

104TH CONGRESS
2D SESSION

H. R. 2915

To enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 1996

Mr. HAYES introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Economic and Educational Opportunities, Banking and Financial Services, Government Reform and Oversight, Commerce, the Judiciary, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Work Opportunity Act of 1995”.

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

Sec. 1. Short title; table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR
NEEDY FAMILIES

- Sec. 100. References to Social Security Act.
- Sec. 101. Block grants to States.
- Sec. 102. Services provided by charitable, religious, or private organizations.
- Sec. 103. Limitations on use of funds for certain purposes.
- Sec. 104. Continued application of current standards under medicaid program.
- Sec. 105. Census data on grandparents as primary caregivers for their grandchildren.
- Sec. 105A. Development of prototype of counterfeit-resistant social security card required.
- Sec. 106. Conforming amendments to the Social Security Act.
- Sec. 107. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
- Sec. 108. Conforming amendments to other laws.
- Sec. 109. Study of effect of welfare reform on grandparents as primary caregivers.
- Sec. 110. Disclosure of receipt of Federal funds.
- Sec. 110A. Modifications to the job opportunities for certain low-income individuals program.
- Sec. 110B. Demonstration projects for school utilization.
- Sec. 110C. Corrective compliance plan.
- Sec. 110D. Parental responsibility contracts.
- Sec. 110E. Corrective action plan.
- Sec. 111. Secretarial submission of legislative proposal for technical and conforming amendments.
- Sec. 112. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

- Sec. 201. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
- Sec. 202. Limited eligibility of noncitizens for SSI benefits.
- Sec. 203. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
- Sec. 204. Denial of SSI benefits for fugitive felons and probation and parole violators.
- Sec. 205. Effective dates; application to current recipients.

Subtitle B—Benefits for Disabled Children

- Sec. 211. Definition and eligibility rules.
- Sec. 212. Eligibility redeterminations and continuing disability reviews.
- Sec. 213. Additional accountability requirements.

Subtitle C—Studies Regarding Supplemental Security Income Program

- Sec. 221. Annual report on the supplemental security income program.
- Sec. 222. Improvements to disability evaluation.
- Sec. 223. Study of disability determination process.
- Sec. 224. Study by General Accounting Office.

Subtitle D—National Commission on the Future of Disability

- Sec. 231. Establishment.
- Sec. 232. Duties of the Commission.
- Sec. 233. Membership.
- Sec. 234. Staff and support services.
- Sec. 235. Powers of Commission.
- Sec. 236. Reports.
- Sec. 237. Termination.

Subtitle E—State Supplementation Programs

- Sec. 241. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

Subtitle F—Retirement Age Eligibility

- Sec. 251. Eligibility for supplemental security income benefits based on social security retirement age.

TITLE III—FOOD STAMP PROGRAM

Subtitle A—Food Stamp Reform

- Sec. 301. Declaration of policy.
- Sec. 301A. Certification period.
- Sec. 302. Treatment of children living at home.
- Sec. 303. Optional additional criteria for separate household determinations.
- Sec. 304. Adjustment of thrifty food plan.
- Sec. 305. Definition of homeless individual.
- Sec. 306. State options in regulations.
- Sec. 307. Earnings of students.
- Sec. 308. Energy assistance.
- Sec. 309. Deductions from income.
- Sec. 310. Amount of vehicle asset limitation.
- Sec. 311. Benefits for aliens.
- Sec. 312. Disqualification.
- Sec. 313. Caretaker exemption.
- Sec. 314. Employment and training.
- Sec. 315. Comparable treatment for disqualification.
- Sec. 316. Cooperation with child support agencies.
- Sec. 317. Disqualification for child support arrears.
- Sec. 318. Permanent disqualification for participating in 2 or more States.
- Sec. 319. Work requirement.
- Sec. 319A. Disqualification of fleeing felons.
- Sec. 320. Electronic benefit transfers.
- Sec. 321. Minimum benefit.
- Sec. 322. Benefits on recertification.
- Sec. 323. Optional combined allotment for expedited households.
- Sec. 324. Failure to comply with other welfare and public assistance programs.
- Sec. 325. Allotments for households residing in institutions.
- Sec. 326. Operation of food stamp offices.
- Sec. 327. State employee and training standards.
- Sec. 328. Exchange of law enforcement information.
- Sec. 329. Expedited coupon service.
- Sec. 330. Fair hearings.
- Sec. 331. Income and eligibility verification system.

- Sec. 332. Collection of overissuances.
- Sec. 333. Termination of Federal match for optional information activities.
- Sec. 334. Standards for administration.
- Sec. 335. Work supplementation or support program.
- Sec. 336. Waiver authority.
- Sec. 337. Authorization of pilot projects.
- Sec. 338. Response to waivers.
- Sec. 339. Private sector employment initiatives.
- Sec. 340. Reauthorization of appropriations.
- Sec. 341. Reauthorization of Puerto Rico nutrition assistance program.
- Sec. 342. Simplified food stamp program.
- Sec. 343. Optional State food assistance block grant.
- Sec. 344. Effective date.

Subtitle B—Anti-Fraud and Trafficking

- Sec. 351. Expanded definition of coupon.
- Sec. 352. Doubled penalties for violating food stamp program requirements.
- Sec. 353. Authority to establish authorization periods.
- Sec. 354. Specific period for prohibiting participation of stores based on lack of business integrity.
- Sec. 355. Information for verifying eligibility for authorization.
- Sec. 356. Waiting period for stores that initially fail to meet authorization criteria.
- Sec. 357. Bases for suspensions and disqualifications.
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- Sec. 359. Disqualification of retailers who are disqualified under the WIC program.
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- Sec. 361. Expanded criminal forfeiture for violations.
- Sec. 362. Effective date.

TITLE IV—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

- Sec. 401. Termination of additional payment for lunches served in high free and reduced price participation schools.
- Sec. 402. Value of food assistance.
- Sec. 403. Lunches, breakfasts, and supplements.
- Sec. 404. Summer food service program for children.
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- Sec. 406. Free and reduced price breakfasts.
- Sec. 407. Conforming reimbursement for paid breakfasts and lunches.

Subtitle B—Grant Programs

- Sec. 411. School breakfast startup grants.
- Sec. 412. Nutrition education and training programs.
- Sec. 413. Effective date.

Subtitle C—Other Amendments

- Sec. 421. Free and reduced price policy statement.
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Sec. 424. Reducing required reports to State agencies and schools.

Subtitle D—Reauthorization

Sec. 431. Commodity distribution program; commodity supplemental food program.

Sec. 432. Emergency food assistance program.

Sec. 433. Soup kitchens program.

Sec. 434. National commodity processing.

Sec. 435. Commodity supplemental food program.

TITLE V—NONCITIZENS

Sec. 501. State option to prohibit assistance for certain aliens.

Sec. 502. Deemed income requirement for Federal and federally funded programs.

Sec. 503. Requirements for sponsor's affidavit of support.

Sec. 504. Limited eligibility of noncitizens for SSI benefits.

Sec. 505. Treatment of noncitizens.

Sec. 506. Information reporting.

Sec. 507. Prohibition on payment of Federal benefits to certain persons.

TITLE VI—CHILD CARE

Sec. 601. Short title.

Sec. 602. Amendments to the Child Care and Development Block Grant Act of 1990.

Sec. 603. Repeals and technical and conforming amendments.

TITLE VII—PROTECTION OF BATTERED INDIVIDUALS

Sec. 701. Exemption of battered individuals from certain requirements.

TITLE VIII—ADOPTION EXPENSES

Sec. 801. Refundable credit for adoption expenses.

Sec. 802. Exclusion of adoption assistance.

Sec. 803. Withdrawal from IRA for adoption expenses.

TITLE IX—CHILD SUPPORT

Sec. 900. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 901. State obligation to provide child support enforcement services.

Sec. 902. Distribution of child support collections.

Sec. 903. Rights to notification and hearings.

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Subtitle B—Locate and Case Tracking

Sec. 911. State case registry.

Sec. 912. Collection and disbursement of support payments.

Sec. 913. State directory of new hires.

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Subtitle D—Paternity Establishment

Sec. 931. State laws concerning paternity establishment.
 Sec. 932. Outreach for voluntary paternity establishment.
 Sec. 933. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 941. Performance-based incentives and penalties.
 Sec. 942. Federal and State reviews and audits.
 Sec. 943. Required reporting procedures.
 Sec. 944. Automated data processing requirements.
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Subtitle F—Establishment and Modification of Support Orders

Sec. 951. National Child Support Guidelines Commission.
 Sec. 952. Simplified process for review and adjustment of child support orders.
 Sec. 953. Furnishing consumer reports for certain purposes relating to child support.
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Subtitle G—Enforcement of Support Orders

Sec. 961. Internal Revenue Service collection of arrearages.
 Sec. 962. Authority to collect support from Federal employees.
 Sec. 963. Enforcement of child support obligations of members of the armed forces.
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 Sec. 965. Work requirement for persons owing child support.
 Sec. 966. Definition of support order.
 Sec. 967. Reporting arrearages to credit bureaus.
 Sec. 968. Liens.
 Sec. 969. State law authorizing suspension of licenses.
 Sec. 970. Denial of passports for nonpayment of child support.
 Sec. 971. International child support enforcement.
 Sec. 972. Denial of means-tested Federal benefits to noncustodial parents who are delinquent in paying child support.
 Sec. 973. Child support enforcement for Indian tribes.
 Sec. 974. Financial institution data matches.

Subtitle H—Medical Support

- Sec. 975. Technical correction to ERISA definition of medical child support order.
- Sec. 976. Enforcement of orders for health care coverage.
- Sec. 977. Enforcement of orders against paternal grandparents in cases of minor parents.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

- Sec. 981. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

- Sec. 991. Effective dates.

TITLE X—REFORM OF PUBLIC HOUSING

- Sec. 1001. Ceiling rents.
- Sec. 1002. Definition of adjusted income for public housing.
- Sec. 1003. Failure to comply with other welfare and public assistance programs.
- Sec. 1004. Applicability to Indian housing.
- Sec. 1005. Implementation.
- Sec. 1006. Demonstration project for elimination of take-one-take-all requirement.
- Sec. 1007. Fraud under means-tested welfare and public assistance programs.
- Sec. 1008. Effective date.

TITLE XI—CHILD ABUSE PREVENTION AND TREATMENT

- Sec. 1101. Short title.

Subtitle A—General Program

- Sec. 1111. Reference.
- Sec. 1112. Findings.
- Sec. 1113. Office of Child Abuse and Neglect.
- Sec. 1114. Advisory Board on Child Abuse and Neglect.
- Sec. 1115. Repeal of interagency task force.
- Sec. 1116. National Clearinghouse for Information Relating to Child Abuse.
- Sec. 1117. Research, evaluation and assistance activities.
- Sec. 1118. Grants for demonstration programs.
- Sec. 1119. State grants for prevention and treatment programs.
- Sec. 1120. Repeal.
- Sec. 1121. Miscellaneous requirements.
- Sec. 1122. Definitions.
- Sec. 1123. Authorization of appropriations.
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- Sec. 1131. Establishment of program.
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- Sec. 1141. Reference.

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- Sec. 1152. Findings and purpose.
- Sec. 1153. Information and services.
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Subtitle E—Abandoned Infants Assistance Act of 1986

- Sec. 1161. Reauthorization.

Subtitle F—Reauthorization of Various Programs

- Sec. 1171. Missing Children’s Assistance Act.
- Sec. 1172. Victims of Child Abuse Act of 1990.

TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

- Sec. 1201. Reductions.
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- Sec. 1203. Reducing personnel in Washington, DC, area.

TITLE XIII—MISCELLANEOUS PROVISIONS

- Sec. 1301. Expenditure of Federal funds in accordance with laws and procedures applicable to expenditure of State funds.
- Sec. 1302. Elimination of housing assistance with respect to fugitive felons and probation and parole violators.
- Sec. 1303. Sense of the Senate regarding Enterprise Zones.
- Sec. 1304. Sense of the Senate regarding the inability of the non-custodial parent to pay child support.
- Sec. 1305. Food stamp eligibility.
- Sec. 1306. Sense of the Senate on legislative accountability for unfunded mandates in welfare reform legislation.
- Sec. 1307. Sense of the Senate regarding competitive bidding for infant formula.
- Sec. 1308. Establishing national goals to prevent teenage pregnancies.
- Sec. 1309. Sense of the Senate regarding enforcement of statutory rape laws.
- Sec. 1310. Sanctioning for testing positive for controlled substances.
- Sec. 1311. Abstinence education.

1 **TITLE I—BLOCK GRANTS FOR**
 2 **TEMPORARY ASSISTANCE**
 3 **FOR NEEDY FAMILIES**

4 **SEC. 100. REFERENCES TO SOCIAL SECURITY ACT.**

5 Except as otherwise specifically provided, wherever in
 6 this title an amendment is expressed in terms of an

1 amendment to or repeal of a section or other provision,
2 the reference shall be considered to be made to that sec-
3 tion or other provision of the Social Security Act.

4 **SEC. 101. BLOCK GRANTS TO STATES.**

5 (a) REPEALS.—

6 (1) IN GENERAL.—Parts A and F of title IV
7 (42 U.S.C. 601 et seq. and 682 et seq.) are hereby
8 repealed.

9 (2) RULES AND REGULATIONS.—The Secretary
10 of Health and Human Services shall ensure that any
11 rules and regulations relating to the provisions of
12 law repealed in paragraph (1) shall cease to have ef-
13 fect on and after the date of the repeal of such pro-
14 visions.

15 (b) BLOCK GRANTS TO STATES FOR TEMPORARY AS-
16 SISTANCE FOR NEEDY FAMILIES WITH MINOR CHIL-
17 DREN.—Title IV (42 U.S.C. 601 et seq.) is amended by
18 inserting before part B the following:

19 **“PART A—BLOCK GRANTS TO STATES FOR TEM-**
20 **PORARY ASSISTANCE FOR NEEDY FAMILIES**
21 **WITH MINOR CHILDREN**

22 **“SEC. 400. NO INDIVIDUAL ENTITLEMENT.**

23 “Notwithstanding any other provision of law, no indi-
24 vidual is entitled to any assistance under this part.

1 **“SEC. 401. PURPOSE.**

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

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

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

8 “(3) prevent and reduce the incidence of out-of-
9 wedlock pregnancies, with a special emphasis on
10 teenage pregnancies, and establish annual goals for
11 preventing and reducing such pregnancies with re-
12 spect to fiscal years 1996 through 2000.

