacancy in the position of Chair-
17 man shall be filled in the manner in which the original
18 appointment was made.

19 (e) NO ADDITIONAL COMPENSATION.—The members
20 of the Board may not be provided additional pay, allow-
21 ances, or benefits by reason of their service on the Board.

22 (f) POWERS.—

23 (1) ASSISTANCE OF OTHER FEDERAL ENTI-
24 TIES.—A member of the Board shall detail to the
25 Chairperson, on a nonreimbursable basis, such offi-

1 cers and employees of the department or agency
2 headed by the member, and shall make available to
3 the Chairperson such assistance, as the Chairperson
4 may require to carry out the activities of the
5 Chairperson.

6 (2) USE OF UNITED STATES MAILS.—The
7 Chairperson may use the United States mails in the
8 same manner and under the same conditions as
9 other departments and agencies of the United
10 States.

11 (3) ACCEPTANCE OF GIFTS, BEQUESTS, AND
12 DEVICES.—The Chairperson may accept, use, and
13 dispose of gifts, bequests, or devises of services or
14 property, both real and personal, for the purpose of
15 aiding or facilitating the work of the Chairperson.
16 Gifts, bequests, or devises of money and proceeds
17 from sales of other property received as gifts, be-
18 quests, or devises shall be deposited in the Treasury
19 and shall be available for disbursement upon order
20 of the Chairperson.

21 (g) PROCEDURE.—

22 (1) MEETINGS.—The Board shall meet not less
23 than twice annually at the call of the Chairperson,
24 or of at least 3 permanent members.

1 (2) NOTICE OF DECISIONS.—The Chairperson
2 shall provide the Board with advance notice of any
3 action that the Chairperson intends to take under
4 this title.

5 (3) POWER OF BOARD MAJORITY TO OVERRULE
6 CHAIRPERSON.—Notwithstanding any other provi-
7 sion of this title, a majority of the members of the
8 Board with respect to a matter may overrule any de-
9 cision or nullify any action of the Chairperson under
10 this title with respect to the matter.

11 (h) ANNUAL REPORTS.—The Chairperson shall
12 transmit annually to the Congress a report containing a
13 detailed statement of the activities of the Board during
14 the year covered by the report.

15 **SEC. 402. APPLICATION TO IMPLEMENT ASSISTANCE**
16 **PLANS.**

17 (a) IN GENERAL.—Any entity that is receiving or is
18 eligible to receive funds or other assistance under an eligi-
19 ble Federal program and desires to reform any number
20 of such programs may submit to the Chairperson an appli-
21 cation that contains the following:

22 (1) ASSISTANCE PLAN.—An assistance plan
23 that sets forth the following:

1 (A) GEOGRAPHIC AREA.—The geographic
2 area to which the plan applies and the rationale
3 for so defining the area.

4 (B) RECIPIENTS.—The particular groups
5 of individuals, by age, service needs, economic
6 circumstances, or other defining factors, who
7 are to receive services and benefits under the
8 plan.

9 (C) OBJECTIVES AND PERFORMANCE CRI-
10 TERIA.—Specific objectives and criteria for
11 measuring levels of performance, a description
12 of how such objectives and levels of perform-
13 ance are expected to be achieved, a description
14 of how such criteria are to be used to measure
15 performance, and a system for the comprehen-
16 sive evaluation of the impact of the plan on par-
17 ticipants, the community, and program costs.

18 (D) COVERED PROGRAMS.—The eligible
19 Federal programs through which assistance is
20 to be improved in accordance with the plan, and
21 the specific benefits that are to be provided
22 under the plan pursuant to the program or pro-
23 grams, including criteria for determining eligi-
24 bility for benefits under the plan, the services
25 available, the amounts and form (such as cash,

1 in-kind contributions, or financial instruments)
2 of non-service benefits.

3 (E) SOURCES OF NON-FEDERAL FUNDS.—

4 A description of the sources of all non-Federal
5 funds that are to be used to carry out the pro-
6 gram or programs referred to in subparagraph
7 (D).

8 (F) FISCAL CONTROL AND ACCOUNTABIL-

9 ITY.—Fiscal control and related accountability
10 procedures that are to apply under the plan.

11 (G) CONSENT OF QUALIFIED ORGANIZA-

12 TIONS.—Written consent from each qualified
13 organization for which consent is required
14 under section 403(e)(2)(B).

15 (H) APPROVAL OF AFFECTED STATE AND

16 LOCAL PUBLIC ENTITIES.—A written statement,
17 from each State or local public entity to which
18 the Federal funds or assistance would otherwise
19 be provided under the program or programs,
20 that the entity approves of the proposal and will
21 cooperate in the implementation of the proposal
22 by the applicant.

23 (2) ASSURANCES.—

24 (A) PROVISION OF PLAN TO AFFECTED OR-

25 GANS OF GOVERNMENT IN THE STATE.—Assur-

ances that a copy of the plan has been provided to all affected organs of government in the geographic area referred to in paragraph (1)(A).

(B) CONSULTATION WITH PUBLIC-PRIVATE PARTNERSHIP COMMITTEE.—Assurances that a committee established under section 405 has participated in the development of the plan.

(3) REQUEST FOR AUTHORITY TO IMPLEMENT PLAN.—A request that the Chairperson authorize the applicant to implement the plan, and waive the application of any Federal statutory or regulatory requirement to the extent necessary to enable such implementation.

(4) OTHER INFORMATION.—Any other information the Chairperson may require to approve the application.

(b) OPTION TO SUBMIT STREAMLINED APPLICATION TO IMPLEMENT ASSISTANCE PLAN REFORMING 3 OR FEWER PROGRAMS.—Any entity that is receiving or is eligible to receive funds or other assistance under an eligible Federal program and desires to reform 3 or fewer such programs may submit to the Chairperson an application that contains the following:

(1) ASSISTANCE PLAN.—An assistance plan that sets forth the eligible Federal programs through

1 which assistance is to be improved in accordance
2 with the plan.

3 (2) APPROVAL OF AFFECTED ENTITIES.—A
4 written statement, from each non-Federal officer or
5 entity to which the Federal funds or assistance
6 would otherwise be provided (either directly or
7 through intervening levels of grantees or other re-
8 cipients) under the program or programs, that such
9 other officer or entity approves of the plan and will
10 cooperate in the implementation of the plan by the
11 entity.

12 (3) PROVISIONS OF LAW TO BE WAIVED.—A list
13 of the provisions of law or regulation which prevent
14 the entity from implementing the plan.

15 (4) REQUEST FOR AUTHORITY TO IMPLEMENT
16 PLAN.—A request that the Chairperson authorize
17 the applicant to implement the plan, and waive the
18 application of any Federal statutory or regulatory
19 requirement to the extent necessary to enable such
20 implementation.

21 **SEC. 403. REVIEW AND APPROVAL OF APPLICATIONS; WAIV-**
22 **ERS.**

23 (a) REVIEW.—Upon receipt of an application submit-
24 ted in accordance with section 402, the Chairperson
25 shall—

1 (1) approve or disapprove the application within
2 90 days after such receipt;

3 (2) notify the applicant in writing of such ap-
4 proval or disapproval; and

5 (3) if the application is disapproved, include in
6 the notice of disapproval a written justification of
7 the reasons therefor.

8 (b) CONDITIONAL APPROVAL.—The Chairperson may
9 condition approval of such an application on the accept-
10 ance by the applicant, and by any parties whose consent
11 or approval is required under section 402, of specified
12 modifications to the application.

13 (c) APPROVAL.—

14 (1) REQUIREMENTS.—The Chairperson may
15 approve such an application, subject to paragraph
16 (2), if the Chairperson determines that—

17 (A) the implementation of the assistance
18 plan contained in the application will improve
19 the effectiveness and efficiency of providing
20 benefits under the covered program or pro-
21 grams included in the plan, by reducing admin-
22 istrative rigidity, duplication, and unnecessary
23 expenditures;

24 (B) the applicant has adequately consid-
25 ered, and the application appropriately address-

1 es, the effects that the administration of each
2 covered program included in the plan will have
3 on the administration of any other such pro-
4 gram;

5 (C) the applicant has or is developing data
6 bases, planning, and evaluation processes that
7 are adequate for implementing the plan;

8 (D) implementation of the plan will ade-
9 quately achieve the purposes of this title and of
10 such covered program or programs; and

11 (E) the plan is adequate to ensure that in-
12 dividuals and families that receive benefits
13 under the covered program or programs in-
14 cluded in the plan will continue to receive bene-
15 fits that meet the needs intended to be met
16 under the program or programs.

17 (2) LIMITATIONS.—The Chairperson may not
18 approve such an application if—

19 (A) implementation of the assistance plan
20 contained in the application would result in an
21 increase in the total amount of obligations or
22 outlays of discretionary appropriations or direct
23 spending under the covered program or pro-
24 grams included in the plan, over the amounts of
25 such obligations and outlays that would occur

1 under the program or programs without imple-
2 mentation of the plan; or

3 (B) if the plan applies to assistance to a
4 qualified organization under an eligible Federal
5 program, the qualified organization does not
6 consent in writing to the receipt of such assist-
7 ance in accordance with the plan.

8 (3) IMPLEMENTATION PERIOD.—In approving
9 such an application, the Chairperson shall specify
10 the period during which the assistance plan con-
11 tained in the application may be implemented.

12 (d) WAIVERS.—

13 (1) IN GENERAL.—Subject to this subsection,
14 the Chairperson may waive any requirement applica-
15 ble under Federal law to the administration of, or
16 provision of benefits under, any covered program in-
17 cluded in an application approved under this title, if
18 the waiver is reasonably necessary for the implemen-
19 tation of the assistance plan contained in the ap-
20 proved application.

21 (2) FUNDING LIMITATION.—This subsection
22 shall not be construed to authorize the Chairperson
23 to waive the application to any entity of a provision
24 of law or regulation applicable to a program if the
25 waiver would result in net payments by the Federal

1 Government to the entity under the program for a
2 fiscal year in excess of the net payments which
3 would otherwise be so made to the entity.

4 (3) CIVIL RIGHTS LAWS EXCEPTED.—This sub-
5 section shall not be construed to authorize the
6 Chairperson to waive any requirement established by
7 statute or regulation under—

8 (A) title VI of the Civil Rights Act of 1964
9 (42 U.S.C. 2000d et seq.);

10 (B) section 504 of the Rehabilitation Act
11 of 1973 (29 U.S.C. 701 et seq.);

12 (C) title IX of the Education Amendments
13 of 1972 (86 Stat. 373 et seq.);

14 (D) the Age Discrimination Act of 1975
15 (42 U.S.C. 6101 et seq.); or

16 (E) the Americans With Disabilities Act of
17 1990.

18 **SEC. 404. IMPLEMENTATION OF ASSISTANCE PLANS; EVAL-**
19 **UATIONS.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
21 sion of law, benefits under any covered program included
22 in an application approved under this title shall be paid
23 and administered in the manner specified in the approved
24 application.

25 (b) EVALUATIONS.—

1 (1) IN GENERAL.—Any entity whose application
2 is approved under this title shall, in accordance with
3 regulations issued by the Chairperson—

4 (A) submit such reports on, and cooperate
5 in such audits of, the implementation of the as-
6 sistance plan contained in the application; and

7 (B) periodically evaluate the effects that
8 implementation of the plan has had on—

9 (i) individuals who receive benefits
10 under a covered program included in the
11 plan;

12 (ii) communities where such individ-
13 uals live; and

14 (iii) costs of administering the covered
15 program or programs included in the plan.

16 (2) ANNUAL REPORTS.—Not later than 90 days
17 after the end of the 1-year period beginning on the
18 date the application of an entity is approved under
19 this title, and annually thereafter, the entity shall
20 submit to the Chairperson a report on the principal
21 activities and achievements under the assistance
22 plan contained in the application, during the period
23 covered by the report, and, if the application was
24 submitted under section 402(a), the report shall
25 compare those achievements to the objectives and

1 performance criteria included in the plan pursuant
2 to section 402(a)(1)(C).

3 (c) FINAL REPORT.—Not later than 45 days after
4 the end of the period for which the Chairperson has ini-
5 tially authorized an entity to implement an assistance
6 plan, or at any time that the entity determines that the
7 plan has demonstrated its worth and proven to be a supe-
8 rior way to provide benefits under the covered program
9 or programs included in the plan, the entity shall submit
10 to the Chairperson a final report on such implementation,
11 including a full evaluation of the successes and short-
12 comings of the plan and the effects of such implementa-
13 tion on individuals who receive benefits under such pro-
14 gram or programs.

15 (d) EXTENSION OF PLANS.—The Chairperson may
16 extend, for such period as may be appropriate, the period
17 for which an entity may implement an approved assistance
18 plan, based on the report of the entity under subsection
19 (c).

20 (e) SUSPENSION AND TERMINATION.—

21 (1) IN GENERAL.—The Chairperson may re-
22 quire an entity to suspend or terminate implementa-
23 tion of part or all of an assistance plan under—

24 (A) any approved application under this
25 title if the Chairperson finds that the applicant

1 has failed to carry out a covered program in ac-
2 cordance with any applicable provision of law or
3 regulation; or

4 (B) an approved application that was sub-
5 mitted under section 402(a), if, after consulta-
6 tion with the head of each Federal agency re-
7 sponsible for administering a covered program
8 included in the approved application, the Chair-
9 person determines that the objectives and per-
10 formance criteria included in the plan pursuant
11 to section 402(a)(1)(C) have not been met.

12 (2) TIMING.—In requiring the implementation
13 of an assistance plan to be terminated under para-
14 graph (1), the Chairperson shall allow a reasonable
15 period of time for appropriate Federal, State, and
16 local agencies, and qualified organizations to resume
17 administration of the covered program or programs
18 included in the application that contains the plan.

19 **SEC. 405. PUBLIC-PRIVATE PARTNERSHIP COMMITTEES.**

20 (a) ESTABLISHMENT.—An entity desiring to submit
21 an application under section 402(a) shall establish a Pub-
22 lic-Private Partnership Committee in accordance with this
23 section.

24 (b) FUNCTIONS.—A Public-Private Partnership Com-
25 mittee shall advise an entity in the development and imple-

1 mentation of an assistance plan, including with respect
2 to—

3 (1) conducting public hearings;

4 (2) representing the interest of low-income indi-
5 viduals and families; and

6 (3) reviewing and commenting on all commu-
7 nity policies, programs, and actions under the plan
8 which affect low-income individuals and families,
9 with the purpose of assuring maximum coordination
10 and responsiveness of the plan in providing benefits
11 under the plan to those individuals and families.