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

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

18 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
19 GRAM.—A written document that outlines how the
20 State intends to do the following:

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

23 “(i) provide assistance to needy fami-
24 lies with not less than 1 minor child (or
25 any expectant family); and

1 “(ii) provide a parent or caretaker in
2 such families with work experience, assist-
3 ance in finding employment, and other
4 work preparation activities and support
5 services that the State considers appro-
6 priate to enable such families to leave the
7 program and become self-sufficient.

8 “(B) Require a parent or caretaker receiv-
9 ing assistance under the program to engage in
10 work (as defined by the State) when the State
11 determines the parent or caretaker is ready to
12 engage in work, or after 24 months (whether or
13 not consecutive) of receiving assistance under
14 the program, whichever is earlier.

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

17 “(D) Treat—

18 “(i) families with minor children mov-
19 ing into the State from another State; and

20 “(ii) noncitizens of the United States.

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

24 “(F) Establish goals and take action to
25 prevent and reduce the incidence of out-of-wed-

1 lock pregnancies, with special emphasis on teen-
2 age pregnancies.

3 “(G) COMMUNITY SERVICE.—Not later
4 than 2 years after the date of the enactment of
5 this Act, consistent with the exception provided
6 in section 404(d), require participation by, and
7 offer to, unless the State opts out of this provi-
8 sion by notifying the Secretary, a parent or
9 caretaker receiving assistance under the pro-
10 gram, after receiving such assistance for 3
11 months—

12 “(i) is not exempt from work require-
13 ments; and

14 “(ii) is not engaged in work as deter-
15 mined under section 404(c),
16 in community service employment, with mini-
17 mum hours per week and tasks to be deter-
18 mined by the State.

19 “(2) FAMILY ASSISTANCE PROGRAM STRATEGIC
20 PLAN.—

21 “(A) IN GENERAL.—A single comprehen-
22 sive State Family Assistance Program Strategic
23 Plan (hereafter referred to in this section as the
24 ‘State Plan’) describing a 3-year strategic plan
25 for the statewide program designed to meet the

1 State goals and reach the State benchmarks for
2 program activities of the family assistance pro-
3 gram.

4 “(B) CONTENTS OF THE STATE PLAN.—
5 The State plan shall include:

6 “(i) STATE GOALS.—A description of
7 the goals of the 3-year plan, including out-
8 come related goals of and benchmarks for
9 program activities of the family assistance
10 program.

11 “(ii) CURRENT YEAR PLAN.—A de-
12 scription of how the goals and benchmarks
13 described in clause (i) will be achieved, or
14 how progress toward the goals and bench-
15 marks will be achieved, during the fiscal
16 year in which the plan has been submitted.

17 “(iii) PERFORMANCE INDICATORS.—A
18 description of performance indicators to be
19 used in measuring or assessing the rel-
20 evant output service levels and outcomes of
21 relevant program activities.

22 “(iv) EXTERNAL FACTORS.—Informa-
23 tion on those key factors external to the
24 program and beyond the control of the

1 State that could significantly affect the at-
2 tainment of the goals and benchmarks.

3 “(v) EVALUATION MECHANISMS.—In-
4 formation on a mechanism for conducting
5 program evaluation, to be used to compare
6 actual results with the goals and bench-
7 marks and designate the results on a scale
8 ranging from highly successful to failing to
9 reach the goals and benchmarks of the
10 program.

11 “(vi) MINIMUM PARTICIPATION
12 RATES.—Information on how the minimum
13 participation rates specified in section 404
14 will be satisfied.

15 “(vii) ESTIMATE OF EXPENDI-
16 TURES.—An estimate of the total amount
17 of State or local expenditures under the
18 program for the fiscal year in which the
19 plan is submitted.

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

1 “(4) CERTIFICATION THAT THE STATE WILL
2 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
3 tification by the chief executive officer of the State
4 that, during the fiscal year, the State will operate a
5 child protection program under the State plan ap-
6 proved under part B.

7 “(5) CERTIFICATION THAT THE STATE WILL
8 OPERATE A FOSTER CARE AND ADOPTION ASSIST-
9 ANCE PROGRAM.—A certification by the chief execu-
10 tive officer of the State that, during the fiscal year,
11 the State will operate a foster care and adoption as-
12 sistance program under the State plan approved
13 under part E.

14 “(6) CERTIFICATION THAT THE STATE WILL
15 PARTICIPATE IN THE INCOME AND ELIGIBILITY VER-
16 IFICATION SYSTEM.—A certification by the chief ex-
17 ecutive officer of the State that, during the fiscal
18 year, the State will participate in the income and eli-
19 gibility verification system required by section 1137.

20 “(7) CERTIFICATION OF THE ADMINISTRATION
21 OF THE PROGRAM.—A certification by the chief ex-
22 ecutive officer of the State specifying which State
23 agency or agencies are responsible for the adminis-
24 tration and supervision of the State program for the
25 fiscal year and ensuring that local governments and

1 private sector organizations have been consulted re-
2 garding the plan and design of welfare services in
3 the State so that services are provided in a manner
4 appropriate to local populations.

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

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

14 “(b) CERTIFICATION THAT THE STATE WILL PRO-
15 VIDE ACCESS TO INDIANS.—

16 “(1) IN GENERAL.—In recognition of the Fed-
17 eral Government’s trust responsibility to, and gov-
18 ernment-to-government relationship with, Indian
19 tribes, the Secretary shall ensure that Indians re-
20 ceive at least their equitable share of services under
21 the State program, by requiring a certification by
22 the chief executive officer of each State described in
23 paragraph (2) that, during the fiscal year, the State
24 shall provide Indians in each Indian tribe that does
25 not have a tribal family assistance plan approved

1 under section 414 for a fiscal year with equitable ac-
2 cess to assistance under the State program funded
3 under this part.

4 “(2) STATE DESCRIBED.—For purposes of
5 paragraph (1), a State described in this paragraph
6 is a State in which there is an Indian tribe that does
7 not have a tribal family assistance plan approved
8 under section 414 for a fiscal year.

9 “(c) DISTRIBUTION OF STATE PLAN.—

10 “(1) PUBLIC AVAILABILITY OF SUMMARY.—The
11 State shall make available to the public a summary
12 of the State plan submitted under this section.

13 “(2) COPY TO AUDITOR.—The State shall pro-
14 vide the approved entity conducting the audit under
15 section 408 with a copy of the State plan submitted
16 under this section.

17 “(d) DEFINITIONS.—For purposes of this part, the
18 following definitions shall apply:

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

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

23 “(A) who—

24 “(i) has not attained 18 years of age;

25 or

1 “(ii) has not attained 19 years of age
2 and is a full-time student in a secondary
3 school (or in the equivalent level of voca-
4 tional or technical training); and

5 “(B) who resides with such individual’s
6 custodial parent or other caretaker relative.

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

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

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

18 “(B) IN ALASKA.—For purposes of making
19 tribal family assistance grants under section
20 414 on behalf of Indians in Alaska, the term
21 ‘Indian tribe’ shall mean only the following
22 Alaska Native regional nonprofit corporations:

23 “(i) Arctic Slope Native Association.

24 “(ii) Kawerak, Inc.

25 “(iii) Maniilaq Association.

1 “(iv) Association of Village Council
2 Presidents.

3 “(v) Tanana Chiefs Conference.

4 “(vi) Cook Inlet Tribal Council.

5 “(vii) Bristol Bay Native Association.

6 “(viii) Aleutian and Pribilof Island
7 Association.

8 “(ix) Chugachmuit.

9 “(x) Tlingit Haida Central Council.

10 “(xi) Kodiak Area Native Association.

11 “(xii) Copper River Native Associa-
12 tion.

13 “(5) STATE.—Except as otherwise specifically
14 provided, the term ‘State’ includes the several
15 States, the District of Columbia, the Commonwealth
16 of Puerto Rico, the United States Virgin Islands,
17 Guam, and American Samoa.

18 **“SEC. 403. PAYMENTS TO STATES AND INDIAN TRIBES.**

19 “(a) GRANT AMOUNT.—

20 “(1) IN GENERAL.—Subject to the provisions of
21 paragraphs (3) and (5), section 407 (relating to pen-
22 alties), and section 414(g), for each of fiscal years
23 1996, 1997, 1998, 1999, and 2000, the Secretary
24 shall pay—

1 “(A) each eligible State a grant in an
2 amount equal to the State family assistance
3 grant for the fiscal year, for each of fiscal years
4 1998 and 1999, the amount of the State’s job
5 placement performance bonus determined under
6 subsection (f)(1) for the fiscal year, and for fis-
7 cal year 2000, the amount of the State’s share
8 of the performance bonus and high performance
9 bonus determined under section 418 for such
10 fiscal year; and

11 “(B) each Indian tribe with an approved
12 tribal family assistance plan a tribal family as-
13 sistance grant in accordance with section 414.

14 “(2) STATE FAMILY ASSISTANCE GRANT.—

15 “(A) IN GENERAL.—For purposes of para-
16 graph (1)(A), a State family assistance grant
17 for any State for a fiscal year is an amount
18 equal to the sum of—

19 “(i) the total amount of the Federal
20 payments to the State under section 403
21 (other than Federal payments to the State
22 described in subparagraphs (A), (B) and
23 (C) of section 419(a)(2)) for fiscal year
24 1994 (as such section 403 was in effect
25 during such fiscal year), plus

1 “(ii) the total amount of the Federal
2 payments to the State under subpara-
3 graphs (A), (B) and (C) of section
4 419(a)(2),
5 as such payments were reported by the State on
6 February 14, 1995, reduced by the amount, if
7 any, determined under subparagraph (B), and
8 for fiscal year 2000, reduced by the percent
9 specified under section 418(a)(3), and increased
10 by an amount, if any, determined under para-
11 graph (2)(D).

12 “(B) AMOUNT ATTRIBUTABLE TO CERTAIN
13 INDIAN FAMILIES SERVED BY INDIAN TRIBES.—

14 “(i) IN GENERAL.—For purposes of
15 subparagraph (A), the amount determined
16 under this subparagraph is an amount
17 equal to the Federal payments to the State
18 under section 403 for fiscal year 1994 (as
19 in effect during such fiscal year) attrib-
20 utable to expenditures by the State under
21 parts A and F of this title (as so in effect)
22 for Indian families described in clause (ii).

23 “(ii) INDIAN FAMILIES DESCRIBED.—
24 For purposes of clause (i), Indian families
25 described in this clause are Indian families

1 who reside in a service area or areas of an
2 Indian tribe receiving a tribal family as-
3 sistance grant under section 414.

4 “(C) NOTIFICATION.—Not later than 3
5 months prior to the payment of each quarterly
6 installment of a State grant under subsection
7 (a)(1), the Secretary shall notify the State of
8 the amount of the reduction determined under
9 subparagraph (B) with respect to the State.

10 “(D) AMOUNT ATTRIBUTABLE TO STATE
11 PLAN AMENDMENTS.—

12 “(i) IN GENERAL.—For purposes of
13 subparagraph (A) and subject to the limi-
14 tation in clause (ii), the amount deter-
15 mined under this subparagraph is an
16 amount equal to the Federal payment
17 under section 403(a)(5) to the State for
18 emergency assistance in fiscal year 1995
19 under any State plan amendment made
20 under section 402 during fiscal year 1994
21 (as such sections were in effect before the
22 date of the enactment of the Work Oppor-
23 tunity Act of 1995).

24 “(ii) LIMITATION.—Amounts made
25 available under clause (i) to all States shall

1 not exceed \$800,000,000 for the 5-fiscal
2 year period beginning in fiscal year 1996.
3 If amounts available under this subpara-
4 graph are less than the total amount of
5 emergency assistance payments referred to
6 in clause (i), the amount payable to a
7 State shall be equal to an amount which
8 bears the same relationship to the total
9 amount available under this clause as the
10 State emergency assistance payment bears
11 to the total amount of such payments.

12 “(iii) BUDGET SCORING.—Notwith-
13 standing section 257(b)(2) of the Balanced
14 Budget and Emergency Deficit Control Act
15 of 1985, the baseline shall assume that no
16 grant shall be made under this subpara-
17 graph after fiscal year 2000.

18 “(3) SUPPLEMENTAL GRANT AMOUNT FOR POP-
19 ULATION INCREASES IN CERTAIN STATES.—

20 “(A) IN GENERAL.—The amount of the
21 grant payable under paragraph (1) to a qualify-
22 ing State for each of fiscal years 1997, 1998,
23 1999, and 2000 shall be increased by an
24 amount equal to 2.5 percent of the amount that

1 the State received under this section in the pre-
2 ceding fiscal year.

3 “(B) INCREASE TO REMAIN IN EFFECT
4 EVEN IF STATE FAILS TO QUALIFY IN LATER
5 YEARS.—Subject to section 407, in no event
6 shall the amount of a grant payable under
7 paragraph (1) to a State for any fiscal year be
8 less than the amount the State received under
9 this section for the preceding fiscal year.

10 “(C) QUALIFYING STATE.—

11 “(i) IN GENERAL.—For purposes of
12 this paragraph, the term ‘qualifying State’,
13 with respect to any fiscal year, means a
14 State that—

15 “(I) had an average level of State
16 welfare spending per poor person in
17 the preceding fiscal year that was less
18 than the national average level of
19 State welfare spending per poor per-
20 son in the preceding fiscal year; and

21 “(II) had an estimated rate of
22 State population growth as deter-
23 mined by the Bureau of the Census
24 for the most recent fiscal year for
25 which information is available that

1 was greater than the average rate of
2 population growth for all States as de-
3 termined by the Bureau of the Census
4 for such fiscal year.

5 “(ii) CERTAIN STATES DEEMED
6 QUALIFYING STATES.—For purposes of
7 this paragraph, a State shall be deemed to
8 be a qualifying State for fiscal years 1997,
9 1998, 1999, and 2000 if—

10 “(I) the level of State welfare
11 spending per poor person in fiscal
12 year 1996 was less than 35 percent of
13 the national average level of State
14 welfare spending per poor person in
15 fiscal year 1996; or

16 “(II) a State has extremely high
17 population growth (which for purposes
18 of this clause shall be defined as a
19 greater than ten percent increase in
20 population from April 1, 1990 to July
21 1, 1994, as determined by the Bureau
22 of the Census).

23 “(iii) STATE MUST QUALIFY IN FISCAL
24 YEAR 1997.—A State shall not be eligible to
25 be a qualifying State under clause (i) for

1 fiscal years after 1997 if the State was not
2 a qualifying State under clause (i) in fiscal
3 year 1997.

4 “(D) DEFINITIONS.—For purposes of this
5 paragraph:

6 “(i) LEVEL OF STATE WELFARE
7 SPENDING PER POOR PERSON.—The term
8 ‘level of State welfare spending per poor
9 person’ means, with respect to a State for
10 any fiscal year—

11 “(I) the amount of the grant re-
12 ceived by the State under this section
13 (prior to the application of section
14 407); divided by

15 “(II) the number of the individ-
16 uals in the State who had an income
17 below the poverty line according to the
18 1990 decennial census.