12 (c) MEMBERSHIP.—The membership of a Public-Pri-
13 vate Partnership Committee shall—

14 (1) consist of—

15 (A) low-income individuals, who shall—

16 (i) comprise at least $\frac{1}{3}$ of the mem-
17 bership; and

18 (ii) include minority individuals who
19 are participants or who qualify to partici-
20 pate in eligible Federal programs;

21 (B) representatives of low-income individ-
22 uals and families;

23 (C) persons with leadership experience in
24 the private and voluntary sectors;

25 (D) local elected officials; and

1 (E) the general public; and

2 (2) include individuals and representatives of
3 community and business organizations who will help
4 to enhance the leadership role of the entity in devel-
5 oping an assistance plan.

6 **SEC. 406. DEFINITIONS.**

7 As used in this title:

8 (1) ASSISTANCE PLAN.—The term “assistance
9 plan” means a plan for improving the provision of
10 assistance under 1 or more eligible Federal pro-
11 grams.

12 (2) BOARD.—The term “Board” means the
13 Interagency Waiver Request Board established by
14 section 401.

15 (3) CHAIRPERSON.—The term “Chairperson”
16 means the Chairperson of the Board.

17 (4) COVERED PROGRAM.—The term “covered
18 program” means, with respect to an assistance plan,
19 the eligible Federal programs included in the plan.

20 (5) ELIGIBLE FEDERAL PROGRAM.—The term
21 “eligible Federal program” means any Federal pro-
22 gram which, directly or indirectly, provides cash as-
23 sistance to individuals, or under which assistance is
24 available for—

25 (A) education;

- 1 (B) employment training;
- 2 (C) health;
- 3 (D) housing;
- 4 (E) nutrition; or
- 5 (F) other social services.

6 (6) QUALIFIED ORGANIZATION.—The term
7 “qualified organization” means any private, not-for-
8 profit organization that is exempt from taxation
9 under section 501(c)(3) of the Internal Revenue
10 Code of 1986 (26 U.S.C. 501(c)(3)).

11 (7) STATE.—

12 (A) IN GENERAL.—The term “State”
13 means the 50 States, the District of Columbia,
14 Puerto Rico, American Samoa, Guam, and the
15 Virgin Islands.

16 (B) INDIAN TRIBES.—In the case of an eli-
17 gible Federal program under which assistance
18 is provided with respect to an Indian tribe, the
19 Indian tribal organization is deemed to be a
20 State.

21 **SEC. 407. REPORTS.**

22 (a) IN GENERAL.—The Comptroller General of the
23 United States shall submit to the Congress 2 reports
24 that—

1 (1) describe the extent to which assistance
2 plans have been implemented in accordance with this
3 title;

4 (2) evaluate the effectiveness of covered Federal
5 assistance programs included in such plans; and

6 (3) include recommendations with respect to
7 whether to continue activities under this title.

8 (b) TIMING.—The Comptroller General shall submit
9 a report under subsection (a) not later than 3 years after
10 the date of the enactment of this Act, and another such
11 report not later than 6 years after such date of enactment.

12 **SEC. 408. SUNSET.**

13 Any authority provided under this title shall expire
14 7 years after the date of the enactment of this Act.

15 **TITLE V—CHILD SUPPORT**
16 **ENFORCEMENT**

17 **SEC. 501. NATIONAL REPORTING OF INFORMATION RELAT-**
18 **ING TO CHILD SUPPORT WITH RESPECT TO**
19 **CERTAIN EMPLOYEES.**

20 (a) MODIFIED W-4 REPORTING.—

21 (1) ESTABLISHMENT OF REPORTING SYSTEM.—
22 The Secretary of the Treasury, in consultation with
23 the Secretary of Labor, shall establish a system for
24 the reporting of information relating to child support

obligations of employees, that meets the requirements of this subsection.

(2) EMPLOYEE OBLIGATIONS.—

(A) EMPLOYEES SUBJECT TO CHILD SUPPORT WAGE WITHHOLDING.—The system shall require each employee who owes a qualified child support obligation to indicate on a W-4 form that the employee is otherwise required to file with the employer—

(i) the existence of the obligation;

and

(ii) the amount of the obligation;

(iii) the name and address of the

person to whom the obligation is owed; and

(iv) whether health care insurance

is available through the employer

to the family of the employee.

(B) EMPLOYEES IN DESIGNATED INDUSTRIES.—The system shall require each employee, who is employed in a State in an industry that the State has designated pursuant to section 466(a)(12)(A) of the Social Security Act as one with respect to which universal employment reporting would improve child support en-

1 enforcement in a cost-effective manner, to file
2 with the employer a W-4 form indicating—

3 (i) whether the employee owes a quali-
4 fied child support obligation; and

5 (ii) if so—

6 (I) the amount of the obligation;

7 (II) the name and address of the
8 person to whom the obligation is
9 owed; and

10 (III) whether health care insur-
11 ance is available through the employer
12 to the family of the employee.

13 (C) ONE-TIME UPDATING OF W-4 INFOR-
14 MATION OF ALL EMPLOYEES.—The system shall
15 require each employee to file with the employer,
16 during a period that the State in which the em-
17 ployee is employed has prescribed pursuant to
18 section 466(a)(12)(B) of the Social Security
19 Act, a W-4 form indicating—

20 (i) whether the employee owes a quali-
21 fied child support obligation; and

22 (ii) if so—

23 (I) the amount of each such obli-
24 gation;

1 (II) the name and address of
2 each person to whom the obligation is
3 owed; and

4 (III) whether health care insur-
5 ance is available through the employer
6 to the family of the employee.

7 (D) QUALIFIED CHILD SUPPORT OBLIGA-
8 TION.—As used in this subsection, the term
9 “qualified child support obligation” means a
10 legal obligation to provide child support (as de-
11 fined in section 462(b) of the Social Security
12 Act) which is to be collected, in whole or in
13 part, through wage withholding pursuant to an
14 order issued by a court of any State or an order
15 of an administrative process established under
16 the law of any State.

17 (3) EMPLOYER OBLIGATIONS.—Each employer
18 who receives information from an employee pursuant
19 to paragraph (2) of this subsection shall—

20 (A) within 10 days after such receipt, for-
21 ward the information to the agency, designated
22 pursuant to section 466(a)(11)(A) of the Social
23 Security Act, of the State in which the em-
24 ployee is employed by the employer; and

1 (B) withhold from the income of the em-
2 ployee the amount indicated on the W-4 form
3 (or, if the employer has received from the State
4 a notice that the amount is incorrect, such
5 other amount as the State indicates is to be so
6 withheld), in the manner described in section
7 466(b)(6)(A)(i) of such Act.

8 (4) NEW HIRES IN CERTAIN STATES EX-
9 CEPTED.—This subsection shall not apply with re-
10 spect to the employment in a State of any employee
11 not described in paragraph (2)(B) if the Secretary
12 of Health and Human Services determines that the
13 State—

14 (A) requires all employers in the State to
15 report to the State all basic employment infor-
16 mation on new hires;

17 (B) requires such information to be com-
18 pared with information in the State registry of
19 child support orders established pursuant to
20 section 466(a)(13) of the Social Security Act
21 and with requests from other States for infor-
22 mation on the location of noncustodial parents;

23 (C) maintains updated employment infor-
24 mation on all individuals employed in the State

1 in a manner that enables the State to effec-
2 tively respond to such requests; and

3 (D) requires all employers in the State, on
4 receipt of a notice from the State that an em-
5 ployee owes a qualified child support obligation,
6 to begin withholding from the income of the
7 employee the amount of the obligation, in the
8 manner described in section 466(b)(6)(A)(i) of
9 the Social Security Act.

10 (b) STATE ROLE.—Section 466(a) of the Social Secu-
11 rity Act (42 U.S.C. 666(a)) is amended by inserting after
12 paragraph (10) the following:

13 “(11) Procedures under which the State shall
14 designate a public agency to—

15 “(A) maintain the information provided by
16 employers pursuant to section 501(a)(3) of the
17 Responsibility and Empowerment Support Pro-
18 gram Providing Employment, Child Care, and
19 Training Act in accordance with regulations
20 prescribed by the Secretary which allow other
21 States easy access to the information through
22 the Interstate Locate Network established
23 under section 453(g) of this Act; and

24 “(B) determine whether or not the infor-
25 mation described in subparagraph (A) of this

1 paragraph provided by an employer with respect
2 to an employee is accurate by comparing the in-
3 formation with the information on file in the
4 State registry of child support orders estab-
5 lished pursuant to section 466(a)(13) of this
6 Act, and—

7 “(i) if the information is confirmed by
8 the information on file in the registry, no-
9 tify any individual who resides in the State
10 and to whom the employee has a legal obli-
11 gation to provide child support (or such in-
12 dividual’s designee) of such information;

13 “(ii) if the information is not so con-
14 firmed due to a discrepancy between the
15 information and a copy of a child support
16 order in the registry, notify the employer
17 of the discrepancy and the correct informa-
18 tion using the order developed under sec-
19 tion 452(a)(12) of this Act; or

20 “(iii) if the information is not so con-
21 firmed because the registry does not con-
22 tain a copy of an order that imposes a
23 child support obligation on the employee,
24 search the child support order registries
25 established pursuant to section 466(a)(13)

1 of this Act of the States in which the obli-
2 gation is most likely to have been imposed.

3 “(12) Procedures under which the State shall—

4 “(A) designate at least 1 industry, for pur-
5 poses of section 501(a)(2)(B) of the Respon-
6 sibility and Empowerment Support Program
7 Providing Employment, Child Care, and Train-
8 ing Act, as an industry with respect to which
9 universal employment reporting would improve
10 child support enforcement in a cost-effective
11 manner;

12 “(B) prescribe the period during which in-
13 dividuals employed in the State are to be re-
14 quired to file with their employers updated W-
15 4 forms as required by section 501(a)(2)(C) of
16 such Act; and

17 “(C) impose a fine—

18 “(i) against any individual employed
19 in the State who is required by section
20 501(a)(2) of such Act to file a W-4 form
21 with any employer of the individual and
22 fails to do so; and

23 “(ii) in an amount equal to the aver-
24 age cost of noncompliance (as determined
25 by the State) or \$25, whichever is the less-

1 er, on any employer who fails to comply
2 with section 501(a)(3) of such Act for any
3 month.”.

4 **SEC. 502. STATE INFORMATION SYSTEMS.**

5 (a) STATE REGISTRIES OF CHILD SUPPORT OR-
6 DERS.—Section 466(a) of the Social Security Act (42
7 U.S.C. 666(a)), as amended by section 501(b) of this Act,
8 is amended by inserting after paragraph (12) the follow-
9 ing:

10 “(13) Procedures requiring the State agency
11 designated pursuant to paragraph (16) to maintain
12 a child support order registry, which must include—

13 “(A) a copy of each child support order
14 being enforced under the State plan; and

15 “(B) at the request of an individual who
16 has or is owed a legal obligation to provide child
17 support (within the meaning of section 462(b)),
18 a copy of the order that imposes the obliga-
19 tion.”.

20 (b) ACCESSIBILITY OF STATE INFORMATION RELAT-
21 ED TO CHILD SUPPORT.—

22 (1) TO OTHER STATES.—Section 466(a) of the
23 Social Security Act (42 U.S.C. 666(a)), as amended
24 by section 501(b)(1) of this Act and subsection (a)

1 of this section, is amended by inserting after para-
2 graph (13) the following:

3 “(14)(A) Procedures requiring all records of the
4 State to which the agency administering the plan
5 has access and determines may be useful in locating
6 noncustodial parents or collecting child support to be
7 made accessible to any agency of any State for such
8 purpose, through the Interstate Locate Network es-
9 tablished under section 453(g), in accordance with
10 safeguards established to prevent release of informa-
11 tion if the release might jeopardize the safety of any
12 individual.

13 “(B) The State may impose reasonable fees for
14 access to State records provided pursuant to sub-
15 paragraph (A).”.

16 (2) TO PRIVATE PARTIES.—Section 466(a) of
17 such Act (42 U.S.C. 666(a)), as amended by section
18 501(b)(1) of this Act, subsection (a) of this section,
19 and paragraph (1) of this subsection, is amended by
20 inserting after paragraph (14) the following:

21 “(15) Procedures under which—

22 “(A) noncustodial parents (and their des-
23 ignees) must be given access to State parent lo-
24 cator services, to aid in the establishment or en-
25 forcement of visitation rights, in accordance

1 with safeguards established to prevent release
2 of information if the release might jeopardize
3 the safety of any individual; and

4 “(B) custodial parents (and their des-
5 ignees) must be given access to State parent lo-
6 cator services to aid in the establishment and
7 enforcement of child support obligations against
8 noncustodial parents.”.

9 **SEC. 503. NATIONAL INFORMATION SYSTEMS.**

10 (a) EXPANSION OF PARENT LOCATOR SERVICE.—
11 Section 453 of the Social Security Act (42 U.S.C. 653)
12 is amended—

13 (1) in subsection (a)—

14 (A) by inserting “(1)” after “transmit”;

15 (B) by striking “enforcing support obliga-
16 tions against such parent” and inserting “es-
17 tablishing parentage, establishing, modifying,
18 and enforcing child support obligations, and (2)
19 to any noncustodial parent (or the designee of
20 the noncustodial parent) information as to the
21 whereabouts of the custodial parent when such
22 information is to be used to locate such parent
23 for the purpose of enforcing child visitation
24 rights and obligations”;

1 (2) in subsection (b), by inserting after the 2nd
2 sentence the following: “Information shall not be
3 disclosed to a custodial parent or a noncustodial par-
4 ent if the disclosure would jeopardize the safety of
5 the child or either of such parents.”;

6 (3) in subsection (d), by inserting “and such
7 reasonable fees” after “such documents”; and

8 (4) by striking “absent parent” each place such
9 term appears and inserting “noncustodial parent”.

10 (b) ESTABLISHMENT OF INTERSTATE LOCATE NET-
11 WORK.—Section 453 of such Act (42 U.S.C. 653) is
12 amended by adding at the end the following:

13 “(g) The Secretary shall establish an Interstate Lo-
14 cate Network linking the Parent Locator Service and all
15 State databases relating to child support enforcement,
16 which—

17 “(1) any State may use to—

18 “(A) locate any noncustodial parent who
19 has a legal obligation to provide child support
20 (as defined in section 462(b)), with respect to
21 whom such an obligation is being sought, or
22 against whom visitation rights are being en-
23 forced, by accessing the records of any Federal,
24 State, or other source of locate or child support

1 information, directly from one computer system
2 to another; or

3 “(B) direct a locate request to another
4 State or a Federal agency, or, if the source of
5 locate information is unknown, broadcast such
6 a request to selected States or to all States;

7 “(2) allows on-line and batch processing of lo-
8 cate requests, with on-line access restricted to cases
9 in which the information is needed immediately
10 (such as for court appearances), and batch process-
11 ing used to ‘troll’ data bases to locate individuals or
12 update information periodically; and

13 “(3) enables courts to access information on the
14 Network through a computer terminal located in the
15 court.”.

16 (c) INFORMATION SHARING REGULATIONS.—Section
17 452(a) of such Act (42 U.S.C. 652(a)) is amended—

18 (1) by striking “and” at the end of paragraph
19 (9);

20 (2) by striking the period at the end of the 2nd
21 sentence of paragraph (10) and inserting “; and”;
22 and

23 (3) by inserting after paragraph (10) the fol-
24 lowing:

1 “(11) prescribe regulations governing informa-
2 tion sharing among States, within States, and be-
3 tween the States and the Parent Locator Service—

4 “(A) to ensure that a State may broadcast
5 a request for information for the purpose of lo-
6 cating a noncustodial parent or collecting child
7 support, and receive a response to the request
8 in not more than 48 hours; and

9 “(B) to require a State that is attempting
10 to locate a noncustodial parent—

11 “(i) to compare all outstanding cases
12 with information in the employment
13 records of the State;

14 “(ii) if, after complying with clause
15 (i), the State is unable to locate the
16 noncustodial parent, then—

17 “(I) if the State has reason to
18 believe that the noncustodial parent is
19 in another particular State or States,
20 to request such State or States for in-
21 formation on the noncustodial parent;
22 and

23 “(II) if not, to broadcast all
24 States a request for such informa-
25 tion.”.

1 **SEC. 504. INCOME WITHHOLDING.**

2 (a) STATE ROLE.—Section 466(a) of the Social Secu-
3 rity Act (42 U.S.C. 666(a)), as amended by sections
4 501(b)(1) and 502 of this Act, is amended by inserting
5 after paragraph (15) the following:

6 “(16) Procedures under which the State shall
7 designate a public agency to—

8 “(A) collect child support pursuant to the
9 State plan; and

10 “(B) distribute, in accordance with section
11 457, and with all due deliberate speed, the
12 amounts collected as child support.

13 “(17) Procedures under which the State shall
14 require any court of the State that establishes or
15 modifies a child support order to transmit a copy of
16 the order to the State agency designated pursuant to
17 paragraph (18), unless the order does not provide
18 for income withholding, and the noncustodial parent
19 and the custodial parent object.

20 “(18) Procedures under which the State shall
21 designate a State agency to use the uniform income
22 withholding order developed under section
23 452(a)(12) to notify the agency administering the
24 State plan, any employer of an individual required to
25 pay child support through income withholding pursu-
26 ant to an order issued or modified in the State, and

1 the agency designated pursuant to paragraph (16) of
2 this subsection of each State in which such an em-
3 ployer is located, of—

4 “(A) the identity of the individual;

5 “(B) the amount to be withheld; and

6 “(C) the State agency to which the with-
7 held amount is to be paid.”.

8 (b) UNIFORM WITHHOLDING ORDER.—Section
9 452(a) of such Act (42 U.S.C. 652(a)), as amended by
10 section 503(c) of this Act, is amended—

11 (1) by striking “and” at the end of paragraph
12 (10);

13 (2) by striking the period at the end of para-
14 graph (11) and inserting “; and”; and

15 (3) by inserting after paragraph (11) the fol-
16 lowing:

17 “(12) develop a uniform order to be used in all
18 cases in which income is to be withheld for the pay-
19 ment of child support, which shall contain the name
20 of the individual whose income is to be withheld, the
21 number of children covered by the order, and the in-
22 dividual or State to whom the withheld income is to
23 be paid, and be generic to allow for the service of
24 the order on all sources of income.”.

1 (c) STATES REQUIRED TO HAVE LAWS REQUIRING
2 EMPLOYERS TO WITHHOLD CHILD SUPPORT PURSUANT
3 TO UNIFORM INCOME WITHHOLDING ORDERS.—Section
4 466(b) of such Act (42 U.S.C. 666(b)(1)) is amended—

5 (1) in paragraph (1), by inserting “and in the
6 case of each individual employed in the State,” be-
7 fore “so much”;

8 (2) in paragraph (6)(C), by inserting “of this
9 paragraph and paragraph (9)(B) of this subsection”
10 after “(A)”;

11 (3) in paragraph (9)—

12 (A) by inserting “(A)” after “(9)”;

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

14 “(B)(i) Any individual or entity engaged in
15 commerce, as a condition of doing business in the
16 State, on receipt of an income withholding order de-
17 veloped under section 452(a)(12) with respect to an
18 employee of the individual or entity, that is regular
19 on its face and has been issued by a court or State
20 agency of any State, shall—

21 “(I) immediately provide a copy of the
22 order to the employee subject to the order; and

23 “(II) within 10 days after receipt of the
24 order, withhold income from the employee in
25 the manner described in paragraph (6)(A)(i) of

1 this subsection, notwithstanding paragraph (4)
2 of this subsection.

3 “(ii) Such an order may be served on the indi-
4 vidual or entity directly or by first-class mail.

5 “(iii) Any individual or entity who complies
6 with such an order may not be held liable for wrong-
7 ful withholding of income from the employee subject
8 to the order.

9 “(iv) The State shall impose a civil fine in an
10 amount equal to the average cost of noncompliance
11 (as determined by the State) or \$25, whichever is
12 the lesser, on any such individual or entity who re-
13 ceives such an order with respect to an employee of
14 the individual or entity, and who, due to negligence,
15 fails to comply with the order within 10 days after
16 receipt.

17 “(v) Any individual or entity who imposes a fee
18 for the administration of child support income with-
19 holding and related reporting of information shall
20 not collect more than the average cost of such ad-
21 ministration, as determined by the State.”.

22 **SEC. 505. UNIFORM TERMS IN ORDERS.**

23 (a) IN GENERAL.—Section 452(a) of the Social Secu-
24 rity Act (42 U.S.C. 652(a)), as amended by sections
25 503(c) and 504(b) of this Act, is amended—

1 (1) in paragraph (11), by striking “and” after
2 the semicolon;

3 (2) in paragraph (12), by striking the period at
4 the end of the 2nd sentence and inserting “; and”;
5 and

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

7 “(13) develop, in conjunction with State execu-
8 tive and judicial organizations, a uniform abstract of
9 a child support order, for use by all State courts to
10 record, with respect to each child support order in
11 the child support order registry established under
12 section 466(a)(12)—

13 “(A) the date support payments are to
14 begin under the order;

15 “(B) the circumstances upon which sup-
16 port payments are to end under the order;

17 “(C) the amount of child support payable
18 pursuant to the order expressed as a sum cer-
19 tain to be paid on a monthly basis, arrearages
20 expressed as a sum certain as of a certain date,
21 and any payback schedule for the arrearages;

22 “(D) whether the order awards support in
23 a lump sum (nonallocated) or per child;

1 “(E) if the award is in a lump sum, the
2 event causing a change in the support award
3 and the amount of any change;

4 “(F) other expenses covered by the order;

5 “(G) the names of the parents subject to
6 the order;

7 “(H) the social security account numbers
8 of the parents;

9 “(I) the name, date of birth, and social se-
10 curity account number (if any) of each child
11 covered by the order;

12 “(K) the identification (FIPS code, name,
13 and address) of the court that issued the order;

14 “(L) any information on health care sup-
15 port required by the order; and

16 “(M) the party to contact if additional in-
17 formation is obtained.”.

18 **SEC. 506. WORK REQUIREMENT FOR NONCUSTODIAL PAR-**
19 **ENTS WITH CHILD SUPPORT ARREARAGES.**

20 (a) IN GENERAL.—Section 466(a) of the Social Secu-
21 rity Act (42 U.S.C. 666(a)), as amended by sections
22 501(b)(1), 502, and 504(a) of this Act, is amended by in-
23 serting after paragraph (18) the following:

24 “(19) Procedures requiring that—

1 “(A) upon a determination by the State
2 agency referred to in section 402(a)(3) that the
3 noncustodial parent of any child who is apply-
4 ing for or receiving aid under the State plan ap-
5 proved under part A owes child support (as de-
6 fined in section 462(b)) with respect to the
7 child, is in arrears in the payment of such sup-
8 port in an amount that is not less than twice
9 the amount of the monthly child support obliga-
10 tion, is not incapacitated, and is not subject to
11 a court-approved plan for payment of such ar-
12 rearage, the State agency referred to in section
13 402(a)(3) send to the noncustodial parent a let-
14 ter notifying the noncustodial parent that the
15 noncustodial parent—

16 “(i) is required to pay child support
17 with respect to the child; and

18 “(ii) is subject to fines and other pen-
19 alties for failure to pay the full amount of
20 such support in a timely manner; and

21 “(B) if, by the end of the 30-day period
22 that begins with the date the letter is sent pur-
23 suant to subparagraph (A), the amount of the
24 arrearage has not decreased by at least a per-
25 centage amount specified by the State agency,

1 the State seek a court order requiring the
2 noncustodial parent—

3 “(i) to participate in a job search pro-
4 gram established by the State, for not less
5 than 2 weeks and not more than 4 weeks;
6 and

7 “(ii) if, by the end of the 30-day pe-
8 riod beginning on the date the order is en-
9 tered, the amount of the arrearage has not
10 decreased by at least a percentage amount
11 specified by the State agency, to partici-
12 pate in a work program established by the
13 State, for not less than 35 hours per week
14 (or, if the program also requires job
15 search, for not less than 30 hours per
16 week).”.

17 **TITLE VI—WELFARE** 18 **RESTRICTIONS FOR ALIENS**

19 **SEC. 601. INELIGIBILITY OF ALIENS FOR PUBLIC WELFARE** 20 **ASSISTANCE.**

21 (a) IN GENERAL.—Notwithstanding any provi-
22 sion of law and except as provided in subsections (b) and
23 (c), no alien shall be eligible for any program referred to
24 in subsection (d).

25 (b) EXCEPTIONS.—

1 (1) REFUGEE EXCEPTION.—Subsection (a)
2 shall not apply to an alien admitted to the United
3 States as a refugee under section 207 of the Immi-
4 gration and Nationality Act until 6 years after the
5 date of such alien's arrival into the United States.

6 (2) AGED EXCEPTION.—Subsection (a) shall
7 not apply to an alien who—

8 (A) has been lawfully admitted to the
9 United States for permanent residence;

10 (B) is over 75 years of age; and

11 (C) has resided in the United States for at
12 least 5 years.

13 (3) CURRENT RESIDENT EXCEPTION.—Sub-
14 section (a) shall not apply to the eligibility of an
15 alien for a program referred to in subsection (d)
16 until 1 year after the date of the enactment of this
17 Act if, on such date of enactment, the alien is resid-
18 ing in the United States and is eligible for the pro-
19 gram.

20 (c) PROGRAMS FOR WHICH ALIENS MAY BE ELIGI-
21 BLE.—The limitation under subsection (a) shall not apply
22 to the following programs: Medical assistance with respect
23 to emergency services (as defined for purposes of section
24 1916(a)(2)(D) of the Social Security Act).

1 (d) PROGRAMS FOR WHICH ALIENS ARE INELI-
2 GIBLE.—The programs referred to in this subsection are
3 the following:

4 (1) The program of medical assistance under
5 title XIX of the Social Security Act, except emer-
6 gency services as provided in subsection (c).

7 (2) The Maternal and Child Health Services
8 Block Grant Program under title V of the Social Se-
9 curity Act.

10 (3) The program established in section 330 of
11 the Public Health Service Act (relating to commu-
12 nity health centers).

13 (4) The program established in section 1001 of
14 the Public Health Service Act (relating to family
15 planning methods and services).

16 (5) The program established in section 329 of
17 the Public Health Service Act (relating to migrant
18 health centers).

19 (6) The program of aid and services to needy
20 families with children under part A of title IV of the
21 Social Security Act.

22 (7) The child welfare services program under
23 part B of title IV of the Social Security Act.

24 (8) The supplemental security income program
25 under title XVI of the Social Security Act.

1 (9) The program of foster care and adoption
2 assistance under part E of title IV of the Social Se-
3 curity Act.

4 (10) The food stamp program, as defined in
5 section 3(h) of the Food Stamp Act of 1977 (7
6 U.S.C. 2012(h)).

7 (11) The school lunch program carried out
8 under the National School Lunch Act (42 U.S.C.
9 1751 et seq.).

10 (12) The special supplemental food program for
11 women, infants, and children carried out under sec-
12 tion 17 of the Child Nutrition Act of 1966 (42
13 U.S.C. 1786).

14 (13) The nutrition programs carried out under
15 part C of title III of the Older Americans Act of
16 1965 (42 U.S.C. 3030e et seq.).

17 (14) The school breakfast program carried out
18 under section 4 of the Child Nutrition Act of 1966
19 (42 U.S.C. 1773).

20 (15) The child and adult care food program
21 carried out under section 17 of the National School
22 Lunch Act (42 U.S.C. 1766).

23 (16) The Emergency Food Assistance Act of
24 1983 (7 U.S.C. 612c note).

1 (17) The summer food service program for chil-
2 dren carried out under section 13 of the National
3 School Lunch Act (42 U.S.C. 1761).

4 (18) The commodity supplemental food pro-
5 gram authorized by section 4(a) of the Agriculture
6 and Consumer Protection Act of 1973 (7 U.S.C.
7 612c note).

8 (19) The special milk program carried out
9 under section 3 of the Child Nutrition Act of 1966
10 (42 U.S.C. 1772).

11 (20) The program of rental assistance on behalf
12 of low-income families provided under section 8 of
13 the United States Housing Act of 1937 (42 U.S.C.
14 1437f).

15 (21) The program of assistance to public hous-
16 ing under title I of the United States Housing Act
17 of 1937 (42 U.S.C. 1437 et seq.).

18 (22) The loan program under section 502 of the
19 Housing Act of 1949 (42 U.S.C. 1472).