19 “(ii) NATIONAL AVERAGE LEVEL OF
20 STATE WELFARE SPENDING PER POOR
21 PERSON.—The term ‘national average level
22 of State welfare spending per poor person’
23 means an amount equal to—

1 “(I) the amount paid in grants
2 under this section (prior to the appli-
3 cation of section 407); divided by

4 “(II) the number of individuals
5 in all States with an income below the
6 poverty line according to the 1990 de-
7 cennial census.

8 “(iii) POVERTY LINE.—The term ‘pov-
9 erty line’ has the same meaning given such
10 term in section 673(2) of the Community
11 Services Block Grant Act (42 U.S.C.
12 9902(2)).

13 “(iv) STATE.—The term ‘State’
14 means each of the 50 States of the United
15 States.

16 “(4) APPROPRIATION.—

17 “(A) STATES.—There are authorized to be
18 appropriated and there are appropriated
19 \$16,803,769,000 for each fiscal year described
20 in paragraph (1) for the purpose of paying—

21 “(i) grants to States under paragraph
22 (1)(A); and

23 “(ii) tribal family assistance grants
24 under paragraph (1)(B).

1 “(B) ADJUSTMENT FOR QUALIFYING
2 STATES.—For the purpose of increasing the
3 amount of the grant payable to a State under
4 paragraph (1) in accordance with paragraph
5 (3), there are authorized to be appropriated and
6 there are appropriated—

7 “(i) for fiscal year 1997, \$85,860,000;

8 “(ii) for fiscal year 1998,
9 \$173,276,000;

10 “(iii) for fiscal year 1999,
11 \$263,468,000; and

12 “(iv) for fiscal year 2000,
13 \$355,310,000.

14 “(5) WELFARE PARTNERSHIP.—

15 “(A) IN GENERAL.—The amount of the
16 grant otherwise determined under paragraph
17 (1) for fiscal year 1997, 1998, 1999, or 2000
18 shall be reduced by the amount by which State
19 expenditures under the State program funded
20 under this part for the preceding fiscal year is
21 less than 80 percent of historic State expendi-
22 tures.

23 “(B) HISTORIC STATE EXPENDITURES.—

24 For purposes of this paragraph—

1 “(i) IN GENERAL.—The term ‘historic
2 State expenditures’ means expenditures by
3 a State under parts A and F of title IV for
4 fiscal year 1994, as in effect during such
5 fiscal year.

6 “(ii) HOLD HARMLESS.—In no event
7 shall the historic State expenditures appli-
8 cable to any fiscal year exceed the amount
9 which bears the same ratio to the amount
10 determined under clause (i) as—

11 “(I) the grant amount otherwise
12 determined under paragraph (1) for
13 the preceding fiscal year (without re-
14 gard to section 407), bears to

15 “(II) the total amount of Federal
16 payments to the State under section
17 403 for fiscal year 1994 (as in effect
18 during such fiscal year).

19 “(C) DETERMINATION OF STATE EXPENDI-
20 TURES FOR PRECEDING FISCAL YEAR.—

21 “(i) IN GENERAL.—For purposes of
22 this paragraph, the expenditures of a State
23 under the State program funded under this
24 part for a preceding fiscal year shall be
25 equal to the sum of the State’s expendi-

1 tures under the program in the preceding
2 fiscal year for—

3 “(I) cash assistance;

4 “(II) child care assistance;

5 “(III) education, job training,
6 and work;

7 “(IV) administrative costs; and

8 “(V) any other use of funds al-
9 lowable under section 403(b)(1).

10 “(ii) TRANSFERS FROM OTHER STATE
11 AND LOCAL PROGRAMS.—In determining
12 State expenditures under clause (i), such
13 expenditures shall not include funding sup-
14 planted by transfers from other State and
15 local programs.

16 “(D) EXCLUSION OF FEDERAL
17 AMOUNTS.—For purposes of this paragraph,
18 State expenditures shall not include any ex-
19 penditures from amounts made available by the
20 Federal Government, State funds expended for
21 the medicaid program under title XIX of this
22 Act or any successor to such program, and any
23 State funds which are used to match Federal
24 funds or are expended as a condition of receiv-

1 ing Federal funds under Federal programs
2 other than under title I of this Act.

3 “(b) USE OF GRANT.—

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

7 “(A) in any manner that is reasonably cal-
8 culated to accomplish the purpose of this part;
9 or

10 “(B) in any manner that such State used
11 amounts received under part A or F of this
12 title, as such parts were in effect before October
13 1, 1995;

14 except that not more than 15 percent of the grant
15 may be used for administrative purposes.

16 “(2) AUTHORITY TO TREAT INTERSTATE IMMI-
17 GRANTS UNDER RULES OF FORMER STATE.—A State
18 to which a grant is made under this section may
19 apply to a family some or all of the rules (including
20 benefit amounts) of the program operated under this
21 part of another State if the family has moved to the
22 State from the other State and has resided in the
23 State for less than 12 months.

24 “(3) AUTHORITY TO RESERVE CERTAIN
25 AMOUNTS FOR ASSISTANCE.—A State may reserve

1 amounts paid to the State under this part for any
2 fiscal year for the purpose of providing, without fis-
3 cal year limitation, assistance under the State pro-
4 gram operated under this part. In the case of
5 amounts paid to the State that are set aside in ac-
6 cordance with section 419(a), the State may reserve
7 such amounts for any fiscal year only for the pur-
8 pose of providing without fiscal year limitation child
9 care assistance under this part.

10 “(4) AUTHORITY TO OPERATE EMPLOYMENT
11 PLACEMENT PROGRAM.—A State to which a grant is
12 made under this section may use a portion of the
13 grant to make payments (or provide job placement
14 vouchers) to State-approved public and private job
15 placement agencies that provide employment place-
16 ment services to individuals who receive assistance
17 under the State program funded under this part.

18 “(5) TRANSFERABILITY OF GRANT AMOUNTS.—
19 A State may use up to 30 percent of amounts re-
20 ceived from a grant under this part for a fiscal year
21 to carry out State activities under the Child Care
22 and Development Block Grant Act of 1990 (42
23 U.S.C. 9858 et seq.) (relating to child care block
24 grants).

1 “(c) TIMING OF PAYMENTS.—The Secretary shall
2 pay each grant payable to a State under this section in
3 quarterly installments.

4 “(d) FEDERAL LOAN FUND FOR STATE WELFARE
5 PROGRAMS.—

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

12 “(2) DEPOSITS INTO FUND.—

13 “(A) APPROPRIATION.—Out of any money
14 in the Treasury of the United States not other-
15 wise appropriated, \$1,700,000,000 are hereby
16 appropriated for fiscal year 1996 for payment
17 to the fund.

18 “(B) LOAN REPAYMENTS.—The Secretary
19 shall deposit into the fund any principal or in-
20 terest payment received with respect to a loan
21 made under this subsection.

22 “(3) AVAILABILITY.—Amounts in the fund are
23 authorized to remain available without fiscal year
24 limitation for the purpose of making loans and re-

1 ceiving payments of principal and interest on such
2 loans, in accordance with this subsection.

3 “(4) USE OF FUND.—

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

8 “(B) RATE OF INTEREST.—The Secretary
9 shall charge and collect interest on any loan
10 made under subparagraph (A) at a rate equal
11 to the current average market yield on out-
12 standing marketable obligations of the United
13 States with remaining periods to maturity com-
14 parable to the period to maturity of the loan.

15 “(C) MAXIMUM LOAN.—The cumulative
16 amount of any loans made to a State under
17 subparagraph (A) during fiscal years 1996
18 through 2000 shall not exceed 10 percent of the
19 State family assistance grant under subsection
20 (a)(2) for a fiscal year.

21 “(D) LOAN-ELIGIBLE STATE.—For pur-
22 poses of subparagraph (A), a loan-eligible State
23 is a State which has not had a penalty de-
24 scribed in section 407(a)(1) imposed against it
25 at any time prior to the loan being made.

1 “(5) LIMITATION ON USE OF LOAN.—A State
2 shall use a loan received under this subsection only
3 for any purpose for which grant amounts received by
4 the State under subsection (a) may be used includ-
5 ing—

6 “(A) welfare anti-fraud activities; and

7 “(B) the provision of assistance under the
8 State program to Indian families that have
9 moved from the service area of an Indian tribe
10 with a tribal family assistance plan approved
11 under section 414.

12 “(e) SPECIAL RULE FOR INDIAN TRIBES THAT RE-
13 CEIVED JOBS FUNDS.—

14 “(1) IN GENERAL.—The Secretary shall pay to
15 each eligible Indian tribe for each of fiscal years
16 1996, 1997, 1998, 1999, and 2000 a grant in an
17 amount equal to the amount received by such Indian
18 tribe in fiscal year 1995 under section 482(i) (as in
19 effect during such fiscal year) for the purpose of op-
20 erating a program to make work activities available
21 to members of the Indian tribe.

22 “(2) ELIGIBLE INDIAN TRIBE.—For purposes
23 of paragraph (1), the term ‘eligible Indian tribe’
24 means an Indian tribe or Alaska Native organization
25 that conducted a job opportunities and basic skills

1 training program in fiscal year 1995 under section
2 482(i) (as in effect during such fiscal year).

3 “(3) APPROPRIATION.—There are authorized to
4 be appropriated and there are hereby appropriated
5 \$7,638,474 for each fiscal year described in para-
6 graph (1) for the purpose of paying grants in ac-
7 cordance with such paragraph.

8 “(f) JOB PLACEMENT PERFORMANCE BONUS.—

9 “(1) IN GENERAL.—The job placement per-
10 formance bonus determined with respect to a State
11 and a fiscal year is an amount equal to the amount
12 of the State’s allocation of the job placement per-
13 formance fund determined in accordance with the
14 formula developed under paragraph (2).

15 “(2) ALLOCATION FORMULA; BONUS FUND.—

16 “(A) ALLOCATION FORMULA.—

17 “(i) IN GENERAL.—Not later than
18 September 30, 1996, the Secretary of
19 Health and Human Services shall develop
20 and publish in the Federal Register a for-
21 mula for allocating amounts in the job
22 placement performance bonus fund to
23 States based on the number of families
24 that received assistance under a State pro-
25 gram funded under this part in the preced-

1 ing fiscal year that became ineligible for
2 assistance under the State program as a
3 result of unsubsidized employment during
4 such year.

5 “(ii) FACTORS TO CONSIDER.—In de-
6 veloping the allocation formula under
7 clause (i), the Secretary shall—

8 “(I) provide a greater financial
9 bonus for individuals in families de-
10 scribed in clause (i) who remain em-
11 ployed for greater periods of time or
12 are at greater risk of long-term wel-
13 fare dependency; and

14 “(II) take into account the unem-
15 ployment conditions of each State or
16 geographic area.

17 “(B) JOB PLACEMENT PERFORMANCE
18 BONUS FUND.—

19 “(i) IN GENERAL.—The amount in
20 the job placement performance bonus fund
21 for a fiscal year shall be an amount equal
22 to the applicable percentage of the amount
23 appropriated under section 403(a)(2)(A)
24 for such fiscal year.

1 “(ii) APPLICABLE PERCENTAGE.—For
 2 purposes of clause (i)(I), the applicable
 3 percentage shall be determined in accord-
 4 ance with the following table:

“For fiscal year:	The applicable percentage is:
1998	3
1999	4.

5 “(g) ADDITIONAL AMOUNT FOR STUDIES AND DEM-
 6 ONSTRATIONS.—

7 “(1) IN GENERAL.—There are authorized to be
 8 appropriated and there are appropriated for each fis-
 9 cal year described in subsection (a)(1) an additional
 10 \$20,000,000 for the purpose of paying—

11 “(A) the Federal share of any State-initi-
 12 ated study approved under section 410(g);

13 “(B) an amount determined by the Sec-
 14 retary to be necessary to operate and evaluate
 15 demonstration projects, relating to part A of
 16 title IV of this Act, that are in effect or ap-
 17 proved under section 1115 as of October 1,
 18 1995, and are continued after such date;

19 “(C) the cost of conducting the research
 20 described in section 410(a); and

21 “(D) the cost of developing and evaluating
 22 innovative approaches for reducing welfare de-

1 pendency and increasing the well-being of minor
2 children under section 410(b).

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

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

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

11 “(h) SECRETARY.—For purposes of this section, the
12 term ‘Secretary’ means the Secretary of the Treasury.

13 “(i) CONTINGENCY FUND.—

14 “(1) ESTABLISHMENT.—There is hereby estab-
15 lished in the Treasury of the United States a fund
16 which shall be known as the ‘Contingency Fund for
17 State Welfare Programs’ (hereafter in this section
18 referred to as the ‘Fund’).

19 “(2) DEPOSITS INTO FUND.—Out of any money
20 in the Treasury of the United States not otherwise
21 appropriated, there are hereby appropriated for fis-
22 cal years 1996, 1997, 1998, 1999, 2000, 2001, and
23 2002 such sums as are necessary for payment to the
24 Fund in a total amount not to exceed
25 \$1,000,000,000.

1 “(3) COMPUTATION OF GRANT.—

2 “(A) IN GENERAL.—Subject to subpara-
3 graph (B), the Secretary of the Treasury shall
4 pay to each eligible State in a fiscal year an
5 amount equal to the Federal medical assistance
6 percentage for such State for such fiscal year
7 (as defined in section 1905(b)) of so much of
8 the expenditures by the State in such year
9 under the State program funded under this
10 part as exceed the historic State expenditures
11 for such State.

12 “(B) LIMITATION.—The total amount paid
13 to a State under subparagraph (A) for any fis-
14 cal year shall not exceed an amount equal to 20
15 percent of the annual amount determined for
16 such State under the State program funded
17 under this part (without regard to this sub-
18 section) for such fiscal year.

19 “(C) METHOD OF COMPUTATION, PAY-
20 MENT, AND RECONCILIATION.—

21 “(i) METHOD OF COMPUTATION.—
22 The method of computing and paying such
23 amounts shall be as follows:

24 “(I) The Secretary of Health and
25 Human Services shall estimate the

1 amount to be paid to the State for
2 each quarter under the provisions of
3 subparagraph (A), such estimate to be
4 based on a report filed by the State
5 containing its estimate of the total
6 sum to be expended in such quarter
7 and such other information as the
8 Secretary may find necessary.

9 “(II) The Secretary of Health
10 and Human Services shall then certify
11 to the Secretary of the Treasury the
12 amount so estimated by the Secretary
13 of Health and Human Services.