20 (23) The program of interest reduction pay-
21 ments pursuant to contracts entered into by the Sec-
22 retary of Housing and Urban Development under
23 section 236 of the National Housing Act (12 U.S.C.
24 1715z-1).

1 (24) The program of loans for rental and coop-
2 erative housing under section 515 of the Housing
3 Act of 1949 (42 U.S.C. 1485).

4 (25) The program of rental assistance pay-
5 ments pursuant to contracts entered into under sec-
6 tion 521(a)(2)(A) of the Housing Act of 1949 (42
7 U.S.C. 1490a(a)(2)(A)).

8 (26) The program of assistance payments on
9 behalf of homeowners under section 235 of the Na-
10 tional Housing Act (12 U.S.C. 1715z).

11 (27) The program of rent supplement payments
12 on behalf of qualified tenants pursuant to contracts
13 entered into under section 101 of the Housing and
14 Urban Development Act of 1965 (12 U.S.C. 1701s).

15 (28) The loan and grant programs under sec-
16 tion 504 of the Housing Act of 1949 (42 U.S.C.
17 1474) for repairs and improvements to rural dwell-
18 ings.

19 (29) The loan and assistance programs under
20 sections 514 and 516 of the Housing Act of 1949
21 (42 U.S.C. 1484, 1486) for housing for farm labor.

22 (30) The program of grants for preservation
23 and rehabilitation of housing under section 533 of
24 the Housing Act of 1949 (42 U.S.C. 1490m).

1 (31) The program of grants and loans for mu-
2 tual and self-help housing and technical assistance
3 under section 523 of the Housing Act of 1949 (42
4 U.S.C. 1490c).

5 (32) The program of site loans under section
6 524 of the Housing Act of 1949 (42 U.S.C. 1490d).

7 (33) The program under part B of title IV of
8 the Higher Education Act of 1965.

9 (34) The program under subpart 1 of part A of
10 title IV of the Higher Education Act of 1965.

11 (35) The program under part C of title IV of
12 the Higher Education Act of 1965.

13 (36) The program under subpart 3 of part A of
14 title IV of the Higher Education Act of 1965.

15 (37) The program under part E of title IV of
16 the Higher Education Act of 1965.

17 (38) The program under subpart 4 of part A of
18 title IV of the Higher Education Act of 1965.

19 (39) The program under title IX of the Higher
20 Education Act of 1965.

21 (40) The program under subpart 5 of part A of
22 title IV of the Higher Education Act of 1965.

23 (41) The programs established in sections 338A
24 and 338B of the Public Health Service Act and the
25 programs established in part A of title VII of such

1 Act (relating to loans and scholarships for education
2 in the health professions).

3 (42) The program established in section
4 317(j)(1) of the Public Health Service Act (relating
5 to grants for immunizations against vaccine-prevent-
6 able diseases).

7 (43) The program established in section 317A
8 of the Public Health Service Act (relating to grants
9 for screening, referrals, and education regarding
10 lead poisoning in infants and children).

11 (44) The program established in part A of title
12 XIX of the Public Health Service Act (relating to
13 block grants for preventive health and health serv-
14 ices).

15 (45) The programs established in subparts I
16 and II of part B of title XIX of the Public Health
17 Service Act.

18 (46)(A) The program of training for disadvan-
19 tagged adults and youth under part A of title II of
20 the Job Training Partnership Act (29 U.S.C. 1601
21 et seq.), as in effect before July 1, 1993.

22 (B)(i) The program of training for disadvan-
23 tagged adults under part A of title II of the Job
24 Training Partnership Act (29 U.S.C. 1601 et seq.),
25 as in effect on and after July 1, 1993.

1 (ii) The program of training for disadvantaged
2 youth under part C of title II of the Job Training
3 Partnership Act (29 U.S.C. 1641 et seq.), as in ef-
4 fect on and after July 1, 1993.

5 (47) The Job Corps program under part B of
6 title IV of the Job Training Partnership Act (29
7 U.S.C. 1692 et seq.).

8 (48) The summer youth employment and train-
9 ing programs under part B of title II of the Job
10 Training Partnership Act (29 U.S.C. 1630 et seq.).

11 (49) The programs carried out under the Older
12 American Community Service Employment Act (42
13 U.S.C. 3001 et seq.).

14 (50) The programs under title III of the Older
15 Americans Act of 1965.

16 (51) The programs carried out under part B of
17 title II of the Domestic Volunteer Service Act of
18 1973 (42 U.S.C. 5011–5012).

19 (52) The programs carried out under part C of
20 title II of the Domestic Volunteer Service Act of
21 1973 (42 U.S.C. 5013).

22 (53) The program under the Low-Income En-
23 ergy Assistance Act of 1981 (42 U.S.C. 8621 et
24 seq.).

1 (54) The weatherization assistance program
2 under title IV of the Energy Conservation and Pro-
3 duction Act (42 U.S.C. 6851).

4 (55) The program of block grants to States for
5 social services under title XX of the Social Security
6 Act.

7 (56) The programs carried out under the Com-
8 munity Services Block Grant Act (42 U.S.C. 9901
9 et seq.).

10 (57) The program of legal assistance to eligible
11 clients and other programs under the Legal Services
12 Corporation Act (42 U.S.C. 2996 et seq.).

13 (58) The program for emergency food and shel-
14 ter grants under title III of the Stewart B. McKin-
15 ney Homeless Assistance Act (42 U.S.C. 11331 et
16 seq.).

17 (59) The programs carried out under the Child
18 Care and Development Block Grant Act of 1990 (42
19 U.S.C. 9858 et seq.).

20 (60) A State program for providing child care
21 under section 402(i) of the Social Security Act.

22 (61) The program of State legalization impact-
23 assistance grants (SLIAG) under section 204 of the
24 Immigration Reform and Control Act of 1986.

1 (e) NOTIFICATION OF ALIENS.—Any Federal agency
2 that administers a program referred to in subsection (d)
3 shall, directly or through the States, notify each alien re-
4 ceiving benefits under the program whose eligibility for the
5 program is or will be terminated by reason of this section.

6 **SEC. 602. STATE AFDC AGENCIES REQUIRED TO PROVIDE**
7 **INFORMATION ON ILLEGAL ALIENS TO THE**
8 **IMMIGRATION AND NATURALIZATION SERV-**
9 **ICE.**

10 Section 402(a) of the Social Security Act (42 U.S.C.
11 602(a)), as amended by sections 201(a)(1), 302, 303, 304,
12 305, 307, and 309(a) of this Act, is amended—

13 (1) by striking “and” at the end of paragraph
14 (51);

15 (2) by striking the period at the end of para-
16 graph (52) and inserting “; and”; and

17 (3) by inserting after paragraph (52) the fol-
18 lowing:

19 “(53) require the State agency to provide to the
20 Immigration and Naturalization Service the name,
21 address, and other identifying information that the
22 agency has with respect to any individual unlawfully
23 in the United States any of whose children is a citi-
24 zen of the United States.”.

TITLE VII—CONTROLLING WELFARE COSTS

SEC. 701. CAPS ON CERTAIN MEANS-TESTED PROGRAMS.

(a) CONTENT OF BUDGET RESOLUTIONS.—Section 301(a) of the Congressional Budget Act of 1974 is amended by adding at the end the following new sentence: “The concurrent resolution shall also include an aggregate outlay figure for all covered means-tested programs and an outlay limit for each such means-tested program that restricts the aggregate rate of growth, adjusted for inflation, for all such means-tested programs to 2 percent per fiscal year. Inflation shall be measured by the average of the estimated consumer price index for all urban consumers for a fiscal year divided by the average index for the prior fiscal year.”.

(b) COMMITTEE ALLOCATIONS.—(1) Section 602(a)(1)(A) of the Congressional Budget Act of 1974 is amended by striking “and” at the end of clause (ii), by striking the semicolon and inserting “, and” at the end of clause (iii), and by adding after clause (iii) the following new clause:

“(iv) total outlays for all covered means-tested programs (as defined by section 253A of the Balanced Budget and Emergency Deficit Control Act of 1985);”.

1 (2) Section 602(a)(2) of the Congressional Budget
2 Act of 1974 is amended by striking “and” at the end of
3 subparagraph (B), by inserting “and” at the end of sub-
4 paragraph (C), and by adding after subparagraph (C) the
5 following new subparagraph:

6 “(D) total outlays for all covered means-
7 tested programs (as defined by section 253A of
8 the Balanced Budget and Emergency Deficit
9 Control Act of 1985);”.

10 (c) PRESIDENT’S BUDGET.—Section 1105(a) of title
11 31, United States Code, is amended by adding at the end
12 the following new paragraph:

13 “(29) an aggregate outlay figure for all covered
14 means-tested programs (as defined by section 253A
15 of the Balanced Budget and Emergency Deficit Con-
16 trol Act of 1985) and an outlay limit for each such
17 means-tested program that restricts the aggregate
18 rate of growth, adjusted for inflation, for all such
19 means-tested programs to 2 percent per fiscal
20 year.”.

21 **SEC. 702. SEQUESTRATION OF FEDERAL SPENDING TO EN-**
22 **FORCE SPENDING CAPS ON MEANS-TESTED**
23 **PROGRAMS.**

24 (a) SEQUESTRATION TO ENFORCE SPENDING CAPS
25 ON MEANS-TESTED PROGRAMS.—Part C of the Balanced

1 Budget and Emergency Deficit Control Act of 1985 is
2 amended by adding after section 253 the following new
3 section:

4 **“SEC. 253A. SEQUESTRATION TO ENFORCE SPENDING CAPS**
5 **ON MEANS-TESTED PROGRAMS.**

6 “(a) SEQUESTRATION.—

7 “(1) IN GENERAL.—Within 15 days after Con-
8 gress adjourns to end a session, and on the same
9 day as a sequestration (if any) under sections 251,
10 252, and 253, but after any sequestration required
11 by those sections, following the procedures set forth
12 under section 252 there shall be a sequestration of
13 all accounts for covered means-tested programs to
14 achieve reductions in the fiscal year 1994, 1995,
15 1996, 1997, or 1998 outlays, as the case may be,
16 sufficient to eliminate a budget-year breach (if any)
17 of the aggregate spending cap on covered means-
18 tested programs for that fiscal year as calculated
19 under paragraph (2).

20 “(2) COMPUTATION OF AGGREGATE SPENDING
21 CAP ON COVERED MEANS-TESTED PROGRAMS.—
22 Within 5 days after Congress adjourns to end a ses-
23 sion, OMB shall calculate an aggregate outlay figure
24 for all covered means-tested programs and an outlay
25 limit for each such means-tested program that re-

1 stricts the aggregate rate of growth, adjusted for in-
2 flation, for all such means-tested programs to 2 per-
3 cent per fiscal year. Inflation shall be measured by
4 the average of the estimated consumer price index
5 for all urban consumers for a fiscal year divided by
6 the average index for the prior fiscal year.”.

7 “(b) APPLICABILITY.—Following the procedures set
8 forth under section 252, each account for a covered
9 means-tested program shall be reduced by a dollar amount
10 calculated by multiplying the level of budgetary resources
11 in that account at that time by the uniform percentage
12 necessary to carry out subsection (a).

13 “(c) DEFINITION.—As used in this section, the term
14 ‘covered means-tested program’ refers to the following:

15 “(1) Payments to States under the program of
16 aid to families with dependent children under part A
17 of title IV of the Social Security Act.

18 “(2) The program of supplemental security in-
19 come benefits under title XVI of the Social Security
20 Act.

21 “(3) The food stamp program.

22 “(4) The rental assistance program under sec-
23 tion 8 of the United States Housing Act of 1937.

24 “(5) Assistance for public housing under the
25 United States Housing Act of 1937.

1 “(6) The earned income tax credit.

2 “(d) OMB REPORT.—On the date specified in sub-
3 section (a), OMB shall issue a special sequestration report
4 that sets forth the sequestration percentage necessary to
5 achieve the required reduction in accounts under this
6 section.

7 “(e) PRESIDENTIAL ORDER.—On the date specified
8 in subsection (a), the President shall issue an order fully
9 implementing without change all sequestrations required
10 by the OMB calculations set forth in that report. This
11 order shall be effective on issuance.”.

12 (b) SCOREKEEPING.—None of the changes in receipts
13 and direct spending resulting from this Act shall be en-
14 tered on the paygo scorecard under section 252 of the Bal-
15 anced Budget and Emergency Deficit Control Act of 1985
16 and none of the savings in fiscal year 1994 discretionary
17 outlays made by this Act shall be counted for the purposes
18 of section 251 of that Act.

19 **TITLE VIII—CONSOLIDATED**
20 **BLOCK GRANT TO STATES**
21 **FOR FOOD ASSISTANCE**

22 **SEC. 801. FOOD ASSISTANCE BLOCK GRANT PROGRAM.**

23 (a) AUTHORITY TO MAKE BLOCK GRANTS.—The
24 Secretary of Agriculture shall make grants in accordance
25 with this section to States to provide food assistance to

1 individuals who are economically disadvantaged and to in-
2 dividuals who are members of economically disadvantaged
3 families.

4 (b) DISTRIBUTION OF FUNDS.—

5 (1) ALLOTMENTS TO STATES.—Subject to para-
6 graph (2), the funds appropriated to carry out this
7 section for any fiscal year shall be allotted among
8 the States as follows:

9 (A) Of the aggregate amount to be distrib-
10 uted under this section, .21 percent shall be re-
11 served for grants to Guam, the Virgin Islands
12 of the United States, American Samoa, the
13 Commonwealth of the Northern Mariana Is-
14 lands, the Republic of the Marshall Islands, the
15 Federated States of Micronesia, Palau.

16 (B) Of the aggregate amount to be distrib-
17 uted under this section, .24 percent shall be re-
18 served for grants to tribal organizations that
19 have governmental jurisdiction over geographi-
20 cally defined areas and shall be allocated equi-
21 tably by the Secretary among such organiza-
22 tions.

23 (C) The remainder of such aggregate
24 amount shall be allocated among the remaining
25 States. The amount allocated to each of the re-

1 maining States shall bear the same proportion
2 to such remainder as the number of resident in-
3 dividuals in such State who are economically
4 disadvantaged separately or as members of eco-
5 nomically disadvantaged families bears to the
6 aggregate number of resident individuals in all
7 such remaining States who are economically
8 disadvantaged separately or as members of eco-
9 nomically disadvantaged families.

10 (2) LIMITATION.—After September 30, 1995,
11 the aggregate amount allotted under paragraph (1)
12 for any fiscal year shall not exceed the aggregate
13 amount allotted under paragraph (1) for the then
14 preceding fiscal year adjusted by the Secretary to re-
15 flect—

16 (A) the percentage change in population
17 during the 1-year period ending June 30 of
18 such preceding fiscal year, determined on the
19 basis of the most current information available
20 in the Current Population Reports, P25 series
21 (as adjusted to include overseas members of the
22 armed forces of the United States), published
23 by the Bureau of the Census, and

24 (B) the percentage change in the food at
25 home component of the Consumer Price Index

1 For All Urban Consumers for the 1-year period
2 ending May 31 of such preceding fiscal year,

3 (b) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-
4 ble to receive a grant in the amount allotted to a State
5 for a fiscal year, such State shall submit to the Secretary
6 an application in such form, and containing such informa-
7 tion and assurances as the Secretary may require by rule,
8 including—

9 (1) an assurance that such grant will be ex-
10 pended by the State to provide food assistance to
11 resident individuals in such State who are economi-
12 cally disadvantaged separately or as members of eco-
13 nomically disadvantaged families,

14 (2) not more than 5 percent of such grant will
15 be expended by the State for administrative costs in-
16 curred to provide assistance under this section,

17 (3) not less than 12 percent of each grant re-
18 ceived from funds allotted for fiscal years 1995
19 through 1999 will be expended to provide food as-
20 sistance and nutrition education to pregnant women,
21 postpartum women, breastfeeding women, infants,
22 and young children, and

23 (4) not less than 20 percent of each grant re-
24 ceived from funds allotted for fiscal years 1995
25 through 1999 will be expended to provide—

1 (A) nonprofit school breakfast programs
2 for students from economically disadvantaged
3 families,

4 (B) milk in nonprofit schools and in non-
5 profit nursery schools, child care centers, settle-
6 ment houses, summer camps, and similar insti-
7 tutions devoted to the care and training of chil-
8 dren, to children from economically disadvan-
9 tagged families,

10 (C) nonprofit school lunch programs for
11 students from economically disadvantaged fami-
12 lies,

13 (D) expanded food service programs in in-
14 stitutions providing child care for children from
15 economically disadvantaged families, and

16 (E) summer food service programs carried
17 out by nonprofit food authorities, local govern-
18 ments, nonprofit higher education insititutions
19 participating in the National Youth Sports Pro-
20 gram, and residential nonprofit summer camps,
21 to provide meals to children from economically
22 disadvantaged families.

23 (c) AUTHORITY TO REDUCE CERTAIN GRANTS RE-
24 QUIREMENTS.—At the request of a State for a particular
25 fiscal year, the Secretary may reduce a percentage require-

1 ment specified in paragraph (3) or (4) of subsection (b)
2 if the Secretary determines that the purpose described in
3 such paragraph will be adequately carried out by such
4 State without expending the full amount of funds required
5 by such paragraph.

6 (d) AUTHORIZATION OF APPROPRIATIONS.—(1)
7 There are authorized to be appropriated to carry out this
8 section \$35,600,000,000 for fiscal year 1995 and such
9 sums as may be necessary for fiscal years 1996, 1997,
10 1998, and 1999.

11 (2) For the purpose of affording adequate notice of
12 funding available under this section, an appropriation to
13 carry out this section is authorized to be included in an
14 appropriation Act for the fiscal year preceding the fiscal
15 year for which such appropriation is available for obliga-
16 tion.

17 **SEC. 802. AVAILABILITY OF FEDERAL COUPON SYSTEM TO**
18 **STATES.**

19 (a) ISSUANCE, PURCHASE, AND USE OF COUPONS.—
20 The Secretary shall issue, and make available for purchase
21 by States, coupons for the retail purchase of food from
22 retail food stores that are approved in accordance with
23 subsection (b). Coupons issued, purchased, and used as
24 provided in this section shall be redeemable at face value
25 by the Secretary through the facilities of the Treasury of

1 the United States. The purchase price of each coupon is-
2 sued under this subsection shall be the face value of such
3 coupon.

4 (b) APPROVAL OF RETAIL FOOD STORES AND
5 WHOLESALE FOOD CONCERNS.—(1) Regulations issued
6 pursuant to this section shall provide for the submission
7 of applications for approval by retail food stores and
8 wholesale food concerns which desire to be authorized to
9 accept and redeem coupons under this section. In deter-
10 mining the qualifications of applicants, there shall be con-
11 sidered among such other factors as may be appropriate,
12 the following:

13 (A) The nature and extent of the food business
14 conducted by the applicant.

15 (B) The volume of coupon business which may
16 reasonably be expected to be conducted by the appli-
17 cant food store or wholesale food concern.

18 (C) The business integrity and reputation of
19 the applicant.

20 Approval of an applicant shall be evidenced by the issu-
21 ance to such applicant of a nontransferable certificate of
22 approval. The Secretary is authorized to issue regulations
23 providing for a periodic reauthorization of retail food
24 stores and wholesale food concerns.

1 (2) A buyer or transferee (other than a bona fide
2 buyer or transferee) of a retail food store or wholesale food
3 concern that has been disqualified under subsection (d)
4 may not accept or redeem coupons until the Secretary re-
5 ceives full payment of any penalty imposed on such store
6 or concern.

7 (3) Regulations issued pursuant to this section shall
8 require an applicant retail food store or wholesale food
9 concern to submit information which will permit a deter-
10 mination to be made as to whether such applicant quali-
11 fies, or continues to qualify, for approval under this sec-
12 tion or the regulations issued pursuant to this section.
13 Regulations issued pursuant to this section shall provide
14 for safeguards which limit the use or disclosure of infor-
15 mation obtained under the authority granted by this sub-
16 section to purposes directly connected with administration
17 and enforcement of this section or the regulations issued
18 pursuant to this section, except that such information may
19 be disclosed to and used by States that purchase such
20 coupons.

21 (4) Any retail food store or wholesale food concern
22 which has failed upon application to receive approval to
23 participate in the food stamp program may obtain a hear-
24 ing on such refusal as provided in subsection (f).

1 (c) REDEMPTION OF COUPONS.—Regulations issued
2 under this section shall provide for the redemption of cou-
3 pons accepted by retail food stores through approved
4 wholesale food concerns or through financial institutions
5 which are insured by the Federal Deposit Insurance Cor-
6 poration, or which are insured under the Federal Credit
7 Union Act (12 U.S.C. 1751 et seq.) and have retail food
8 stores or wholesale food concerns in their field of member-
9 ship, with the cooperation of the Treasury Department,
10 except that retail food stores defined in section 804(9)(D)
11 shall be authorized to redeem their members' food coupons
12 prior to receipt by the members of the food so purchased,
13 and publicly operated community mental health centers or
14 private nonprofit organizations or institutions which serve
15 meals to narcotics addicts or alcoholics in drug addiction
16 or alcoholic treatment and rehabilitation programs, public
17 and private nonprofit shelters that prepare and serve
18 meals for battered women and children, public or private
19 nonprofit group living arrangements that serve meals to
20 disabled or blind residents, and public or private nonprofit
21 establishments, or public or private nonprofit shelters that
22 feed individuals who do not reside in permanent dwellings
23 and individuals who have no fixed mailing addresses shall
24 not be authorized to redeem coupons through financial in-
25 stitutions which are insured by the Federal Deposit Insur-

1 ance Corporation or the Federal Credit Union Act. No fi-
2 nancial institution may impose on or collect from a retail
3 food store a fee or other charge for the redemption of cou-
4 pons that are submitted to the financial institution in a
5 manner consistent with the requirements, other than any
6 requirements relating to cancellation of coupons, for the
7 presentation of coupons by financial institutions to the
8 Federal Reserve banks.

9 (d) CIVIL MONEY PENALTIES AND DISQUALIFICA-
10 TION OF RETAIL FOOD STORES AND WHOLESALE FOOD
11 CONCERNS.—(1) Any approved retail food store or whole-
12 sale food concern may be disqualified for a specified period
13 of time from further participation in the coupon program
14 under this section, or subjected to a civil money penalty
15 of up to \$10,000 for each violation if the Secretary deter-
16 mines that its disqualification would cause hardship to in-
17 dividuals who receive coupons, on a finding, made as speci-
18 fied in the regulations, that such store or concern has vio-
19 lated this section or the regulations issued pursuant to this
20 section.

21 (2) Disqualification under paragraph (1) shall be—
22 (A) for a reasonable period of time, of no less
23 than 6 months nor more than 5 years, upon the first
24 occasion of disqualification;

1 (B) for a reasonable period of time, of no less
2 than 12 months nor more than 10 years, upon the
3 second occasion of disqualification; and

4 (C) permanent upon—

5 (i) the third occasion of disqualification,

6 (ii) the first occasion or any subsequent oc-
7 casion of a disqualification based on the pur-
8 chase of coupons or trafficking in coupons by a
9 retail food store or wholesale food concern, ex-
10 cept that the Secretary shall have the discretion
11 to impose a civil money penalty of up to
12 \$20,000 for each violation (except that the
13 amount of civil money penalties imposed for
14 violations occurring during a single investiga-
15 tion may not exceed \$40,000) in lieu of dis-
16 qualification under this subparagraph, for such
17 purchase of coupons or trafficking in coupons
18 that constitutes a violation of this section or the
19 regulations issued pursuant to this section, if
20 the Secretary determines that there is substan-
21 tial evidence (including evidence that neither
22 the ownership nor management of the store or
23 food concern was aware of, approved, benefited
24 from, or was involved in the conduct or ap-
25 proval of the violation) that such store or food

1 concern had an effective policy and program in
2 effect to prevent violations of this section and
3 such regulations, or

4 (iii) a finding of the sale of firearms, am-
5 munition, explosives, or controlled substance (as
6 defined in section 802 of title 21, United States
7 Code) for coupons, except that the Secretary
8 shall have the discretion to impose a civil money
9 penalty of up to \$20,000 for each violation (ex-
10 cept that the amount of civil money penalties
11 imposed for violations occurring during a single
12 investigation may not exceed \$40,000) in lieu of
13 disqualification under this subparagraph if the
14 Secretary determines that there is substantial
15 evidence (including evidence that neither the
16 ownership nor management of the store or food
17 concern was aware of, approved, benefited from,
18 or was involved in the conduct or approval of
19 the violation) that the store or food concern had
20 an effective policy and program in effect to pre-
21 vent violations of this section.

22 (3) The action of disqualification or the imposition
23 of a civil money penalty shall be subject to review as pro-
24 vided in subsection (f).

1 (4) As a condition of authorization to accept and re-
2 deem coupons issued under subsection (a), the Secretary
3 may require a retail food store or wholesale food concern
4 which has been disqualified or subjected to a civil penalty
5 pursuant to paragraph (1) to furnish a bond to cover the
6 value of coupons which such store or concern may in the
7 future accept and redeem in violation of this section. The
8 Secretary shall, by regulation, prescribe the amount,
9 terms, and conditions of such bond. If the Secretary finds
10 that such store or concern has accepted and redeemed cou-
11 pons in violation of this section after furnishing such bond,
12 such store or concern shall forfeit to the Secretary an
13 amount of such bond which is equal to the value of cou-
14 pons accepted and redeemed by such store or concern in
15 violation of this section. Such store or concern may obtain
16 a hearing on such forfeiture pursuant to subsection (f).

17 (5)(A) In the event any retail food store or wholesale
18 food concern that has been disqualified under paragraph
19 (1) is sold or the ownership thereof is otherwise trans-
20 ferred to a purchaser or transferee, the person or persons
21 who sell or otherwise transfer ownership of the retail food
22 store or wholesale food concern shall be subjected to a civil
23 money penalty in an amount established by the Secretary
24 through regulations to reflect that portion of the disquali-
25 fication period that has not yet expired. If the retail food

1 store or wholesale food concern has been disqualified per-
2 manently, the civil money penalty shall be double the pen-
3 alty for a ten-year disqualification period, as calculated
4 under regulations issued by the Secretary. The disquali-
5 fication period imposed under paragraph (2) shall con-
6 tinue in effect as to the person or persons who sell or oth-
7 erwise transfer ownership of the retail food store or whole-
8 sale food concern notwithstanding the imposition of a civil
9 money penalty under this paragraph.

10 (B) At any time after a civil money penalty imposed
11 under subparagraph (A) has become final under sub-
12 section (f)(1), the Secretary may request the Attorney
13 General to institute a civil action against the person or
14 persons subject to the penalty in a district court of the
15 United States for any district in which such person or per-
16 sons are found, reside, or transact business to collect the
17 penalty and such court shall have jurisdiction to hear and
18 decide such action. In such action, the validity and amount
19 of such penalty shall not be subject to review.

20 (C) The Secretary may impose a fine against any re-
21 tail food store or wholesale food concern that accepts cou-
22 pons that are not accompanied by the corresponding book
23 cover, other than the denomination of coupons used for
24 making change as specified in regulations issued under
25 this section. The amount of any such fine shall be estab-

1 lished by the Secretary and may be assessed and collected
2 in accordance with regulations issued under this section
3 separately or in combination with any fiscal claim estab-
4 lished by the Secretary. The Attorney General of the Unit-
5 ed States may institute judicial action in any court of com-
6 petent jurisdiction against the store or concern to collect
7 the fine.

8 (6) The Secretary may impose a fine against any per-
9 son not approved by the Secretary to accept and redeem
10 coupons who violates this section or a regulation issued
11 under this section, including violations concerning the ac-
12 ceptance of coupons. The amount of any such fine shall
13 be established by the Secretary and may be assessed and
14 collected in accordance with regulations issued under this
15 section separately or in combination with any fiscal claim
16 established by the Secretary. The Attorney General of the
17 United States may institute judicial action in any court
18 of competent jurisdiction against the person to collect the
19 fine.

20 (e) COLLECTION AND DISPOSITION OF CLAIMS.—The
21 Secretary shall have the power to determine the amount
22 of and settle and adjust any claim and to compromise or
23 deny all or part of any such claim or claims arising under
24 this section or the regulations issued pursuant to this sec-
25 tion, including, but not limited to, claims arising from

1 fraudulent and nonfraudulent overissuances to recipients,
2 including the power to waive claims if the Secretary deter-
3 mines that to do so would serve the purposes of this sec-
4 tion. Such powers with respect to claims against recipients
5 may be delegated by the Secretary to State agencies.