14 “(ii) METHOD OF PAYMENT.—The
15 Secretary of the Treasury shall thereupon,
16 through the Fiscal Service of the Depart-
17 ment of the Treasury and prior to audit or
18 settlement by the General Accounting Of-
19 fice, pay to the State, at the time or times
20 fixed by the Secretary of Health and
21 Human Services, the amount so certified.

22 “(iii) METHOD OF RECONCILI-
23 ATION.—If at the end of each fiscal year,
24 the Secretary of Health and Human Serv-
25 ices finds that a State which received

1 amounts from the Fund in such fiscal year
2 did not meet the maintenance of effort re-
3 quirement under paragraph (5)(B) for
4 such fiscal year, the Secretary shall reduce
5 the State family assistance grant for such
6 State for the succeeding fiscal year by such
7 amounts.

8 “(4) USE OF GRANT.—

9 “(A) IN GENERAL.—An eligible State may
10 use the grant—

11 “(i) in any manner that is reasonably
12 calculated to accomplish the purpose of
13 this part; or

14 “(ii) in any manner that such State
15 used amounts received under part A or F
16 of this title, as such parts were in effect
17 before October 1, 1995.

18 “(B) REFUND OF UNUSED PORTION.—Any
19 amount of a grant under this subsection not
20 used during the fiscal year shall be returned to
21 the Fund.

22 “(5) ELIGIBLE STATE.—

23 “(A) IN GENERAL.—For purposes of this
24 subsection, a State is an eligible State with re-
25 spect to a fiscal year, if—

1 “(i)(I) the average rate of total unem-
2 ployment in such State (seasonally ad-
3 justed) for the period consisting of the
4 most recent 3 months for which data for
5 all States are published equals or exceeds
6 6.5 percent, and

7 “(II) the average rate of total unem-
8 ployment in such State (seasonally ad-
9 justed) for the 3-month period equals or
10 exceeds 110 percent of such average rate
11 for either (or both) of the corresponding 3-
12 month periods ending in the 2 preceding
13 calendar years; and

14 “(ii) has met the maintenance of ef-
15 fort requirement under subparagraph (B)
16 for the State program funded under this
17 part for the fiscal year.

18 “(B) MAINTENANCE OF EFFORT.—The
19 maintenance of effort requirement for any State
20 under this subparagraph for any fiscal year is
21 the expenditure of an amount at least equal to
22 100 percent of the level of historic State ex-
23 penditures for such State (as determined under
24 subsection (a)(5)).

1 “(6) ANNUAL REPORTS.—The Secretary of the
 2 Treasury shall annually report to the Congress on
 3 the status of the Fund.

4 **“SEC. 404. MANDATORY WORK REQUIREMENTS.**

5 “(a) PARTICIPATION RATE REQUIREMENTS.—A
 6 State to which a grant is made under section 403 for a
 7 fiscal year shall achieve the minimum participation rate
 8 specified in the following tables for the fiscal year with
 9 respect to—

10 “(1) all families receiving assistance under the
 11 State program funded under this part:

“If the fiscal year is:	The minimum participation rate for all families is:
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50; and

12 “(2) with respect to 2-parent families receiving
 13 such assistance:

“If the fiscal year is:	The minimum participation rate is:
1996	60
1997 or 1998	75
1999 or thereafter	90.

14 “(b) CALCULATION OF PARTICIPATION RATES.—

15 “(1) FOR ALL FAMILIES.—

16 “(A) AVERAGE MONTHLY RATE.—For pur-
 17 poses of subsection (a)(1), the participation
 18 rate for all families of a State for a fiscal year

1 is the average of the participation rates for all
2 families of the State for each month in the fis-
3 cal year.

4 “(B) MONTHLY PARTICIPATION RATES.—
5 The participation rate of a State for all families
6 of the State for a month, expressed as a per-
7 centage, is—

8 “(i) the sum of—

9 “(I) the number of all families
10 receiving assistance under the State
11 program funded under this part that
12 include an adult who is engaged in
13 work for the month;

14 “(II) the number of all families
15 receiving assistance under the State
16 program funded under this part that
17 are subject in such month to a penalty
18 described in paragraph (1)(A) or
19 (2)(A) of subsection (d) but have not
20 been subject to such penalty for more
21 than 3 months within the preceding
22 12-month period (whether or not con-
23 secutive); and

24 “(III) the number of all families
25 that received assistance under the

1 State program under this part during
2 the previous 6-month period that have
3 become ineligible to receive assistance
4 during such period because of employ-
5 ment and which include an adult who
6 is employed for the month; divided by
7 “(ii) the total number of all families
8 receiving assistance under the State pro-
9 gram funded under this part during the
10 month that include an adult receiving as-
11 sistance.

12 “(2) 2-PARENT FAMILIES.—

13 “(A) AVERAGE MONTHLY RATE.—For pur-
14 poses of subsection (a)(2), the participation
15 rate for 2-parent families of a State for a fiscal
16 year is the average of the participation rates for
17 2-parent families of the State for each month in
18 the fiscal year.

19 “(B) MONTHLY PARTICIPATION RATES.—
20 The participation rate of a State for 2-parent
21 families of the State for a month, expressed as
22 a percentage, is—

23 “(i) the total number of 2-parent fam-
24 ilies described in paragraph (1)(B)(i); di-
25 vided by

1 “(ii) the total number of 2-parent
2 families receiving assistance under the
3 State program funded under this part dur-
4 ing the month that include an adult.

5 “(3) PRO RATA REDUCTION OF PARTICIPATION
6 RATE DUE TO CASELOAD REDUCTIONS NOT RE-
7 QUIRED BY FEDERAL LAW.—

8 “(A) IN GENERAL.—The Secretary shall
9 prescribe regulations for reducing the minimum
10 participation rate otherwise required by this
11 section for a fiscal year by the number of per-
12 centage points equal to the number of percent-
13 age points (if any) by which—

14 “(i) the number of families receiving
15 assistance during the fiscal year under the
16 State program funded under this part is
17 less than

18 “(ii) the number of families that re-
19 ceived aid under the State plan approved
20 under part A of this title (as in effect be-
21 fore October 1, 1995) during the fiscal
22 year immediately preceding such effective
23 date.

24 The minimum participation rate shall not be re-
25 duced to the extent that the Secretary deter-

1 mines that the reduction in the number of fami-
2 lies receiving such assistance is required by
3 Federal law.

4 “(B) ELIGIBILITY CHANGES NOT COUNT-
5 ED.—The regulations described in subpara-
6 graph (A) shall not take into account families
7 that are diverted from a State program funded
8 under this part as a result of differences in eli-
9 gibility criteria under a State program funded
10 under this part and eligibility criteria under
11 such State’s plan under the aid to families with
12 dependent children program, as such plan was
13 in effect on the day before the date of the en-
14 actment of the Work Opportunity Act of 1995.

15 “(4) STATE OPTION TO INCLUDE INDIVIDUALS
16 RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY
17 ASSISTANCE PLAN.—For purposes of paragraphs
18 (1)(B) and (2)(B), a State may, at its option, in-
19 clude families receiving assistance under a tribal
20 family assistance plan approved under section 414.
21 For purposes of the previous sentence, an individual
22 who receives assistance under a tribal family assist-
23 ance plan approved under section 414 shall be treat-
24 ed as being engaged in work if the individual is par-
25 ticipating in work under standards that are com-

1 parable to State standards for being engaged in
 2 work.

3 “(5) STATE OPTION FOR PARTICIPATION RE-
 4 QUIREMENT EXEMPTIONS.—For any fiscal year, a
 5 State may, at its option, not require an individual
 6 who is the parent or caretaker relative of a minor
 7 child who is less than 12 months of age to engage
 8 in work and may exclude such an individual from
 9 the determination of the minimum participation rate
 10 specified for such fiscal year in subsection (a).

11 “(c) ENGAGED IN WORK.—

12 “(1) ALL FAMILIES.—For purposes of sub-
 13 section (b)(1)(B)(i)(I), an adult is engaged in work
 14 for a month in a fiscal year if the adult is participat-
 15 ing in work for at least the minimum average num-
 16 ber of hours per week specified in the following table
 17 during the month, not fewer than 20 hours per week
 18 of which are attributable to a work activity:

“If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

19 “(2) 2-PARENT FAMILIES.—For purposes of
 20 subsection (b)(2)(A), an adult is engaged in work for

1 a month in a fiscal year if the adult is participating
2 in work for at least 35 hours per week during the
3 month, not fewer than 30 hours per week of which
4 are attributable to work activities described in para-
5 graph (3).

6 “(3) DEFINITION OF WORK ACTIVITIES.—For
7 purposes of this subsection, the term ‘work activi-
8 ties’ means—

9 “(A) unsubsidized employment;

10 “(B) subsidized employment;

11 “(C) on-the-job training;

12 “(D) community service programs;

13 “(E) job search (only for the first 4 weeks
14 in which an individual is required to participate
15 in work activities under this section); and

16 “(F) vocational educational training (not
17 to exceed 12 months with respect to any indi-
18 vidual).

19 “(4) LIMITATION ON VOCATIONAL EDUCATION
20 ACTIVITIES COUNTED AS WORK.—For purposes of
21 determining monthly participation rates under para-
22 graphs (1)(B)(i)(I) and (2)(B)(i) of subsection (b),
23 not more than 25 percent of adults in all families
24 and in 2-parent families determined to be engaged
25 in work in the State for a month may meet the work

1 activity requirement through participation in voca-
2 tional educational training.

3 “(d) PENALTIES AGAINST INDIVIDUALS.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), if an adult in a family receiving assist-
6 ance under the State program funded under this
7 part refuses to engage in work required under sub-
8 section (c)(1) or (c)(2), a State to which a grant is
9 made under section 403 shall—

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

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

18 “(2) EXCEPTION.—Notwithstanding paragraph
19 (1), a State may not reduce or terminate assistance
20 under the State program based on a refusal of an
21 adult to work if such adult is a single custodial par-
22 ent caring for a child age 5 or under and has a dem-
23 onstrated inability (as determined by the State) to
24 obtain needed child care, for one or more of the fol-
25 lowing reasons:

1 “(A) Unavailability of appropriate child
2 care within a reasonable distance of the individ-
3 ual’s home or work site.

4 “(B) Unavailability or unsuitability of in-
5 formal child care by a relative or under other
6 arrangements.

7 “(C) Unavailability of appropriate and af-
8 fordable formal child care arrangements.

9 “(e) NONDISPLACEMENT IN WORK ACTIVITIES.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 an adult in a family receiving assistance under this
12 part may fill a vacant employment position in order
13 to engage in a work activity described in subsection
14 (c)(3).

15 “(2) NO FILLING OF CERTAIN VACANCIES.—No
16 adult in a work activity described in subsection
17 (c)(3) shall be employed or assigned—

18 “(A) when any other individual is on layoff
19 from the same or any substantially equivalent
20 job; or

21 “(B) when the employer has terminated
22 the employment of any regular employee or oth-
23 erwise caused an involuntary reduction of its
24 workforce in order to fill the vacancy so created
25 with an adult described in paragraph (1).

1 “(3) NO PREEMPTION.—Nothing in this sub-
2 section shall preempt or supersede any provision of
3 State or local law that provides greater protection
4 for employees from displacement.

5 “(f) SENSE OF THE CONGRESS.—It is the sense of
6 the Congress that in complying with this section, each
7 State that operates a program funded under this part is
8 encouraged to assign the highest priority to requiring
9 adults in 2-parent families and adults in single-parent
10 families that include older preschool or school-age children
11 to be engaged in work activities.

12 “(g) DELIVERY THROUGH STATEWIDE SYSTEM.—

13 “(1) IN GENERAL.—Each work program carried
14 out by the State to provide work activities in order
15 to comply with this section shall be delivered
16 through the statewide workforce development system
17 established in section 711 of the Work Opportunity
18 Act of 1995 unless a required work activity is not
19 available locally through the statewide workforce de-
20 velopment system.

21 “(2) EFFECTIVE DATE.—The provisions of
22 paragraph (1) shall take effect—

23 “(A) in a State described in section
24 815(b)(1) of the Work Opportunity Act of
25 1995; and

1 “(B) in any other State, on July 1, 1998.

2 “(h) ENCOURAGEMENT TO PROVIDE CHILD CARE
3 SERVICES.—An individual participating in a State com-
4 munity service program may be treated as being engaged
5 in work under subsection (c) if such individual provides
6 child care services to other individuals participating in the
7 community service program in the manner, and for the
8 period of time each week, determined appropriate by the
9 State.

10 **“SEC. 405. REQUIREMENTS AND LIMITATIONS.**

11 “(a) STATE REQUIRED TO ENTER INTO A PERSONAL
12 RESPONSIBILITY CONTRACT WITH EACH FAMILY RE-
13 CEIVING ASSISTANCE.—

14 “(1) IN GENERAL.—Each State to which a
15 grant is made under section 403 shall require each
16 family receiving assistance under the State program
17 funded under this part to enter into—

18 “(A) a personal responsibility contract (as
19 developed by the State) with the State; or

20 “(B) a limited benefit plan.

21 “(2) PERSONAL RESPONSIBILITY CONTRACT.—

22 For purposes of this subsection, the term ‘personal
23 responsibility contract’ means a binding contract be-
24 tween the State and each family receiving assistance

1 under the State program funded under this part
2 that—

3 “(A) outlines the steps each family and the
4 State will take to get the family off of welfare
5 and to become self-sufficient;

6 “(B) specifies a negotiated time-limited pe-
7 riod of eligibility for receipt of assistance that
8 is consistent with unique family circumstances
9 and is based on a reasonable plan to facilitate
10 the transition of the family to self-sufficiency;

11 “(C) provides that the family will auto-
12 matically enter into a limited benefit plan if the
13 family is out of compliance with the personal
14 responsibility contract; and

15 “(D) provides that the contract shall be in-
16 valid if the State agency fails to comply with
17 the contract.

18 “(3) LIMITED BENEFIT PLAN.—For purposes
19 of this subsection, the term ‘limited benefit plan’
20 means a plan which provides for a reduced level of
21 assistance and later termination of assistance to a
22 family that has entered into the plan in accordance
23 with a schedule to be determined by the State.

24 “(4) ASSESSMENT.—The State agency shall
25 provide, through a case manager, an initial and

1 thorough assessment of the skills, prior work experi-
2 ence, and employability of each parent for use in de-
3 veloping and negotiating a personal responsibility
4 contract.

5 “(5) DISPUTE RESOLUTION.—The State agency
6 described in section 402(a)(6) shall establish a dis-
7 pute resolution procedure for disputes related to par-
8 ticipation in the personal responsibility contract that
9 provides the opportunity for a hearing.