6 (f) ADMINISTRATIVE AND JUDICIAL REVIEW.—(1)

7 Whenever—

8 (A) an application of a retail food store or
9 wholesale food concern for approval to accept and
10 redeem coupons issued under subsection (a) is de-
11 nied pursuant to this section,

12 (B) a retail food store or wholesale food con-
13 cern is disqualified or subjected to a civil money
14 penalty under subsection (d),

15 (C) all or part of any claim of a retail food
16 store or wholesale food concern is denied under sub-
17 section (e), or

18 (D) a claim against a State is stated pursuant
19 to subsection (e),

20 notice of such administrative action shall be issued to the
21 retail food store, wholesale food concern, or State involved.

22 Such notice shall be delivered by certified mail or personal
23 service. If such store, concern, or State is aggrieved by
24 such action, it may, in accordance with regulations pro-
25 mulgated under this section, within 10 days of the date

1 of delivery of such notice, file a written request for an
2 opportunity to submit information in support of its posi-
3 tion to such person or persons as the regulations may des-
4 ignate. If such a request is not made or if such store, con-
5 cern, or State fails to submit information in support of
6 its position after filing a request, the administrative deter-
7 mination shall be final. If such request is made by such
8 store, concern, or State such information as may be sub-
9 mitted by such store, concern, or State as well as such
10 other information as may be available, shall be reviewed
11 by the person or persons designated by the Secretary, who
12 shall, subject to the right of judicial review hereinafter
13 provided, make a determination which shall be final and
14 which shall take effect 30 days after the date of the deliv-
15 ery or service of such final notice of determination. If such
16 store, concern, or State feels aggrieved by such final deter-
17 mination, it may obtain judicial review thereof by filing
18 a complaint against the United States in the United
19 States court for the district in which it resides or is en-
20 gaged in business, or, in the case of a retail food store
21 or wholesale food concern, in any court of record of the
22 State having competent jurisdiction, within 30 days after
23 the date of delivery or service of the final notice of deter-
24 mination upon it, requesting the court to set aside such
25 determination. The copy of the summons and complaint

1 required to be delivered to the official or agency whose
2 order is being attacked shall be sent to the Secretary or
3 such person or persons as the Secretary may designate
4 to receive service of process. The suit in the United States
5 district court or State court shall be a trial de novo by
6 the court in which the court shall determine the validity
7 of the questioned administrative action in issue. If the
8 court determines that such administrative action is in-
9 valid, it shall enter such judgment or order as it deter-
10 mines is in accordance with the law and the evidence. Dur-
11 ing the pendency of such judicial review, or any appeal
12 therefrom, the administrative action under review shall be
13 and remain in full force and effect, unless on application
14 to the court on not less than ten days' notice, and after
15 hearing thereon and a consideration by the court of the
16 applicant's likelihood of prevailing on the merits and of
17 irreparable injury, the court temporarily stays such ad-
18 ministrative action pending disposition of such trial or
19 appeal.

20 (g) VIOLATIONS AND ENFORCEMENT.—(1) Subject
21 to paragraph (2), whoever knowingly uses, transfers, ac-
22 quires, alters, or possesses coupons in any manner con-
23 trary to this section or the regulations issued pursuant
24 to this section shall, if such coupons are of a value of
25 \$5,000 or more, be guilty of a felony and shall be fined

1 not more than \$250,000 or imprisoned for not more than
2 20 years, or both, and shall, if such coupons are of a value
3 of \$100 or more, but less than \$5,000, be guilty of a fel-
4 ony and shall, upon the first conviction thereof, be fined
5 not more than \$10,000 or imprisoned for not more than
6 5 years, or both, and, upon the second and any subsequent
7 conviction thereof, shall be imprisoned for not less than
8 6 months nor more than 5 years and may also be fined
9 not more than \$10,000 or, if such coupons are of a value
10 of less than \$100, shall be guilty of a misdemeanor, and,
11 upon the first conviction thereof, shall be fined not more
12 than \$1,000 or imprisoned for not more than one year,
13 or both, and upon the second and any subsequent convic-
14 tion thereof, shall be imprisoned for not more than one
15 year and may also be fined not more than \$1,000.

16 (2) In the case of any individual convicted of an of-
17 fense under paragraph (1), the court may permit such in-
18 dividual to perform work approved by the court for the
19 purpose of providing restitution for losses incurred by the
20 United States and the State as a result of the offense for
21 which such individual was convicted. If the court permits
22 such individual to perform such work and such individual
23 agrees thereto, the court shall withhold the imposition of
24 the sentence on the condition that such individual perform

1 the assigned work. Upon the successful completion of the
2 assigned work the court may suspend such sentence.

3 (3) Whoever presents, or causes to be presented, cou-
4 pons for payment or redemption of the value of \$100 or
5 more, knowing the same to have been received, trans-
6 ferred, or used in any manner in violation of this section
7 or the regulations issued under to this section, shall be
8 guilty of a felony and, upon the first conviction thereof,
9 shall be fined not more than \$20,000 or imprisoned for
10 not more than 5 years, or both, and, upon the second and
11 any subsequent conviction thereof, shall be imprisoned for
12 not less than one year nor more than 5 years and may
13 also be fined not more than \$20,000, or, if such coupons
14 are of a value of less than \$100, shall be guilty of a mis-
15 demeanor and, upon the first conviction thereof, shall be
16 fined not more than \$1,000 or imprisoned for not more
17 than one year, or both, and, upon the second and any sub-
18 sequent conviction thereof, shall be imprisoned for not
19 more than one year and may also be fined not more than
20 \$1,000.

21 **SEC. 803. AUTHORITY TO SELL FEDERAL SURPLUS COM-**
22 **MODITIES.**

23 Notwithstanding any other provision of law, the Sec-
24 retary of Agriculture and the Commodity Credit Corpora-
25 tion may sell surplus commodities and surplus foodstuffs

1 to the States to provide food assistance to individuals who
2 are economically disadvantaged and to individuals who are
3 members of economically disadvantaged families.

4 **SEC. 804. DEFINITIONS.**

5 For purposes of this title—

6 (1) the term “breastfeeding woman” means
7 women up to 1 year postpartum who are
8 breastfeeding their infants,

9 (2) the term “coupon” means any coupon,
10 stamp, or type of certificate, but does not include
11 currency,

12 (3) the term “economically disadvantaged”
13 means an individual or a family, as the case may be,
14 whose income does not exceed the most recent lower
15 living standard income level published by the De-
16 partment of Labor,

17 (4) the term “elderly or disabled individual”
18 means an individual who—

19 (A) is 60 years of age or older,

20 (B)(i) receives supplemental security in-
21 come benefits under title XVI of the Social Se-
22 curity Act (42 U.S.C. 1381 et seq.), or Feder-
23 ally or State administered supplemental benefits
24 of the type described in section 212(a) of Public
25 Law 93–66 (42 U.S.C. 1382 note), or

1 (ii) receives Federally or State adminis-
2 tered supplemental assistance of the type de-
3 scribed in section 1616(a) of the Social Security
4 Act (42 U.S.C. 1382e(a)), interim assistance
5 pending receipt of supplemental security in-
6 come, disability-related medical assistance
7 under title XIX of the Social Security Act (42
8 U.S.C. 1396 et seq.), or disability-based State
9 general assistance benefits, if the Secretary de-
10 termines that such benefits are conditioned on
11 meeting disability or blindness criteria at least
12 as stringent as those used under title XVI of
13 the Social Security Act,

14 (C) receives disability or blindness pay-
15 ments under title I, II, X, XIV, or XVI of the
16 Social Security Act (42 U.S.C. 301 et seq.) or
17 receives disability retirement benefits from a
18 governmental agency because of a disability
19 considered permanent under section 221(i) of
20 the Social Security Act (42 U.S.C. 421(i)),

21 (D) is a veteran who—

22 (i) has a service-connected or non-
23 service-connected disability which is rated
24 as total under title 38, United States Code,
25 or

1 (ii) is considered in need of regular
2 aid and attendance or permanently house-
3 bound under such title,

4 (E) is a surviving spouse of a veteran
5 and—

6 (i) is considered in need of regular aid
7 and attendance or permanently house-
8 bound under title 38, United States Code,
9 or

10 (ii) is entitled to compensation for a
11 service-connected death or pension benefits
12 for a non-service-connected death under
13 title 38, United States Code, and has a
14 disability considered permanent under sec-
15 tion 221(i) of the Social Security Act (42
16 U.S.C. 421(i)),

17 (F) is a child of a veteran and—

18 (i) is considered permanently incapa-
19 ble of self-support under section 414 of
20 title 38, United States Code, or

21 (ii) is entitled to compensation for a
22 service-connected death or pension benefits
23 for a non-service-connected death under
24 title 38, United States Code, and has a
25 disability considered permanent under sec-

1 tion 221(i) of the Social Security Act (42
2 U.S.C. 421(i)), or

3 (G) is an individual receiving an annuity
4 under section 2(a)(1)(iv) or 2(a)(1)(v) of the
5 Railroad Retirement Act of 1974 (45 U.S.C.
6 231a(a)(1)(iv) or 231a(a)(1)(v)), if the individ-
7 ual's service as an employee under the Railroad
8 Retirement Act of 1974, after December 31,
9 1936, had been included in the term "employ-
10 ment" as defined in the Social Security Act (42
11 U.S.C. 301 et seq.), and if an application for
12 disability benefits had been filed,

13 (5) the term "food" means, for purposes of sec-
14 tion 3 only—

15 (A) any food or food product for home con-
16 sumption except alcoholic beverages, tobacco,
17 and hot foods or hot food products ready for
18 immediate consumption other than those au-
19 thorized pursuant to subparagraphs (C), (D),
20 (E), (G), (H), and (I),

21 (B) seeds and plants for use in gardens to
22 produce food for the personal consumption of
23 the eligible individuals,

24 (C) in the case of those persons who are
25 60 years of age or over or who receive supple-

1 mental security income benefits or disability or
2 blindness payments under title I, II, X, XIV, or
3 XVI of the Social Security Act (42 U.S.C. 1381
4 et seq.), and their spouses, meals prepared by
5 and served in senior citizens' centers, apart-
6 ment buildings occupied primarily by such per-
7 sons, public or private nonprofit establishments
8 (eating or otherwise) that feed such persons,
9 private establishments that contract with the
10 appropriate agency of the State to offer meals
11 for such persons at concessional prices, and
12 meals prepared for and served to residents of
13 federally subsidized housing for the elderly,

14 (D) in the case of persons 60 years of age
15 or over and persons who are physically or men-
16 tally handicapped or otherwise so disabled that
17 they are unable adequately to prepare all of
18 their meals, meals prepared for and delivered to
19 them (and their spouses) at their home by a
20 public or private nonprofit organization or by a
21 private establishment that contracts with the
22 appropriate State agency to perform such serv-
23 ices at concessional prices,

24 (E) in the case of narcotics addicts or alco-
25 holics, and their children, served by drug addic-

1 tion or alcoholic treatment and rehabilitation
2 programs, meals prepared and served under
3 such programs,

4 (F) in the case of eligible individuals living
5 in Alaska, equipment for procuring food by
6 hunting and fishing, such as nets, hooks, rods,
7 harpoons, and knives (but not equipment for
8 purposes of transportation, clothing, or shelter,
9 and not firearms, ammunition, and explosives)
10 if the Secretary determines that such individ-
11 uals are located in an area of the State where
12 it is extremely difficult to reach stores selling
13 food and that such individuals depend to a sub-
14 stantial extent upon hunting and fishing for
15 subsistence,

16 (G) in the case of disabled or blind recipi-
17 ents of benefits under title I, II, X, XIV, or
18 XVI of the Social Security Act, or are individ-
19 uals described in subparagraphs (B) through
20 (G) of paragraph (4), who are residents in a
21 public or private nonprofit group living arrange-
22 ment that serves no more than 16 residents and
23 is certified by the appropriate State agency or
24 agencies under regulations issued under section
25 1616(e) of the Social Security Act or under

1 standards determined by the Secretary to be
2 comparable to standards implemented by appro-
3 priate State agencies under such section (42
4 U.S.C. 1382e(e)), meals prepared and served
5 under such arrangement,

6 (H) in the case of women and children
7 temporarily residing in public or private non-
8 profit shelters for battered women and children,
9 meals prepared and served, by such shelters,
10 and

11 (I) in the case of individuals that do not
12 reside in permanent dwellings and individuals
13 that have no fixed mailing addresses, meals pre-
14 pared for and served by a public or private non-
15 profit establishment (approved by an appro-
16 priate State or local agency) that feeds such in-
17 dividuals and by private establishments that
18 contract with the appropriate agency of the
19 State to offer meals for such individuals at
20 concessional prices,

21 (6) the term “infants” means individuals under
22 1 year of age,

23 (7) the term “postpartum women” means
24 women during the 180-day period after the end of
25 their pregnancy,

1 (8) the term “pregnant women” means women
2 who have one or more fetuses in utero,

3 (9) the term “retail food store” means—

4 (A) an establishment or recognized depart-
5 ment thereof or house-to-house trade route,
6 over 50 percent of whose food sales volume, as
7 determined by visual inspection, sales records,
8 purchase records, or other inventory or account-
9 ing recordkeeping methods that are customary
10 or reasonable in the retail food industry, con-
11 sists of staple food items for home preparation
12 and consumption, such as meat, poultry, fish,
13 bread, cereals, vegetables, fruits, dairy prod-
14 ucts, and the like, but not including accessory
15 food items, such as coffee, tea, cocoa, carbon-
16 ated and uncarbonated drinks, candy, con-
17 diments, and spices,

18 (B) an establishment, organization, pro-
19 gram, or group living arrangement referred to
20 in subparagraph (C), (D), (E), (G), (H), or (I)
21 of paragraph (5),

22 (C) a store purveying the hunting and fish-
23 ing equipment described in paragraph (5)(F),
24 or

1 (D) any private nonprofit cooperative food
2 purchasing venture, including those in which
3 the members pay for food purchased prior to
4 the receipt of such food,

5 (10) the term “school” means an elementary,
6 intermediate, or secondary school,

7 (11) the term “Secretary” means the Secretary
8 of Agriculture,

9 (12) the term “State” means any of the several
10 States, the District of Columbia, the Commonwealth
11 of Puerto Rico, Guam, the Virgin Islands of the
12 United States, American Samoa, the Commonwealth
13 of the Northern Mariana Islands, the Republic of
14 the Marshall Islands, the Federated States of Micro-
15 nesia, Palau, or a tribal organization that exercises
16 governmental jurisdiction over a geographically de-
17 fined area,

18 (13) the term “tribal organization” has the
19 meaning given it in section 4(l) of the Indian Self-
20 Determination and Education Assistance Act (25
21 U.S.C. 450b(l)), and

22 (14) the term “young children” means individ-
23 uals who are not less than 1 year of age and not
24 more than 5 years of age.

1 **SEC. 805. REPEALERS; AMENDMENTS.**

2 (a) REPEALERS.—The following Acts are repealed:

3 (1) The Food Stamp Act of 1977 (7 U.S.C.
4 2011 et seq.).

5 (2) The Child Nutrition Act (42 U.S.C. 1771 et
6 seq.).

7 (3) The National School Lunch Act (42 U.S.C.
8 1751 et seq.)

9 (4) The Emergency Food Assistance Act of
10 1983 (7 U.S.C. 612c note).

11 (5) The Hunger Prevention Act of 1988 (Public
12 Law 100–435; 102 Stat. 1645).

13 (6) The Commodity Distribution Reform Act
14 and WIC Amendments of 1987 (Public Law 100–
15 237; 101 Stat. 1733).

16 (7) The Child Nutrition and WIC Reauthoriza-
17 tion Act of 1989 (Public Law 101–147; 103 Stat.
18 877).

19 (b) AMENDMENTS.—

20 (1) The Older Americans Act of 1965 (42
21 U.S.C. 3030a et seq.) is amended by striking sec-
22 tions 303(b) and 311, and part C of title III.

23 (2) Section 32 of the Act of August 24, 1935
24 (Public Law 320; 7 U.S.C. 612C) is amended—

25 (A) in the first undesignated paragraph—

- 1 (i) by striking “30 per centum” and
2 inserting “1.5 per centum”, and
3 (ii) by striking “; (2)” and all that
4 follows through “Agriculture;”, and
5 (B) by striking the last sentence.

6 (3) The Agriculture and Consumer Protection
7 Act of 1973 (7 U.S.C. 612c note) is amended by
8 striking sections 4 and 5.

9 (4) The Agriculture and Food Act of 1981 (7
10 U.S.C. 1431) is amended by striking section 1114.

11 (5) Section 402 of the Mutual Security Act of
12 1954 (22 U.S.C. 1922) is amended by striking the
13 last sentence.

14 (6) The Act of September 6, 1958 (Public Law
15 83–931; 7 U.S.C. 1431b) is amended by striking
16 section 9.

17 (7) The Agricultural Act of 1965 (7 U.S.C.
18 1446a-1) is amended by striking section 709.

19 **SEC. 806. EFFECTIVE DATE; APPLICATION OF REPEALERS**
20 **AND AMENDMENTS.**

21 (a) EFFECTIVE DATES.—

22 (1) GENERAL EFFECTIVE DATE.—Except as
23 provided in subsection (b), this title and the amend-
24 ments made by this title shall take effect on the date
25 of the enactment of this Act.

1 (2) SPECIAL EFFECTIVE DATE.—The repeals
2 made by section 805 shall not take effect until the
3 first day of the first fiscal year for which funds are
4 appropriated more than 180 days in advance of such
5 fiscal year to carry out section 801.

6 (b) APPLICATION OF REPEALERS AND AMEND-
7 MENTS.—The repeals and amendments made by section
8 805 shall not apply with respect to—

9 (1) powers, duties, functions, rights, claims,
10 penalties, or obligations applicable to financial as-
11 sistance provided under the Acts repealed before the
12 effective date of such section, and

13 (2) administrative actions and proceedings com-
14 menced before such date, or authorized before such
15 date to be commenced, under such Acts.

16 **TITLE IX—MISCELLANEOUS**

17 **SEC. 901. AFDC RECIPIENTS REQUIRED TO UNDERGO NEC-** 18 **CESSARY SUBSTANCE ABUSE TREATMENT AS A** 19 **CONDITION OF RECEIVING AFDC.**

20 (a) IN GENERAL.—Section 402(a) of the Social Secu-
21 rity Act (42 U.S.C. 602(a)) is amended by inserting after
22 paragraph (34) the following:

23 “(35) provide that—

24 “(A) as a condition of eligibility for aid
25 under the State plan, each applicant or recipi-

1 ent who the State determines is addicted to al-
2cohol or drugs must be required to agree to
3participate, and must maintain satisfactory par-
4ticipation (as determined by the State), in an
5appropriate addiction treatment program (if
6available), and must be required to agree to
7submit to tests for the presence of alcohol or
8drugs, without advance notice, during and after
9such participation; and

10 “(B) each applicant or recipient who fails
11to comply with any requirement imposed pursu-
12ant to subparagraph (A) shall not be eligible for
13such aid during the 2-year period that begins
14with such failure to comply, but shall be consid-
15ered to be receiving such aid for purposes of eli-
16gibility for medical assistance under the State
17plan approved under title XIX.”.

18 (b) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Except as provided in para-
20graph (2), the amendment made by subsection (a)
21shall take effect on the date of the enactment of this
22Act, and shall apply to payments under part A of
23title IV of the Social Security Act for calendar quar-
24ters ending after such date.

1 (2) DELAY PERMITTED IF STATE LEGISLATION
2 REQUIRED.—In the case of a State plan approved
3 under section 402(a) of the Social Security Act
4 which the Secretary of Health and Human Services
5 determines requires State legislation (other than leg-
6 islation appropriating funds) in order for the plan to
7 meet the additional requirement imposed by the
8 amendment made by subsection (a) of this section,
9 the State plan shall not be regarded as failing to
10 comply with the requirements of such section 402(a)
11 solely on the basis of the failure of the plan to meet
12 such additional requirement before the end of the 2-
13 year period that begins with the date of the enact-
14 ment of this Act.

15 **SEC. 902. SSI BENEFITS FOR DRUG AND ALCOHOL ADDICTS.**

16 (a) IN GENERAL.—Section 1614(a) of the Social Se-
17 curity Act (42 U.S.C. 1382c(a)) is amended by adding at
18 the end the following:

19 “(5)(A) The Secretary shall identify all recipients of
20 benefits under this title by reason of disability whose dis-
21 ability is a result of addiction to illegal drugs.

22 “(B) The Secretary shall periodically, on a random
23 basis, test each recipient identified under subparagraph
24 (A) to determine whether the recipient is using illegal
25 drugs.

1 “(C) Notwithstanding any other provision of this
2 title, any individual who is determined under subpara-
3 graph (B) to be using illegal drugs, or who refuses to sub-
4 mit to testing as provided for under subparagraph (B),
5 shall not be eligible for benefits under this title.”.

6 (b) REPRESENTATIVE PAYEE REFORMS.—

7 (1) AUTHORITY OF GOVERNMENT AGENCIES TO
8 BECOME PAID REPRESENTATIVE PAYEES.—Section
9 1631(a)(2)(D)(ii) of such Act (42 U.S.C.
10 1383(a)(2)(D)(ii)) is amended by adding at the end
11 the following: “The term ‘qualified organization’ also
12 includes any government agency that meets the re-
13 quirements of items (aa) and (bb) of subclause
14 (II).”.

15 (2) MAXIMUM FEE PAYABLE TO REPRESENTA-
16 TIVE PAYEES.—Section 1631(a)(2)(D)(i) of such Act
17 (42 U.S.C. 1383(a)(2)(D)(i)) is amended by striking
18 “the lesser of—” and all that follows and inserting
19 “10 percent of the monthly benefit involved.”.

20 **SEC. 903. EVALUATION OF EDUCATION AND TRAINING PRO-**
21 **GRAMS.**

22 (a) IN GENERAL.—The Secretary of Health and
23 Human Services shall conduct research projects to exam-
24 ine the impact of education and training programs on the
25 ability of individuals to end participation in the program

1 of aid to families with dependent children under part A
2 of title IV of the Social Security Act, expenditures under
3 such program, wage rates, employment histories, and the
4 resumption of participation in such program of individuals
5 who had ended such participation. The Secretary shall col-
6 lect information with respect to any individual during a
7 period of not less than 5 years.

8 (b) SPECIAL RULE.—At least 1 research project con-
9 ducted under subsection (a) shall involve the random as-
10 signment of adult recipients of aid to families with depend-
11 ent children under part A of title IV of the Social Security
12 Act among—

13 (1) a group that is not required to participate
14 in any special activity;

15 (2) a group that is required to participate in
16 education or job training programs; and

17 (3) a group that is required to participate in a
18 job search program, or in a job search and a work
19 program.

20 **SEC. 904. JOB SEARCH REQUIRED WHILE AFDC APPLICA-**
21 **TION IS PENDING.**

22 Section 402(a) of the Social Security Act (42 U.S.C.
23 602(a)), as amended by sections 201(a)(1), 302, 303, 304,
24 305, 307, 309(a), and 602 of this Act, is amended—

1 (1) by striking “and” at the end of paragraph
2 (52);

3 (2) by striking the period at the end of para-
4 graph (53) and inserting “; and”; and

5 (3) by inserting after paragraph (53) the fol-
6 lowing:

7 “(54) unless the State has enacted a law ex-
8 emptioning itself from the application of this para-
9 graph, provide that—

10 “(A) each applicant for aid under the
11 State plan must participate in job search activi-
12 ties while the application is pending; and

13 “(B) the State agency must reimburse the
14 applicant for necessary transportation and child
15 care expenses incurred as a result of such par-
16 ticipation.”.

17 **SEC. 905. FRAUD AND ADMINISTRATIVE EFFICIENCY.**

18 (a) DEMONSTRATION PROJECTS.—

19 (1) IN GENERAL.—The Secretary of Health and
20 Human Services may conduct demonstration
21 projects in several States to determine whether pro-
22 viding benefits based on need through the use of
23 electronic cards and automatic teller machines would
24 reduce administrative costs and fraud.

1 (2) REPORT TO THE CONGRESS.—Within 5
2 years after the date of the enactment of this Act, the
3 Secretary shall submit to the Congress a report
4 that—

5 (A) summarizes the results of the projects;
6 and

7 (B) makes recommendations with respect
8 to whether and how more States might be re-
9 quired or encouraged to use electronic funds
10 transfer in providing benefits based on need.

11 (b) COMMISSION.—

12 (1) IN GENERAL.—The Secretary of Health and
13 Human Services (in this subsection referred to as
14 the “Secretary”) shall establish a commission (in
15 this subsection referred to as the “Commission”)
16 composed of heads of executive departments, expert
17 private individuals, and State administrators, to de-
18 termine the cost and feasibility of creating an inter-
19 state system to compare the social security account
20 numbers of all recipients of aid to families with de-
21 pendent children under State plans approved under
22 part A of title IV of the Social Security Act, so as
23 to identify any such recipients who are receiving
24 such aid from 2 or more States.

25 (2) BASIC PAY.—

1 (A) RATES OF PAY.—Except as provided
2 in paragraph (2), members of the Commission
3 shall each be paid at a rate not to exceed \$200
4 for each day (including travel time) during
5 which they are engaged in the actual perform-
6 ance of duties of the Commission.

7 (B) PROHIBITION OF COMPENSATION OF
8 FEDERAL EMPLOYEES.—Each member of the
9 Commission who is a full-time officer or em-
10 ployee of the United States may not receive ad-
11 ditional pay, allowances, or benefits by reason
12 of their service on the Commission.

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

18 (4) STAFF OF FEDERAL AGENCIES.—Upon re-
19 quest of the Secretary, the head of any Federal de-
20 partment or agency may detail, on a reimbursable
21 basis, any of the personnel of that department or
22 agency to the Commission to assist it in carrying out
23 its duties under this subsection.

24 (5) OBTAINING OFFICIAL DATA.—The Commis-
25 sion may secure directly from any department or

1 agency of the United States information necessary
2 to enable it to carry out this subsection. Upon re-
3 quest of the Secretary, the head of that department
4 or agency shall furnish that information to the Com-
5 mission.

6 (6) **MAILS.**—The Commission may use the
7 United States mails in the same manner and under
8 the same conditions as other departments and agen-
9 cies of the United States.

10 (7) **ADMINISTRATIVE SUPPORT SERVICES.**—
11 Upon request of the Secretary, the Administrator of
12 General Services shall provide to the Commission, on
13 a reimbursable basis, the administrative support
14 services necessary for the Commission to carry out
15 its responsibilities under this subsection.

16 (8) **REPORT.**—Within 2 years after the date of
17 the enactment of this Act, the Secretary shall submit
18 to the Congress a report that contains the findings
19 of the Commission.

20 (9) **TERMINATION OF COMMISSION.**—The Com-
21 mission shall terminate upon submission of the re-
22 port required by paragraph (8).

23 **SEC. 906. PUBLIC HOUSING RENT REFORM.**

24 (a) **SHORT TITLE.**—This section may be cited as the
25 “Public Housing Rent Reform and Empowerment Act”.

1 (b) DETERMINATION OF INCOME AND RENT
2 CHARGES.—

3 (1) EXCLUSION FROM INCOME OF TAXES ON
4 EARNINGS.—Section 3(b)(5) of the United States
5 Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is
6 amended—

7 (A) by redesignating subparagraphs (A)
8 through (G) as subparagraphs (B) through (H),
9 respectively; and

10 (B) by inserting before subparagraph (B)
11 (as so redesignated by subparagraph (A) of this
12 paragraph) the following new subparagraph:

13 “(A) with respect only to families residing
14 in public housing, the amount of any Federal,
15 State, and local income taxes paid on earned in-
16 come by members of the family and the amount
17 paid on earned income by members of the fam-
18 ily for the taxes imposed under sections 3101
19 and 3201(a) of the Internal Revenue Code of
20 1986;”.

21 (2) PHA OPTION TO EXCLUDE EARNED IN-
22 COME.—Section 3(b)(5) of the United States Hous-
23 ing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended
24 by adding at the end the following new flush
25 sentence:

1 “At the option of a public housing agency, the agency may
2 (for all families residing in public housing administered
3 by the agency) exclude from consideration as income for
4 purposes of determining any limitation on the amount of
5 rent paid by a family, all or part of any increases in the
6 earned income of a family that results from the employ-
7 ment of a previously unemployed family member; except
8 that such increases in earned income may be excluded only
9 during the 2-year period beginning on the employment of
10 the family member.”.

11 (3) APPLICABILITY TO INDIAN PUBLIC HOUS-
12 ING.—In accordance with section 201(b)(2) of the
13 United States Housing Act of 1937, the provisions
14 of this subsection shall apply to public housing de-
15 veloped or operated pursuant to a contract between
16 the Secretary and an Indian housing authority.