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

11 “(1) IN GENERAL.—Except as provided under
12 paragraphs (2) and (3), a State to which a grant is
13 made under section 403 may not use any part of the
14 grant to provide assistance to a family that includes
15 an adult who has received assistance under the pro-
16 gram operated under this part for the lesser of—

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

19 “(B) 60 months (whether or not consecu-
20 tive) after September 30, 1995.

21 “(2) MINOR CHILD EXCEPTION.—If an individ-
22 ual received assistance under the State program op-
23 erated under this part as a minor child in a needy
24 family, any period during which such individual’s
25 family received assistance shall not be counted for

1 purposes of applying the limitation described in
2 paragraph (1) to an application for assistance under
3 such program by such individual as the head of a
4 household of a needy family with minor children.

5 “(3) HARDSHIP EXCEPTION.—

6 “(A) IN GENERAL.—The State may ex-
7 empt a family from the application of para-
8 graph (1) by reason of hardship.

9 “(B) LIMITATION.—The number of fami-
10 lies with respect to which an exemption made
11 by a State under subparagraph (A) is in effect
12 for a fiscal year shall not exceed 20 percent of
13 the average monthly number of families to
14 which the State is providing assistance under
15 the program operated under this part.

16 “(c) DENIAL OF ASSISTANCE FOR 10 YEARS TO A
17 PERSON FOUND TO HAVE FRAUDULENTLY MISREPRE-
18 SENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE
19 IN 2 OR MORE STATES.—An individual shall not be con-
20 sidered an eligible individual for the purposes of this part
21 during the 10-year period that begins on the date the indi-
22 vidual is convicted in Federal or State court of having
23 made a fraudulent statement or representation with re-
24 spect to the place of residence of the individual in order
25 to receive assistance simultaneously from 2 or more States

1 under programs that are funded under this title, title XIX,
2 or the Food Stamp Act of 1977, or benefits in 2 or more
3 States under the supplemental security income program
4 under title XVI.

5 “(d) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS
6 AND PROBATION AND PAROLE VIOLATORS.—

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

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

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

21 “(2) EXCHANGE OF INFORMATION WITH LAW
22 ENFORCEMENT AGENCIES.—Notwithstanding any
23 other provision of law, a State shall furnish any
24 Federal, State, or local law enforcement officer,
25 upon the request of the officer, with the current ad-

1 dress, Social Security number, and photograph (if
2 applicable) of any recipient of assistance under this
3 part, if the officer furnishes the agency with the
4 name of the recipient and notifies the agency that—

5 “(A) such recipient—

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

8 “(ii) has information that is necessary
9 for the officer to conduct the officer’s offi-
10 cial duties; and

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

13 “(e) STATE OPTION TO REQUIRE ASSIGNMENT OF
14 SUPPORT.—At the option of the State, a State to which
15 a grant is made under section 403 may provide that an
16 individual applying for or receiving assistance under the
17 State program funded under this part shall be required
18 to assign to the State any rights to support from any other
19 person the individual may have in such individual’s own
20 behalf or in behalf of any other family member for whom
21 the individual is applying for or receiving assistance.

22 “(f) DENIAL OF ASSISTANCE FOR ABSENT CHILD.—
23 Each State to which a grant is made under section 403—

24 “(1) may not use any part of the grant to pro-
25 vide assistance to a family with respect to any minor

1 child who has been, or is expected by the caretaker
2 relative in the family to be, absent from the home
3 for a period of 45 consecutive days or, at the option
4 of the State, such period of not less than 30 and not
5 more than 90 consecutive days as the State may
6 provide for in the State plan;

7 “(2) at the option of the State, may establish
8 such good cause exceptions to paragraph (1) as the
9 State considers appropriate if such exceptions are
10 provided for in the State plan; and

11 “(3) shall provide that a caretaker relative shall
12 not be considered an eligible individual for purposes
13 of this part if the caretaker relative fails to notify
14 the State agency of an absence of a minor child
15 from the home for the period specified in or provided
16 for under paragraph (1), by the end of the 5-day pe-
17 riod that begins on the date that it becomes clear to
18 the caretaker relative that the minor child will be
19 absent for the period so specified or provided for in
20 paragraph (1).

21 **“SEC. 406. PROMOTING RESPONSIBLE PARENTING.**

22 “(a) FINDINGS.—The Congress makes the following
23 findings:

24 “(1) Marriage is the foundation of a successful
25 society.

1 “(2) Marriage is an essential institution of a
2 successful society which promotes the interests of
3 children.

4 “(3) Promotion of responsible fatherhood and
5 motherhood is integral to successful child rearing
6 and the wellbeing of children.

7 “(4) In 1992, only 54 percent of single-parent
8 families with children had a child support order es-
9 tablished and, of that 54 percent, only about one
10 half received the full amount due. Of the cases en-
11 forced through the public child support enforcement
12 system, only 18 percent of the caseload has a collec-
13 tion.

14 “(5) The number of individuals receiving aid to
15 families with dependent children (hereafter in this
16 subsection referred to as ‘AFDC’) has more than
17 tripled since 1965. More than two-thirds of these re-
18 cipients are children. Eighty-nine percent of children
19 receiving AFDC benefits now live in homes in which
20 no father is present.

21 “(A)(i) The average monthly number of
22 children receiving AFDC benefits—

23 “(I) was 3,300,000 in 1965;

24 “(II) was 6,200,000 in 1970;

25 “(III) was 7,400,000 in 1980; and

1 “(IV) was 9,300,000 in 1992.

2 “(ii) While the number of children receiv-
3 ing AFDC benefits increased nearly threefold
4 between 1965 and 1992, the total number of
5 children in the United States aged 0 to 18 has
6 declined by 5.5 percent.

7 “(B) The Department of Health and
8 Human Services has estimated that 12,000,000
9 children will receive AFDC benefits within 10
10 years.

11 “(C) The increase in the number of chil-
12 dren receiving public assistance is closely relat-
13 ed to the increase in births to unmarried
14 women. Between 1970 and 1991, the percent-
15 age of live births to unmarried women increased
16 nearly threefold, from 10.7 percent to 29.5 per-
17 cent.

18 “(6) The increase of out-of-wedlock pregnancies
19 and births is well documented as follows:

20 “(A) It is estimated that the rate of
21 nonmarital teen pregnancy rose 23 percent
22 from 54 pregnancies per 1,000 unmarried teen-
23 agers in 1976 to 66.7 pregnancies in 1991. The
24 overall rate of nonmarital pregnancy rose 14
25 percent from 90.8 pregnancies per 1,000 un-

1 married women in 1980 to 103 in both 1991
2 and 1992. In contrast, the overall pregnancy
3 rate for married couples decreased 7.3 percent
4 between 1980 and 1991, from 126.9 preg-
5 nancies per 1,000 married women in 1980 to
6 117.6 pregnancies in 1991.

7 “(B) The total of all out-of-wedlock births
8 between 1970 and 1991 has risen from 10.7
9 percent to 29.5 percent and if the current trend
10 continues, 50 percent of all births by the year
11 2015 will be out-of-wedlock.

12 “(7) The negative consequences of an out-of-
13 wedlock birth on the mother, the child, the family,
14 and society are well documented as follows:

15 “(A) Young women 17 and under who give
16 birth outside of marriage are more likely to go
17 on public assistance and to spend more years
18 on welfare once enrolled. These combined ef-
19 fects of ‘younger and longer’ increase total
20 AFDC costs per household by 25 percent to 30
21 percent for 17-year olds.

22 “(B) Children born out-of-wedlock have a
23 substantially higher risk of being born at a very
24 low or moderately low birth weight.

1 “(C) Children born out-of-wedlock are
2 more likely to experience low verbal cognitive
3 attainment, as well as more child abuse, and
4 neglect.

5 “(D) Children born out-of-wedlock were
6 more likely to have lower cognitive scores, lower
7 educational aspirations, and a greater likelihood
8 of becoming teenage parents themselves.

9 “(E) Being born out-of-wedlock signifi-
10 cantly reduces the chances of the child growing
11 up to have an intact marriage.

12 “(F) Children born out-of-wedlock are 3
13 more times likely to be on welfare when they
14 grow up.

15 “(8) Currently 35 percent of children in single-
16 parent homes were born out-of-wedlock, nearly the
17 same percentage as that of children in single-parent
18 homes whose parents are divorced (37 percent).
19 While many parents find themselves, through divorce
20 or tragic circumstances beyond their control, facing
21 the difficult task of raising children alone, neverthe-
22 less, the negative consequences of raising children in
23 single-parent homes are well documented as follows:

24 “(A) Only 9 percent of married-couple
25 families with children under 18 years of age

1 have income below the national poverty level. In
2 contrast, 46 percent of female-headed house-
3 holds with children under 18 years of age are
4 below the national poverty level.

5 “(B) Among single-parent families, nearly
6 $\frac{1}{2}$ of the mothers who never married received
7 AFDC while only $\frac{1}{5}$ of divorced mothers re-
8 ceived AFDC.

9 “(C) Children born into families receiving
10 welfare assistance are 3 times more likely to be
11 on welfare when they reach adulthood than chil-
12 dren not born into families receiving welfare.

13 “(D) Mothers under 20 years of age are at
14 the greatest risk of bearing low birth-weight ba-
15 bies.

16 “(E) The younger the single parent moth-
17 er, the less likely she is to finish high school.

18 “(F) Young women who have children be-
19 fore finishing high school are more likely to re-
20 ceive welfare assistance for a longer period of
21 time.

22 “(G) Between 1985 and 1990, the public
23 cost of births to teenage mothers under the aid
24 to families with dependent children program,

1 the food stamp program, and the medicaid pro-
2 gram has been estimated at \$120,000,000,000.

3 “(H) The absence of a father in the life of
4 a child has a negative effect on school perform-
5 ance and peer adjustment.

6 “(I) Children of teenage single parents
7 have lower cognitive scores, lower educational
8 aspirations, and a greater likelihood of becom-
9 ing teenage parents themselves.

10 “(J) Children of single-parent homes are 3
11 times more likely to fail and repeat a year in
12 grade school than are children from intact two-
13 parent families.

14 “(K) Children from single-parent homes
15 are almost 4 times more likely to be expelled or
16 suspended from school.

17 “(L) Neighborhoods with larger percent-
18 ages of youth aged 12 through 20 and areas
19 with higher percentages of single-parent house-
20 holds have higher rates of violent crime.

21 “(M) Of those youth held for criminal of-
22 fenses within the State juvenile justice system,
23 only 29.8 percent lived primarily in a home with
24 both parents. In contrast to these incarcerated
25 youth, 73.9 percent of the 62,800,000 children

1 in the Nation’s resident population were living
2 with both parents.

3 “(9) Therefore, in light of this demonstration of
4 the crisis in our Nation, it is the sense of the Con-
5 gress that prevention of out-of-wedlock pregnancy
6 and reduction in out-of-wedlock birth are very im-
7 portant Government interests and the policy con-
8 tained in provisions of this title is intended to ad-
9 dress the crisis.

10 “(b) STATE OPTION TO DENY ASSISTANCE FOR
11 OUT-OF-WEDLOCK BIRTHS TO MINORS.—At the option of
12 the State, a State to which a grant is made under section
13 403 may provide that the grant shall not be used to pro-
14 vide assistance for a child born out-of-wedlock to an indi-
15 vidual who has not attained 18 years of age, or for the
16 individual, until the individual attains such age.

17 “(c) STATE OPTION TO DENY ASSISTANCE FOR
18 CHILDREN BORN TO FAMILIES RECEIVING ASSIST-
19 ANCE.—At the option of the State, a State to which a
20 grant is made under section 403 may provide that the
21 grant shall not be used to provide assistance for a minor
22 child who is born to—

23 “(1) a recipient of assistance under the pro-
24 gram funded under this part; or

1 “(2) an individual who received such benefits at
2 any time during the 10-month period ending with
3 the birth of the child.

4 “(d) REQUIREMENT THAT TEENAGE PARENTS LIVE
5 IN ADULT-SUPERVISED SETTINGS.—

6 “(1) IN GENERAL.—

7 “(A) REQUIREMENT.—Except as provided
8 in paragraph (2), if a State provides assistance
9 under the State program funded under this
10 part to an individual described in subparagraph
11 (B), such individual may only receive assistance
12 under the program if such individual and the
13 child of the individual reside in a place of resi-
14 dence maintained by a parent, legal guardian,
15 or other adult relative of such individual as
16 such parent’s, guardian’s, or adult relative’s
17 own home.

18 “(B) INDIVIDUAL DESCRIBED.— For pur-
19 poses of subparagraph (A), an individual de-
20 scribed in this subparagraph is an individual
21 who is—

22 “(i) under the age of 18; and

23 “(ii) not married and has a minor
24 child in his or her care.

25 “(2) EXCEPTION.—

1 “(A) PROVISION OF, OR ASSISTANCE IN
2 LOCATING, ADULT-SUPERVISED LIVING AR-
3 RANGEMENT.—In the case of an individual who
4 is described in subparagraph (B), the State
5 agency shall provide, or assist such individual in
6 locating, a second chance home, maternity
7 home, or other appropriate adult-supervised
8 supportive living arrangement, taking into con-
9 sideration the needs and concerns of the such
10 individual, unless the State agency determines
11 that the individual’s current living arrangement
12 is appropriate, and thereafter shall require that
13 such parent and the child of such parent reside
14 in such living arrangement as a condition of the
15 continued receipt of assistance under the plan
16 (or in an alternative appropriate arrangement,
17 should circumstances change and the current
18 arrangement cease to be appropriate).

19 “(B) INDIVIDUAL DESCRIBED.—For pur-
20 poses of subparagraph (A), an individual is de-
21 scribed in this subparagraph if the individual is
22 described in paragraph (1)(B) and—

23 “(ii) such individual has no parent,
24 legal guardian or other appropriate adult
25 relative as described in (iii) of his or her

1 own who is living or whose whereabouts
2 are known;

3 “(iii) no living parent, legal guardian,
4 or other appropriate adult relative who
5 would otherwise meet applicable State cri-
6 teria to act as such individual’s legal
7 guardian, of such individual allows the in-
8 dividual to live in the home of such parent,
9 guardian, or relative;

10 “(iv) the State agency determines
11 that—

12 “(I) the individual or the individ-
13 ual’s custodial minor child is being or
14 has been subjected to serious physical
15 or emotional harm, sexual abuse, or
16 exploitation in the residence of such
17 individual’s own parent or legal
18 guardian; or

19 “(II) substantial evidence exists
20 of an act or failure to act that pre-
21 sents an imminent or serious harm if
22 such individual and such individual’s
23 minor child lived in the same resi-
24 dence with such individual’s own par-
25 ent or legal guardian; or

1 “(v) the State agency otherwise deter-
2 mines that it is in the best interest of the
3 minor child to waive the requirement of
4 paragraph (1) with respect to such individ-
5 ual or minor child.

6 “(C) SECOND-CHANCE HOME.—For pur-
7 poses of this paragraph, the term ‘second-
8 chance home’ means an entity that provides in-
9 dividuals described in subparagraph (B) with a
10 supportive and supervised living arrangement in
11 which such individuals are required to learn
12 parenting skills, including child development,
13 family budgeting, health and nutrition, and
14 other skills to promote their long-term economic
15 independence and the well-being of their chil-
16 dren.

17 “(3) ASSISTANCE TO STATES IN PROVIDING OR
18 LOCATING ADULT-SUPERVISED SUPPORTIVE LIVING
19 ARRANGEMENTS FOR UNMARRIED TEENAGE PAR-
20 ENTS.—

21 “(A) IN GENERAL.—For each of fiscal
22 years 1996 through 2002, each State that pro-
23 vides assistance under the State program to in-
24 dividuals described in paragraph (1)(B) shall be
25 entitled to receive a grant in an amount deter-

1 mined under subparagraph (B) for the purpose
2 of providing or locating adult-supervised sup-
3 portive living arrangements for individuals de-
4 scribed in paragraph (1)(B) in accordance with
5 this subsection.

6 “(B) AMOUNT DETERMINED.—

7 “(i) IN GENERAL.—The amount de-
8 termined under this subparagraph is an
9 amount that bears the same ratio to the
10 amount specified under clause (ii) as the
11 amount of the State family assistance
12 grant for the State for such fiscal year (de-
13 scribed in section 403(a)(2)) bears to the
14 amount appropriated for such fiscal year
15 in accordance with section 403(a)(4)(A).

16 “(ii) AMOUNT SPECIFIED.—The
17 amount specified in this subparagraph is—

18 “(I) for fiscal year 1996,
19 \$25,000,000;

20 “(II) for fiscal year 1997,
21 \$25,000,000; and

22 “(III) for each of fiscal years
23 1998, 1999, 2000, 2001, and 2002,
24 \$20,000,000.

1 “(C) ASSISTANCE TO STATES IN PROVID-
2 ING OR LOCATING ADULT-SUPERVISED SUP-
3 PORTIVE LIVING ARRANGEMENTS FOR UNMAR-
4 RIED TEENAGE PARENTS.—There are author-
5 ized to be appropriated and there are appro-
6 priated for fiscal years 1996, 1997, 1998, 1999,
7 2000, 2001, and 2002 such sums specified in
8 subparagraph (B)(ii) for the purpose of paying
9 grants to States in accordance with the provi-
10 sions of this paragraph.

11 “(e) REQUIREMENT THAT TEENAGE PARENTS AT-
12 TEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING
13 PROGRAM.—If a State provides assistance under the State
14 program funded under this part to an individual described
15 in subsection (d)(1)(B) who has not successfully com-
16 pleted a high-school education (or its equivalent) and
17 whose minor child is at least 12 weeks of age, the State
18 shall not provide such individual with assistance under the
19 program (or, at the option of the State, shall provide a
20 reduced level of such assistance) if the individual does not
21 participate in—

22 “(1) educational activities directed toward the
23 attainment of a high school diploma or its equiva-
24 lent; or

1 “(2) an alternative educational or training pro-
2 gram that has been approved by the State.

3 “(f) GRANT INCREASED TO REWARD STATES THAT
4 REDUCE OUT-OF-WEDLOCK BIRTHS.—

5 “(1) IN GENERAL.—The amount of the grant
6 payable to a State under section 403(a)(1)(A) for
7 fiscal years 1998, 1999, and 2000 shall be increased
8 by—

9 “(A) an amount equal the product of \$25
10 multiplied by the number of children in the
11 State in families with incomes below the poverty
12 line, according to the most recently available
13 census data, if—

14 “(i) the illegitimacy ratio of the State
15 for the most recent fiscal year for which
16 such information is available is at least 1
17 percentage point lower than the illegit-
18 imacy ratio of the State for fiscal year
19 1995 (or, if such information is not avail-
20 able, the first available year after 1995 for
21 which such data is available); and

22 “(ii) the rate of induced pregnancy
23 terminations for the same most recent fis-
24 cal year in the State is not higher than the
25 rate of induced pregnancy terminations in

1 the State for fiscal year 1995 (or, the
2 same first available year); or

3 “(B) an amount equal the product of \$50
4 multiplied by the number of children in the
5 State in families with incomes below the poverty
6 line, according to the most recently available
7 census data, if—

8 “(i) the illegitimacy ratio of the State
9 for the most recent fiscal year for which
10 information is available is at least 2 per-
11 centage points lower than the illegitimacy
12 ratio of the State for fiscal year 1995 (or,
13 if such information is not available, the
14 first available year after 1995 for which
15 such data is available); and

16 “(ii) the rate of induced pregnancy
17 terminations in the State for the same
18 most recent fiscal year is not higher than
19 the rate of induced pregnancy terminations
20 in the State for fiscal year 1995 (or, the
21 same first available fiscal year).

22 “(2) DETERMINATION OF THE SECRETARY.—
23 The Secretary shall not increase the grant amount
24 under paragraph (1) if the Secretary determines
25 that the relevant difference between the illegitimacy

1 ratio of a State for an applicable fiscal year and the
2 illegitimacy ratio of such State for fiscal year 1995
3 or, where appropriate, the first available year after
4 1995 for which such data is available, is the result
5 of a change in State methods of reporting data used
6 to calculate the illegitimacy ratio or if the Secretary
7 determines that the relevant non-increase in the rate
8 of induced pregnancy terminations for an applicable
9 fiscal year as compared to fiscal year 1995 or, the
10 appropriate fiscal year, is the result of a change in
11 State methods of reporting data used to calculate
12 the rate of induced pregnancy terminations.

13 “(3) ILLEGITIMACY RATIO.—For purposes of
14 this subsection, the term ‘illegitimacy ratio’ means,
15 with respect to a State and a fiscal year—

16 “(A) the number of out-of-wedlock births
17 that occurred in the State during the most re-
18 cent fiscal year for which such information is
19 available; divided by

20 “(B) the number of births that occurred in
21 the State during the most recent fiscal year for
22 which such information is available.

23 “(4) POVERTY LINE.—For purposes of this
24 subsection, the term ‘poverty line’ has the meaning
25 given such term in section 403(a)(3)(D)(iii).

1 “(5) AVAILABILITY OF AMOUNTS.—There are
2 authorized to be appropriated and there are appro-
3 priated such sums as may be necessary for fiscal
4 years 1998, 1999, and 2000 for the purpose of in-
5 creasing the amount of the grant payable to a State
6 under section 403(a)(1) in accordance with this sub-
7 section.

8 “(g) STATE OPTION TO DENY ASSISTANCE IN CER-
9 TAIN SITUATIONS.—Nothing in this subsection shall be
10 construed to restrict the authority of a State to exercise
11 its option to limit assistance under this part to individuals
12 if such limitation is not inconsistent with the provisions
13 of this part.

14 **“SEC. 407. STATE PENALTIES.**

15 “(a) IN GENERAL.—Subject to the provisions of sub-
16 section (b), the Secretary shall deduct from the grant oth-
17 erwise payable under section 403 the following penalties:

18 “(1) FOR USE OF GRANT IN VIOLATION OF
19 THIS PART.—If an audit conducted under section
20 408 finds that an amount paid to a State under sec-
21 tion 403 for a fiscal year has been used in violation
22 of this part, then the Secretary shall reduce the
23 amount of the grant otherwise payable to the State
24 under such section for the immediately succeeding
25 fiscal year quarter by the amount so used. If the

1 State does not prove to the satisfaction of the Sec-
2 retary that such unlawful expenditure was not made
3 by the State in intentional violation of the require-
4 ments of this part, then the Secretary shall impose
5 an additional penalty of 5 percent of such grant (de-
6 termined without regard to this section).

7 “(2) FOR FAILURE TO SUBMIT REQUIRED RE-
8 PORT.—

9 “(A) IN GENERAL.—If the Secretary deter-
10 mines that a State has not, within 6 months
11 after the end of a fiscal year, submitted the re-
12 port required by section 409 for the fiscal year,
13 the Secretary shall reduce by 5 percent the
14 amount of the grant that would (in the absence
15 of this section) be payable to the State under
16 section 403 for the immediately succeeding fis-
17 cal year.

18 “(B) RESCISSION OF PENALTY.—The Sec-
19 retary shall rescind a penalty imposed on a
20 State under subparagraph (A) with respect to a
21 report for a fiscal year if the State submits the
22 report before the end of the immediately suc-
23 ceeding fiscal year.

24 “(3) FOR FAILURE TO SATISFY MINIMUM PAR-
25 TICIPATION RATES.—

1 “(A) IN GENERAL.—If the Secretary deter-
2 mines that a State has failed to satisfy the min-
3 imum participation rates specified in section
4 404(a) for a fiscal year, the Secretary shall re-
5 duce the amount of the grant that would (in the
6 absence of this section) be payable to the State
7 under section 403 for the immediately succeed-
8 ing fiscal year by—

9 “(i) in the first year in which the
10 State fails to satisfy such rates, 5 percent;
11 and

12 “(ii) in subsequent years in which the
13 State fails to satisfy such rates, the per-
14 cent reduction determined under this sub-
15 paragraph (if any) in the preceding year,
16 increased by 5 percent.

17 “(B) PENALTY BASED ON SEVERITY OF
18 FAILURE.—The Secretary shall impose reduc-
19 tions under subparagraph (A) on the basis of
20 the degree of noncompliance.

21 “(4) FOR FAILURE TO PARTICIPATE IN THE IN-
22 COME AND ELIGIBILITY VERIFICATION SYSTEM.—If
23 the Secretary determines that a State program fund-
24 ed under this part is not participating during a fis-
25 cal year in the income and eligibility verification sys-

1 tem required by section 1137, the Secretary shall re-
2 duce by not more than 5 percent the amount of the
3 grant that would (in the absence of this section) be
4 payable to the State under section 403 for the im-
5 mediately succeeding fiscal year.

6 “(5) FOR FAILURE TO COMPLY WITH PATER-
7 NITY ESTABLISHMENT AND CHILD SUPPORT EN-
8 FORCEMENT REQUIREMENTS UNDER PART D.—Not-
9 withstanding any other provision of this Act, if the
10 Secretary determines that the State agency that ad-
11 ministers a program funded under this part does not
12 enforce the penalties requested by the agency admin-
13 istering part D against recipients of assistance
14 under the State program who fail to cooperate in es-
15 tablishing paternity in accordance with such part,
16 the Secretary shall reduce by not more than 5 per-
17 cent the amount of the grant that would (in the ab-
18 sence of this section) be payable to the State under
19 section 403 for the immediately succeeding fiscal
20 year.

21 “(6) FOR FAILURE TO TIMELY REPAY A FED-
22 ERAL LOAN FUND FOR STATE WELFARE PRO-
23 GRAMS.—If the Secretary determines that a State
24 has failed to repay any amount borrowed from the
25 Federal Loan Fund for State Welfare Programs es-

1 tablished under section 403(d) within the period of
2 maturity applicable to such loan, plus any interest
3 owed on such loan, then the Secretary shall reduce
4 the amount of the grant otherwise payable to the
5 State under section 403 for the immediately suc-
6 ceeding fiscal year quarter by the outstanding loan
7 amount, plus the interest owed on such outstanding
8 amount. The Secretary may not forgive any out-
9 standing loan amount nor interest owed thereon.

10 “(b) REQUIREMENTS.—

11 “(1) LIMITATION ON AMOUNT OF PENALTY.—

12 “(A) IN GENERAL.—In imposing the pen-
13 alties described in subsection (a), the Secretary
14 shall not reduce any quarterly payment to a
15 State by more than 25 percent.

16 “(B) CARRYFORWARD OF UNRECOVERED
17 PENALTIES.—To the extent that subparagraph
18 (A) prevents the Secretary from recovering dur-
19 ing a fiscal year the full amount of all penalties
20 imposed on a State under subsection (a) for a
21 prior fiscal year, the Secretary shall apply any
22 remaining amount of such penalties to the
23 grant otherwise payable to the State under sec-
24 tion 403 for the immediately succeeding fiscal
25 year.

1 “(2) STATE FUNDS TO REPLACE REDUCTIONS
2 IN GRANT.—A State which has a penalty imposed
3 against it under subsection (a) shall expend addi-
4 tional State funds in an amount equal to the amount
5 of the penalty for the purpose of providing assist-
6 ance under the State program under this part.

7 “(3) REASONABLE CAUSE FOR NONCOMPLI-
8 ANCE.—The Secretary may not impose a penalty on
9 a State under subsection (a) if the Secretary deter-
10 mines that the State has reasonable cause for failing
11 to comply with a requirement for which a penalty is
12 imposed under such subsection.

13 “(c) CERTIFICATION OF AMOUNT OF PENALTIES.—
14 If the Secretary is required to reduce the amount of any
15 grant under this section, the Secretary shall certify the
16 amount of such reduction to the Secretary of the Treasury
17 and the Secretary of the Treasury shall reduce the amount
18 paid to the State under section 403 by such amount.

19 “(d) EFFECTIVE DATES.—

20 “(1) IN GENERAL.—The penalties described in
21 paragraphs (2) through (6) of subsection (a) shall
22 apply—

23 “(A) with respect to periods beginning 6
24 months after the Secretary issues final rules
25 with respect to such penalties; or

1 “(B) with respect to fiscal years beginning
2 on or after October 1, 1996;
3 whichever is later.

4 “(2) MISUSE OF FUNDS.—The penalties de-
5 scribed in subsection (a)(1) shall apply with respect
6 to fiscal years beginning on or after October 1,
7 1995.

8 **“SEC. 408. AUDITS.**

9 “(a) IN GENERAL.—Each State shall, not less than
10 annually, audit the State expenditures from amounts re-
11 ceived under this part. Such audit shall—

12 “(1) determine the extent to which such ex-
13 penditures were or were not expended in accordance
14 with this part; and

15 “(2) be conducted by an approved entity (as de-
16 fined in subsection (b)) in accordance with generally
17 accepted auditing principles.

18 “(b) APPROVED ENTITY.—For purposes of sub-
19 section (a), the term ‘approved entity’ means an entity
20 that—

21 “(1) is approved by the Secretary of the Treas-
22 ury;

23 “(2) is approved by the chief executive officer
24 of the State; and

1 “(3) is independent of any agency administer-
2 ing activities funded under this part.