17 (c) PUBLIC HOUSING AUTHORITY MARKET RENT
18 DEMONSTRATION.—

19 (1) AUTHORITY.—At the request of a public
20 housing agency or resident management corporation,
21 the Secretary of Housing and Urban Development
22 may authorize the agency or corporation to carry out
23 a demonstration program under this subsection to
24 determine the feasibility and desirability of providing
25 public housing agencies and resident management

1 corporations the authority to establish policies for
2 the operation, maintenance, management, and devel-
3 opment (including modernization) of public housing
4 projects administered by the agency, without regard
5 to the requirements under the United States Hous-
6 ing Act of 1937 applicable to public housing. In es-
7 tablishing such policies, public housing agencies and
8 resident management corporations shall be subject
9 to the provisions of any applicable State and local
10 laws.

11 (2) REQUIRED FINDINGS.—The Secretary may
12 authorize a public housing agency or resident man-
13 agement corporation to carry out a demonstration
14 program under this subsection only if the Secretary
15 determines, with respect to the particular dem-
16 onstration program, that—

17 (A) the program is likely to assist in pro-
18 moting the objectives of the United States
19 Housing Act of 1937, encourage resident
20 empowerment, and reduce poverty in public
21 housing by improving the means by which eco-
22 nomic self-sufficiency may be achieved;

23 (B) the program, taken as a whole, will not
24 result in higher costs to the Federal Govern-

1 ment than would be incurred absent the pro-
2 gram;

3 (C) the results of the program will be eval-
4 uated and reported to the Secretary by inde-
5 pendent entities;

6 (D) no fewer very low-income families will
7 be assisted under the program than would oth-
8 erwise have been assisted; and

9 (E) the program is consistent with the
10 Fair Housing Act, title VI of the Civil Rights
11 Act of 1964, section 504 of the Rehabilitation
12 Act of 1973, and the Age Discrimination Act of
13 1975.

14 (3) EXCEPTIONS TO PROVISIONS OF UNITED
15 STATES HOUSING ACT OF 1937.—

16 (A) MANDATORY.—Notwithstanding any
17 other provision of law, during the period of the
18 demonstration program (pursuant to subsection
19 (i)) section 3(a) of the United States Housing
20 Act of 1937 (relating to rental amounts for
21 dwelling units in public housing projects), sec-
22 tions 3(b) (4) and (5) of such Act (relating to
23 determination of income and adjusted income),
24 and section 16 of such Act (relating to income
25 eligibility) shall not apply to any public housing

1 projects involved in a demonstration program
2 under this subsection or any families residing in
3 such projects. Each public housing authority
4 and resident management corporation carrying
5 out a demonstration program under this sub-
6 section shall establish rents for dwelling units
7 in projects involved in the demonstration pro-
8 gram at the discretion of the agency or corpora-
9 tion.

10 (B) DISCRETIONARY.—The Secretary may
11 exempt a public housing agency or resident
12 management corporation carrying out a dem-
13 onstration program under this subsection from
14 any other requirements of the United States
15 Housing Act of 1937, and modify the require-
16 ments of such sections and other provisions
17 with respect to such agencies, that the Sec-
18 retary determines are not consistent with the
19 purposes of a demonstration program.

20 (4) INCOME ELIGIBILITY.—Not less than 30
21 percent of the total number of dwelling units in pub-
22 lic housing projects involved in a demonstration pro-
23 gram carried out under this subsection by a public
24 housing agency or resident management corporation

1 shall be available for leasing only to very low-income
2 families.

3 (5) EFFECT ON OPERATING SUBSIDIES.—Not-
4 withstanding any requirement pursuant to section 9
5 of the United States Housing Act of 1937, the
6 amount of annual contributions provided for a fiscal
7 year under such section to any public housing agen-
8 cy or resident management corporation carrying out
9 a demonstration program in such fiscal year may
10 not exceed the amount of such annual contributions
11 provided under such section to the agency or cor-
12 poration for the last fiscal year concluding before
13 the commencement of the demonstration program by
14 the agency or corporation, as adjusted for inflation
15 (as determined by the Secretary).

16 (6) TREATMENT OF FAMILIES UNABLE TO PAY
17 RENTAL CHARGES IN PUBLIC HOUSING.—

18 (A) AUTHORITY TO PROVIDE SECTION 8
19 ASSISTANCE.—Notwithstanding any other provi-
20 sion of law, in connection with carrying out a
21 demonstration program under this subsection a
22 public housing agency may provide assistance
23 under section 8 of the United States Housing
24 Act of 1937 (to the extent sufficient amounts
25 for such assistance are available to such agen-

1 cy) on behalf of any family that (A) resides in
2 a dwelling unit in a public housing project in-
3 volved in the demonstration program upon the
4 commencement of the demonstration, (B) is
5 otherwise eligible for such assistance, and (C)
6 under section 3(a)(1) of such Act would pay as
7 rent for a dwelling unit assisted under such sec-
8 tion an amount that is less than the rental
9 charge for the public housing dwelling unit
10 under the demonstration program. Any such as-
11 sistance provided for such family shall be sub-
12 ject to the provisions of section 3(a)(1) or 8(o)
13 of such Act, as applicable.

14 (B) USE.—Such assistance may be used in
15 connection with the rental of a public housing
16 dwelling unit or any other dwelling unit eligible
17 for rental using such assistance.

18 (C) PREFERENCE.—Notwithstanding any
19 other provision of law, a public housing agency
20 carrying out a demonstration program under
21 this subsection may give preference in providing
22 assistance under such section 8 to families de-
23 scribed in subparagraph (A) of this paragraph.

24 (7) SCOPE OF DEMONSTRATIONS.—In authoriz-
25 ing public housing agencies and resident manage-

1 ment corporations to carry out demonstration pro-
2 grams under this subsection, the Secretary shall pro-
3 vide that the demonstration is carried out with re-
4 spect to one or more specific public housing projects.

5 (8) NUMBER OF DEMONSTRATIONS.—The Sec-
6 retary may authorize not more than 50 public hous-
7 ing agencies or resident management corporations to
8 carry out demonstration programs under this sub-
9 section.

10 (9) DURATION.—A public housing agency or
11 resident management corporation authorized to
12 carry out a demonstration program under this sub-
13 section may carry out the demonstration for a pe-
14 riod, determined by the agency or corporation, of not
15 more than 5 years.

16 (10) LIMITATION.—The number and duration
17 of demonstration programs authorized by the Sec-
18 retary may not exceed the number and duration nec-
19 essary to achieve the objectives of this subsection.

20 (11) ADDITIONAL REQUIREMENTS.—In author-
21 izing a demonstration program under this sub-
22 section, the Secretary may impose such requirements
23 on the program as the Secretary considers to be ap-
24 propriate to further its purposes.

25 (12) REPORTS.—

1 (A) TO SECRETARY.—Each public housing
2 agency and resident management corporation
3 carrying out a demonstration program under
4 this subsection shall submit a report to the Sec-
5 retary regarding the demonstration for each
6 year in which the demonstration is carried out,
7 as shall be required by the Secretary.

8 (B) TO CONGRESS.—Not later than 6
9 years after the date of the enactment of this
10 Act, the Secretary shall submit a report to the
11 Congress describing and evaluating the dem-
12 onstration programs carried out under this sub-
13 section.

14 (13) DEFINITIONS.—For purposes of this sub-
15 section:

16 (A) PUBLIC HOUSING.—The terms “public
17 housing” and “project” have the meanings
18 given such terms in section 3(b) of the United
19 States Housing Act of 1937.

20 (B) PUBLIC HOUSING AGENCY.—The
21 terms “public housing agency” and “agency”
22 have the meanings given the term “public hous-
23 ing agency” in section 3(b) of the United States
24 Housing Act of 1937.

1 (C) RESIDENT MANAGEMENT CORPORA-
2 TION.—The terms “resident management cor-
3 poration” and “corporation” mean a resident
4 management corporation established in accord-
5 ance with requirements of the Secretary under
6 section 20 of the United States Housing Act of
7 1937.

8 (D) SECRETARY.—The term “Secretary”
9 means the Secretary of Housing and Urban De-
10 velopment.

11 (E) VERY LOW-INCOME FAMILIES.—The
12 term “very low-income families” has the mean-
13 ing given the term in section 3(b) of the United
14 States Housing Act of 1937.

15 (14) APPLICABILITY TO INDIAN HOUSING.—In
16 accordance with section 201(b)(2) of the United
17 States Housing Act of 1937, the provisions of this
18 subsection shall apply to public housing developed or
19 operated pursuant to a contract between the Sec-
20 retary and an Indian housing authority.

21 (d) REGULATIONS.—The Secretary may issue any
22 regulations necessary to carry out this section and the
23 amendments made by this section.

24 (e) BUDGET COMPLIANCE AND EFFECTIVE DATE.—

1 (1) BUDGET COMPLIANCE.—Notwithstanding
2 subsection (b), this section and the amendments
3 made by this section shall be effective only to the ex-
4 tent approved, or in such amounts as are provided,
5 in appropriation Acts.

6 (2) EFFECTIVE DATE.—The provisions of this
7 section shall take effect and the amendments under
8 this section shall be made on October 1, 1995.

9 **SEC. 907. REQUIRED IMMUNIZATIONS FOR CHILDREN.**

10 (a) AFDC BENEFITS DENIED FOR CHILDREN WHO
11 HAVE NOT RECEIVED PREVENTIVE HEALTH CARE OR
12 IMMUNIZATIONS.—

13 (1) IN GENERAL.—Section 402(a) of the Social
14 Security Act (42 U.S.C. 602(a)), as amended by sec-
15 tions 201(a)(1), 302, 303, 304, 305, 307, 309(a),
16 602, and 904 of this Act, is amended—

17 (A) by striking “and” at the end of para-
18 graph (53);

19 (B) by striking the period at the end of
20 paragraph (54) and inserting “; and”; and

21 (C) by inserting after paragraph (54) the
22 following:

23 “(55) provide that—

24 “(A) aid under the plan shall not be pay-
25 able with respect to any child who has not at-

1 tained the age of 6 years, unless the State
2 agency has received from 1 or more physicians
3 written verification (on a form prescribed by the
4 State)—

5 “(i) that the child has been examined
6 by a physician not less frequently than—

7 “(I) in the case of a child who
8 has not attained the age of 19
9 months, every 6 months since the
10 child was born; and

11 “(II) in the case of any other
12 child, every 6 months until the child
13 attained the age of 19 months, and
14 every year thereafter;

15 “(ii) that the child has been immu-
16 nized in accordance with recommendations
17 issued by the Surgeon General of the Pub-
18 lic Health Service; and

19 “(iii) of any contraindication which
20 exempts the child from receiving an immu-
21 nization;

22 “(B) the State will conduct appropriate
23 education and outreach activities designed to—

1 “(i) increase public awareness of the
2 importance of preventive health care and
3 immunizations for pre-school children; and

4 “(ii) inform the public about—

5 “(I) the availability of preventive
6 health care and immunization services
7 for pre-school children;

8 “(II) any transportation, child
9 care, or other support services that
10 may be available to assist parents in
11 obtaining such services for their chil-
12 dren; and

13 “(III) the clinics at which any
14 child may receive immunizations free
15 or at a reduced charge.”.

16 (2) APPLICABILITY.—The amendments made
17 by paragraph (1) shall apply to—

18 (A) payments to individuals under State
19 plan approved under part A of title IV of the
20 Social Security Act, for months beginning on or
21 after October 1, 1995; and

22 (B) payments to States under such part
23 for calendar quarters beginning on or after Oc-
24 tober 1, 1995.

1 (b) AMENDMENTS TO THE CHILD CARE AND DEVEL-
2 OPMENT BLOCK GRANT.—

3 (1) IN GENERAL.—Section 658E(2) of the
4 Child Care and Development Block Grant Act (42
5 U.S.C. 9858c(2)) is amended—

6 (A) in subparagraph (F)—

7 (i) in clause (ii) by striking “and” at
8 the end;

9 (ii) in clause (iii) by striking the pe-
10 riod at the end and inserting “; and”;

11 (iii) by inserting after subclause (III),
12 as so redesignated, the following:

13 “(iv) a requirement that such provid-
14 ers require with respect to each child who
15 receives child care services from any of
16 such providers that certificates signed by a
17 physician who verifies that such child has
18 been immunized in accordance with rec-
19 ommendations issued by the Surgeon Gen-
20 eral of the Public Health Service be sub-
21 mitted, at required intervals and in accord-
22 ance with rules issued by the Secretary, to
23 the child care provider involved.”; and

24 (iv) by striking the last sentence; and

25 (B) in subparagraph (G)—

1 (i) by inserting “(i)” before “Pro-
2 vide”; and

3 (ii) by adding at the end the follow-
4 ing:

5 “(ii) For the purpose of enforcing the re-
6 quirement described in subparagraph (F)(iv),
7 such procedures shall ensure that each of such
8 providers gives to parents of each child who re-
9 ceives child care services from the provider in-
10 volved written notice of—

11 “(I) each immunization requirement
12 applicable to such child;

13 “(II) an opportunity of not less than
14 30 days, and not more than 45 days, to
15 correct the failure to satisfy such require-
16 ment; and

17 “(III) the fact that child care services
18 for such child will be terminated for failure
19 to satisfy such requirement before the expi-
20 ration of the 45-day period beginning on
21 the date such notice is received.”.

22 (2) APPLICABILITY.—The amendments made
23 by paragraph (1) shall not apply with respect to fis-
24 cal years beginning before October 1, 1995.

1 (c) ISSUANCE OF IMMUNIZATION RECOMMENDA-
 2 TIONS BY THE SURGEON GENERAL OF THE PUBLIC
 3 HEALTH SERVICE.—After taking into consideration the
 4 then most recent report of the Committee on Infectious
 5 Diseases of the American Academy of Pediatrics, the Sur-
 6 geon General of the Public Health Service shall issue, and
 7 revise from time to time, recommendations for the immu-
 8 nization of children under 6 years of age. With respect
 9 to each recommended immunization, such recommenda-
 10 tion shall include—

11 (1) contraindications (if any) that should be
 12 identified to exempt a child from receiving such im-
 13 munization, and

14 (2) remedial action that may be taken to mini-
 15 mize the adverse effect of failure to administer such
 16 immunization to a child at the recommended age.

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