3 “(c) AUDIT REPORT.—Not later than 30 days follow-
4 ing the completion of an audit under this subsection, a
5 State shall submit a copy of the audit to the State legisla-
6 ture, the Secretary of the Treasury, and the Secretary of
7 Health and Human Services.

8 “(d) ADDITIONAL ACCOUNTING REQUIREMENTS.—
9 The provisions of chapter 75 of title 31, United States
10 Code, shall apply to the audit requirements of this section.

11 **“SEC. 409. DATA COLLECTION AND REPORTING.**

12 “(a) IN GENERAL.—The Secretary, in consultation
13 with State and local government officials and other inter-
14 ested persons, shall develop a quality assurance system of
15 data collection and reporting that promotes accountability
16 and ensures the improvement and integrity of programs
17 funded under this part.

18 “(b) STATE SUBMISSIONS.—

19 “(1) IN GENERAL.—Not later than the 15th
20 day of the first month of each calendar quarter,
21 each State to which a grant is made under section
22 403(f) shall submit to the Secretary the data de-
23 scribed in paragraphs (2) and (3) with respect to
24 families described in paragraph (4).

1 “(2) DISAGGREGATED DATA DESCRIBED.—The
2 data described in this paragraph with respect to
3 families described in paragraph (4) is a sample of
4 monthly disaggregated case record data containing
5 the following:

6 “(A) The age of the adults and children
7 (including pregnant women) in each family.

8 “(B) The marital and familial status of
9 each member of the family (including whether
10 the family is a 2-parent family and whether a
11 child is living with an adult relative other than
12 a parent).

13 “(C) The gender, educational level, work
14 experience, and race of the head of each family.

15 “(D) The health status of each member of
16 the family (including whether any member of
17 the family is seriously ill, disabled, or incapacitated and is being cared for by another member
18 of the family).

19 “(E) The type and amount of any benefit
20 or assistance received by the family, including—

21 “(i) the amount of and reason for any
22 reduction in assistance, and
23

1 “(ii) if assistance is terminated,
2 whether termination is due to employment,
3 sanction, or time limit.

4 “(F) Any benefit or assistance received by
5 a member of the family with respect to housing,
6 food stamps, job training, or the Head Start
7 program.

8 “(G) The number of months since the fam-
9 ily filed the most recent application for assist-
10 ance under the program and if assistance was
11 denied, the reason for the denial.

12 “(H) The number of times a family has
13 applied for and received assistance under the
14 State program and the number of months as-
15 sistance has been received each time assistance
16 has been provided to the family.

17 “(I) The employment status of the adults
18 in the family (including the number of hours
19 worked and the amount earned).

20 “(J) The date on which an adult in the
21 family began to engage in work, the number of
22 hours the adult engaged in work, the work ac-
23 tivity in which the adult participated, and the
24 amount of child care assistance provided to the
25 adult (if any).

1 “(K) The number of individuals in each
2 family receiving assistance and the number of
3 individuals in each family not receiving assist-
4 ance, and the relationship of each individual to
5 the youngest child in the family.

6 “(L) The citizenship status of each mem-
7 ber of the family.

8 “(M) The housing arrangement of each
9 member of the family.

10 “(N) The amount of unearned income,
11 child support, assets, and other financial factors
12 considered in determining eligibility for assist-
13 ance under the State program.

14 “(O) The location in the State of each
15 family receiving assistance.

16 “(P) Any other data that the Secretary de-
17 termines is necessary to ensure efficient and ef-
18 fective program administration.

19 “(3) AGGREGATED MONTHLY DATA.—The data
20 described in this paragraph is the following aggre-
21 gated monthly data with respect to the families de-
22 scribed in paragraph (4):

23 “(A) The number of families.

24 “(B) The number of adults in each family.

1 “(C) The number of children in each fam-
2 ily.

3 “(D) The number of families for which as-
4 sistance has been terminated because of em-
5 ployment, sanctions, or time limits.

6 “(4) FAMILIES DESCRIBED.—The families de-
7 scribed in this paragraph are—

8 “(A) families receiving assistance under a
9 State program funded under this part for each
10 month in the calendar quarter preceding the
11 calendar quarter in which the data is submit-
12 ted;

13 “(B) families applying for such assistance
14 during such preceding calendar quarter; and

15 “(C) families that became ineligible to re-
16 ceive such assistance during such preceding cal-
17 endar quarter.

18 “(5) APPROPRIATE SUBSETS OF DATA COL-
19 LECTED.—The Secretary shall determine appro-
20 priate subsets of the data described in paragraphs
21 (2) and (3) that a State is required to submit under
22 paragraph (1) with respect to families described in
23 subparagraphs (B) and (C) of paragraph (4).

24 “(6) SAMPLING AND OTHER METHODS.—The
25 Secretary shall provide the States with such case

1 sampling plans and data collection procedures as the
2 Secretary deems necessary to produce statistically
3 valid estimates of each State's program perform-
4 ance. The Secretary is authorized to develop and im-
5 plement procedures for verifying the quality of data
6 submitted by the States.

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

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

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

17 “(d) REPORT ON STATE EXPENDITURES ON PRO-
18 GRAMS FOR NEEDY FAMILIES.—The report required by
19 subsection (a) for a fiscal year shall include a statement
20 of the total amount expended by the State during the fis-
21 cal year on the program under this part and the purposes
22 for which such amount was spent.

23 “(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-
24 PATING IN WORK ACTIVITIES.—The report required by
25 subsection (a) for a fiscal year shall include the number

1 of noncustodial parents in the State who participated in
2 work activities during the fiscal year.

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

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

15 “(1) has ceased to receive assistance under this
16 part because of employment; or

17 “(2) is not receiving assistance under this part
18 but would be at risk of becoming eligible for such as-
19 sistance if child care was not provided.

20 “(h) REPORT ON TRANSITIONAL SERVICES.—The re-
21 port required by subsection (a) for a fiscal year shall in-
22 clude the total amount expended by the State for providing
23 transitional services to a family that has ceased to receive
24 assistance under this part because of employment, along
25 with a description of such services.

1 “(i) SECRETARY’S REPORT ON DATA PROCESSING.—

2 “(1) IN GENERAL.—Not later than 6 months
3 after the date of the enactment of the Work Oppor-
4 tunity Act of 1995, the Secretary shall prepare and
5 submit to the Congress a report on—

6 “(A) the status of the automated data
7 processing systems operated by the States to
8 assist management in the administration of
9 State programs under this part (whether in ef-
10 fect before or after October 1, 1995); and

11 “(B) what would be required to establish a
12 system capable of—

13 “(i) tracking participants in public
14 programs over time; and

15 “(ii) checking case records of the
16 States to determine whether individuals
17 are participating in public programs in 2
18 or more States.

19 “(2) PREFERRED CONTENTS.—The report re-
20 quired by paragraph (1) should include—

21 “(A) a plan for building on the automated
22 data processing systems of the States to estab-
23 lish a system with the capabilities described in
24 paragraph (1)(B); and

1 “(B) an estimate of the amount of time re-
2 quired to establish such a system and of the
3 cost of establishing such a system.

4 “(j) REPORT TO CONGRESS.—Not later than 6
5 months after the end of fiscal year 1997, and each fiscal
6 year thereafter, the Secretary shall transmit to the Con-
7 gress a report describing—

8 “(1) whether the States are meeting—

9 “(A) the participation rates described in
10 section 404(a); and

11 “(B) the objectives of—

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

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

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

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

23 “(5) the trends in employment and earnings of
24 needy families with minor children.

1 **“SEC. 410. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
2 **IES.**

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

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

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

24 “(2) EVALUATIONS.—In performing the evalua-
25 tions under paragraph (1), the Secretary shall, to

1 the maximum extent feasible, use random assign-
2 ment as an evaluation methodology.

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

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

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

1 below the poverty line and the amount of funding
2 provided each State for such families.

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

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

15 “(1) ANNUAL RANKING OF STATES.—

16 “(A) IN GENERAL.—The Secretary shall
17 annually rank States to which grants are paid
18 under section 403 based on the following rank-
19 ing factors (developed with information reported
20 by the State under section 409(a)(13)):

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

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

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

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

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

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

19 “(f) STUDY ON ALTERNATIVE OUTCOMES MEAS-
20 URES.—

21 “(1) STUDY.—The Secretary shall, in coopera-
22 tion with the States, study and analyze outcomes
23 measures for evaluating the success of a State in
24 moving individuals out of the welfare system through
25 employment as an alternative to the minimum par-

1 participation rates described in section 404. The study
2 shall include a determination as to whether such al-
3 ternative outcomes measures should be applied on a
4 national or a State-by-State basis and a preliminary
5 assessment of the job placement performance bonus
6 established under section 403(f).

7 “(2) REPORT.—Not later than September 30,
8 1998, the Secretary shall submit to the Committee
9 on Finance of the Senate and the Committee on
10 Ways and Means of the House of Representatives a
11 report containing the findings of the study described
12 in paragraph (1).

13 “(g) STATE-INITIATED STUDIES.—A State shall be
14 eligible to receive funding to evaluate the State’s family
15 assistance program funded under this part if—

16 “(1) the State submits a proposal to the Sec-
17 retary for such evaluation,

18 “(2) the Secretary determines that the design
19 and approach of the evaluation is rigorous and is
20 likely to yield information that is credible and will
21 be useful to other States, and

22 “(3) unless otherwise waived by the Secretary,
23 the State provides a non-Federal share of at least 10
24 percent of the cost of such study.

1 **“SEC. 411. STUDY BY THE CENSUS BUREAU.**

2 “(a) IN GENERAL.—The Bureau of the Census shall
3 expand the Survey of Income and Program Participation
4 as necessary to obtain such information as will enable in-
5 terested persons to evaluate the impact of the amendments
6 made by title I of the Work Opportunity Act of 1995 on
7 a random national sample of recipients of assistance under
8 State programs funded under this part and (as appro-
9 priate) other low-income families, and in doing so, shall
10 pay particular attention to the issues of out-of-wedlock
11 births, welfare dependency, the beginning and end of wel-
12 fare spells, and the causes of repeat welfare spells.

13 “(b) APPROPRIATION.—Out of any money in the
14 Treasury of the United States not otherwise appropriated,
15 the Secretary of the Treasury shall pay to the Bureau of
16 the Census \$10,000,000 for each of fiscal years 1996,
17 1997, 1998, 1999, and 2000 to carry out subsection (a).

18 **“SEC. 412. WAIVERS.**

19 “(a) CONTINUATION OF WAIVERS.—

20 “(1) IN GENERAL.—Except as provided in para-
21 graph (2), if any waiver granted to a State under
22 section 1115 or otherwise which relates to the provi-
23 sion of assistance under a State plan under this part
24 is in effect or approved by the Secretary as of Octo-
25 ber 1, 1995, the amendments made by the Work Op-
26 portunity Act of 1995 shall not apply with respect

1 to the State before the expiration (determined with-
2 out regard to any extensions) of the waiver to the
3 extent such amendments are inconsistent with the
4 terms of the waiver.

5 “(2) FINANCING LIMITATION.—Notwithstand-
6 ing any other provision of law, beginning with fiscal
7 year 1996, a State operating under a waiver de-
8 scribed in paragraph (1) shall receive the payment
9 described for such State for such fiscal year under
10 section 403, in lieu of any other payment provided
11 for in the waiver.

12 “(b) STATE OPTION TO TERMINATE WAIVER.—

13 “(1) IN GENERAL.—A State may terminate a
14 waiver described in subsection (a) before the expira-
15 tion of the waiver.

16 “(2) REPORT.—A State which terminates a
17 waiver under paragraph (1) shall submit a report to
18 the Secretary summarizing the waiver and any avail-
19 able information concerning the result or effect of
20 such waiver.

21 “(3) HOLD HARMLESS PROVISION.—

22 “(A) IN GENERAL.—Notwithstanding any
23 other provision of law, a State that, not later
24 than the date described in subparagraph (B),
25 submits a written request to terminate a waiver

1 described in subsection (a) shall be held harm-
 2 less for accrued cost neutrality liabilities in-
 3 curred under the terms and conditions of such
 4 waiver.

5 “(B) DATE DESCRIBED.—The date de-
 6 scribed in this subparagraph is the later of—

7 “(i) January 1, 1996; or

8 “(ii) 90 days following the adjourn-
 9 ment of the first regular session of the
 10 State legislature that begins after the date
 11 of the enactment of the Work Opportunity
 12 Act of 1995.

13 “(c) SECRETARIAL ENCOURAGEMENT OF CURRENT
 14 WAIVERS.—The Secretary shall encourage any State oper-
 15 ating a waiver described in subsection (a) to continue such
 16 waiver and to evaluate, using random sampling and other
 17 characteristics of accepted scientific evaluations, the result
 18 or effect of such waiver.

19 “(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A
 20 State may elect to continue one or more individual waivers
 21 described in subsection (a)(1).

22 **“SEC. 413. STATE AND COUNTY DEMONSTRATION PRO-**
 23 **GRAMS.**

24 “(a) NO LIMITATION OF STATE DEMONSTRATION
 25 PROJECTS.—Nothing in this part shall be construed as

1 limiting a State's ability to conduct demonstration
2 projects for the purpose of identifying innovative or effec-
3 tive program designs in 1 or more political subdivisions
4 of the State: *Provided*, That such State contains more
5 than one county with a population of greater than
6 500,000.

7 “(b) COUNTY WELFARE DEMONSTRATION
8 PROJECT.—

9 “(1) IN GENERAL.—The Secretary of Health
10 and Human Services and the Secretary of Agri-
11 culture shall jointly enter into negotiations with all
12 counties having a population greater than 500,000
13 desiring to conduct a demonstration project de-
14 scribed in paragraph (2) for the purpose of estab-
15 lishing appropriate rules to govern the establishment
16 and operation of such project.

17 “(2) DEMONSTRATION PROJECT DESCRIBED.—
18 The demonstration project described in this para-
19 graph shall provide that—

20 “(A) a county participating in the dem-
21 onstration project shall have the authority and
22 duty to administer the operation of the program
23 described under this part as if the county were
24 considered a State for the purpose of this part;

1 “(B) the State in which the county partici-
2 pating in the demonstration project is located
3 shall pass through directly to the county the
4 portion of the grant received by the State under
5 section 403 which the State determines is at-
6 tributable to the residents of such county; and

7 “(C) the duration of the project shall be
8 for 5 years.

9 “(3) COMMENCEMENT OF PROJECT.—After the
10 conclusion of the negotiations described in para-
11 graph (2), the Secretary of Health and Human
12 Services and the Secretary of Agriculture may au-
13 thorize a county to conduct the demonstration
14 project described in paragraph (2) in accordance
15 with the rules established during the negotiations.

16 “(4) REPORT.—Not later than 6 months after
17 the termination of a demonstration project operated
18 under this subsection, the Secretary of Health and
19 Human Services and the Secretary of Agriculture
20 shall submit to the Congress a report that in-
21 cludes—

22 “(A) a description of the demonstration
23 project;

24 “(B) the rules negotiated with respect to
25 the project; and

1 “(C) the innovations (if any) that the
2 county was able to initiate under the project.

3 “(5) ELIGIBLE COUNTY.—A county may par-
4 ticipate in a demonstration project under this sub-
5 section if the county is—

6 “(A) a county that is already administer-
7 ing the welfare program under this part;

8 “(B) represents less than 25 percent of the
9 State’s total welfare caseload.

10 **“SEC. 414. DIRECT FUNDING AND ADMINISTRATION BY IN-**
11 **DIAN TRIBES.**

12 “(a) PURPOSE.—The purpose of this section is—

13 “(1) to strengthen and enhance the control and
14 flexibility of local governments over local programs;
15 and

16 “(2) in recognition of the principles contained
17 in the Indian Self-Determination and Education As-
18 sistance Act (25 U.S.C. 450 et seq.)—

19 “(A) to provide direct Federal funding to
20 Indian tribes for the tribal administration of
21 the program funded under this part; or

22 “(B) to enable Indian tribes to enter into
23 agreements, contracts, or compacts with inter-
24 tribal consortia, States, or other entities for the

1 administration of such program on behalf of the
2 Indian tribe.

3 “(b) GRANT AMOUNTS FOR INDIAN TRIBES.—

4 “(1) IN GENERAL.—For each of fiscal years
5 1996, 1997, 1998, 1999, and 2000, the Secretary
6 shall pay to each Indian tribe that has an approved
7 tribal family assistance plan a tribal family assist-
8 ance grant for the fiscal year in an amount equal to
9 the amount determined under paragraph (2).

10 “(2) AMOUNT DETERMINED.—

11 “(A) IN GENERAL.—The amount deter-
12 mined under this paragraph is an amount equal
13 to the total amount of the Federal payments to
14 a State or States under section 403 for fiscal
15 year 1994 (as in effect during such fiscal year)
16 attributable to expenditures by the State or
17 States under part A and part F of this title (as
18 so in effect) in such year for Indian families re-
19 siding in the service area or areas identified by
20 the Indian tribe in subsection (c)(1)(C).

21 “(B) USE OF STATE SUBMITTED DATA.—

22 “(i) IN GENERAL.—The Secretary
23 shall use State submitted data to make
24 each determination under subparagraph
25 (A).

1 “(ii) DISAGREEMENT WITH DETER-
2 MINATION.—If an Indian tribe or tribal or-
3 ganization disagrees with State submitted
4 data described under clause (i), the Indian
5 tribe or tribal organization may submit to
6 the Secretary such additional information
7 as may be relevant to making the deter-
8 mination under subparagraph (A) and the
9 Secretary may consider such information
10 before making such determination.

11 “(c) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

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

16 “(A) outlines the Indian tribe’s approach
17 to providing welfare-related services for the 3-
18 year period, consistent with the purposes of this
19 section;

20 “(B) specifies whether the welfare-related
21 services provided under the plan will be pro-
22 vided by the Indian tribe or through agree-
23 ments, contracts, or compacts with intertribal
24 consortia, States, or other entities;

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

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

7 “(E) identifies the employment opportuni-
8 ties in or near the service area or areas of the
9 Indian tribe and the manner in which the In-
10 dian tribe will cooperate and participate in en-
11 hancing such opportunities for recipients of as-
12 sistance under the plan consistent with any ap-
13 plicable State standards; and

14 “(F) applies the fiscal accountability provi-
15 sions of section 5(f)(1) of the Indian Self-De-
16 termination and Education Assistance Act (25
17 U.S.C. 450c(f)(1)), relating to the submission
18 of a single-agency audit report required by
19 chapter 75 of title 31, United States Code.

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

23 “(3) CONSORTIUM OF TRIBES.—Nothing in this
24 section shall preclude the development and submis-

1 sion of a single plan by the participating Indian
2 tribes of an intertribal consortium.

3 “(d) MINIMUM WORK PARTICIPATION REQUIRE-
4 MENTS AND TIME LIMITS.—The Secretary, with the par-
5 ticipation of Indian tribes, shall establish for each Indian
6 tribe receiving a grant under this section minimum work
7 participation requirements, appropriate time limits for re-
8 ceipt of welfare-related services under such grant, and
9 penalties against individuals—

10 “(1) consistent with the purposes of this sec-
11 tion;

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

14 “(3) similar to comparable provisions in section
15 404(d).

16 “(e) EMERGENCY ASSISTANCE.—Nothing in this sec-
17 tion shall preclude an Indian tribe from seeking emergency
18 assistance from any Federal loan program or emergency
19 fund.

20 “(f) ACCOUNTABILITY.—Nothing in this section shall
21 be construed to limit the ability of the Secretary to main-
22 tain program funding accountability consistent with—

23 “(1) generally accepted accounting principles;
24 and

1 “(2) the requirements of the Indian Self-Deter-
2 mination and Education Assistance Act (25 U.S.C.
3 450 et seq.).

4 “(g) TRIBAL PENALTIES.—For the purpose of ensur-
5 ing the proper use of tribal family assistance grants, the
6 following provisions shall apply to an Indian tribe with an
7 approved tribal assistance plan:

8 “(1) The provisions of subsections (a)(1),
9 (a)(6), and (b) of section 407, in the same manner
10 as such subsections apply to a State.

11 “(2) The provisions of section 407(a)(3), except
12 that such subsection shall be applied by substituting
13 ‘the minimum requirements established under sub-
14 section (d) of section 414’ for ‘the minimum partici-
15 pation rates specified in section 404’.

16 “(h) DATA COLLECTION AND REPORTING.—For the
17 purpose of ensuring uniformity in data collection, section
18 409 shall apply to an Indian tribe with an approved tribal
19 family assistance plan.

20 “(i) SPECIAL RULE FOR INDIAN TRIBES IN ALAS-
21 KA.—

22 “(1) IN GENERAL.—Notwithstanding any other
23 provision of this section, and except as provided in
24 paragraph (2), an Indian tribe in the State of Alas-
25 ka that receives a tribal family assistance grant

1 under this section shall use such grant to operate a
2 program in accordance with the requirements appli-
3 cable to the program of the State of Alaska funded
4 under this part.

5 “(2) WAIVER.—An Indian tribe described in
6 paragraph (1) may apply to the appropriate State
7 authority to receive a waiver of the requirement of
8 paragraph (1).

9 **“SEC. 415. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

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

17 **“SEC. 416. LIMITATION ON FEDERAL AUTHORITY.**

18 “The Secretary of Health and Human Services and
19 the Secretary of the Treasury may not regulate the con-
20 duct of States under this part or enforce any provision
21 of this part, except to the extent expressly provided in this
22 part.

23 **“SEC. 417. APPEAL OF ADVERSE DECISION.**

24 “(a) IN GENERAL.—The Secretary shall notify the
25 chief executive officer of a State of any adverse decision

1 or action under this part, including any decision with re-
2 spect to the State’s plan or the imposition of a penalty
3 under section 407.

4 “(b) ADMINISTRATIVE REVIEW OF ADVERSE DECI-
5 SION.—

6 “(1) IN GENERAL.—Within 60 days after the
7 date a State receives notice of an adverse decision
8 under this section, the State may appeal the deci-
9 sion, in whole or in part, to the Departmental Ap-
10 peals Board established in the Department of Health
11 and Human Services (hereafter referred to in this
12 section as the ‘Board’) by filing an appeal with the
13 Board.

14 “(2) PROCEDURAL RULES.—The Board shall
15 consider a State’s appeal on the basis of such docu-
16 mentation as the State may submit and as the
17 Board may require to support the final decision of
18 the Board. In deciding whether to uphold an adverse
19 decision or any portion thereof, the Board shall con-
20 duct a thorough review of the issues and take into
21 account all relevant evidence. The Board shall make
22 a final determination with respect to an appeal filed
23 under this paragraph not less than 60 days after the
24 date the appeal is filed.

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

1 “(1) IN GENERAL.—Within 90 days after the
2 date of a final decision by the Board with respect to
3 an adverse decision regarding a State under this sec-
4 tion, the State may obtain judicial review of the final
5 decision (and the findings incorporated into the final
6 decision) by filing an action in—

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

11 “(B) the United States District Court for
12 the District of Columbia.

13 “(2) PROCEDURAL RULES.—The district court
14 in which an action is filed shall review the final deci-
15 sion of the Board on the record established in the
16 administrative proceeding, in accordance with the
17 standards of review prescribed by subparagraphs (A)
18 through (E) of section 706(2) of title 5, United
19 States Code. The review shall be on the basis of the
20 documents and supporting data submitted to the
21 Board.

22 **“SEC. 418. PERFORMANCE BONUS AND HIGH PERFORM-**
23 **ANCE BONUS.**

24 “(a) IN GENERAL.—

1 “(1) PERFORMANCE BONUS.—In addition to
2 the State family assistance grant, for fiscal year
3 2000, the Secretary shall pay to each qualified State
4 an amount equal to the State’s share of the perform-
5 ance bonus fund described in paragraph (3).

6 “(2) QUALIFIED STATE.—For purposes of this
7 subsection, the term ‘qualified State’ means a State
8 that during the measurement period—

9 “(A) exceeds the overall average perform-
10 ance achieved by all States with respect to a
11 measurement category, or

12 “(B) improves the State’s performance in
13 a measurement category by at least 15 percent
14 over the State’s baseline period.

15 “(3) BONUS FUND.—The amount of the bonus
16 fund for fiscal year 2000 shall be an amount equal
17 to 5 percent of the amount appropriated under sec-
18 tion 403(a)(2)(A) for such fiscal year.

19 “(b) HIGH PERFORMANCE BONUS.—

20 “(1) IN GENERAL.—In addition to the amount
21 provided under subsection (a), each of the 10 high
22 performance States in each measurement category
23 shall be entitled to receive a share of the high per-
24 formance bonus fund described in paragraph (3).

1 “(2) HIGH PERFORMANCE STATES.—For pur-
2 poses of this subsection, the term ‘high performance
3 States’ means with respect to each measurement
4 category during the measurement period—

5 “(A) the 5 States that have the highest
6 percentage of improvement with respect to the
7 State’s performance in the measurement cat-
8 egory over the State’s baseline period; and

9 “(B) the 5 States that have the highest
10 overall average performance with respect to the
11 measurement category.

12 “(3) HIGH PERFORMANCE BONUS FUND.—
13 There are authorized to be appropriated and there
14 are appropriated the amount of the high perform-
15 ance bonus fund for fiscal year 2000 equal to the
16 amount of the reduction in State family assistance
17 grants for all States for fiscal years 1996, 1997,
18 1998, and 1999 resulting from the application of
19 section 407.

20 “(c) DEFINITIONS AND SPECIAL RULES.— For pur-
21 poses of this section:

22 “(1) MEASUREMENT CATEGORY.—A measure-
23 ment category means any of the following categories:

24 “(A) A reduction in the average length of
25 time families in the State receive assistance

1 during a fiscal year under the State program
2 funded under this part.

3 “(B) An increase in the percentage of fam-
4 ilies receiving such assistance under this part
5 that receive child support payments under part
6 D.

7 “(C) An increase in the number of families
8 that received assistance under a State program
9 funded under this part in the preceding fiscal
10 year that became ineligible for assistance under
11 the State program as a result of unsubsidized
12 employment during such year.

13 “(D) An increase in the amount earned by
14 families that receive assistance under this part.

15 “(E) A reduction in the percentage of fam-
16 ilies that become eligible for assistance under
17 this part within 18 months after becoming ineli-
18 gible for such assistance.

19 “(2) MEASUREMENT PERIOD; BASELINE PE-
20 RIOD.—

21 “(A) MEASUREMENT PERIOD.—The term
22 ‘measurement period’ means the period begin-
23 ning not later than 6 months after the date of
24 the enactment of the Work Opportunity Act of
25 1995 and ending on September 30, 1999.

1 “(B) BASELINE PERIOD.—The term ‘base-
2 line period’ means fiscal year 1994.

3 “(3) ALLOCATION FORMULA.—For purposes of
4 determining a State’s share of the performance
5 bonus fund under subsection (a)(1), and the State’s
6 share of the high performance bonus fund under
7 subsection (b)(1), the Secretary shall, not later than
8 June 30, 1999, develop and publish in the Federal
9 Register a formula for allocating amounts in the
10 performance bonus fund to qualified States and a
11 formula for allocating amounts in the high perform-
12 ance bonus fund to high performance States. Such
13 formulas shall be based on each State’s proportional
14 share of the total amount appropriated under section
15 403(a)(2)(A) for fiscal year 2000.

16 **“SEC. 419. AMOUNTS FOR CHILD CARE.**

17 “(a) CHILD CARE ALLOCATION.—

18 “(1) IN GENERAL.—From the amount appro-
19 priated under section 403(a)(4)(A) for a fiscal year,
20 the Secretary shall set aside an amount equal to the
21 total amount of the Federal payments for fiscal year
22 1994 to States under section—

23 “(A) 402(g)(3)(A) of this Act (as such sec-
24 tion was in effect before October 1, 1995) for

1 amounts expended for child care pursuant to
2 paragraph (1) of such section;

3 “(B) 403(l)(1)(A) of this Act (as so in ef-
4 fect) for amounts expended for child care pur-
5 suant to section 402(g)(1)(A) of this Act, in the
6 case of a State with respect to which section
7 1108 of this Act applies; and

8 “(C) 403(n) of this Act (as so in effect)
9 for child care services pursuant to section
10 402(i) of this Act.

11 “(2) DISTRIBUTION.—From amounts set aside
12 for a fiscal year under paragraph (1), the Secretary
13 shall pay to a State an amount equal to the total
14 amounts of Federal payments for fiscal year 1994 to
15 the State under section—

16 “(A) 402(g)(3)(A) of this Act (as such sec-
17 tion was in effect before October 1, 1995) for
18 amounts expended for child care pursuant to
19 paragraph (1) of such section;

20 “(B) 403(l)(1)(A) of this Act (as so in ef-
21 fect) for amounts expended for child care pur-
22 suant to section 402(g)(1)(A) of this Act, in the
23 case of a State with respect to which section
24 1108 of this Act applies; and

1 “(C) 403(n) of this Act (as so in effect)
2 for child care services pursuant to section
3 402(i) of this Act.

4 “(3) USE OF FUNDS.—Amounts received by a
5 State under paragraph (2) shall only be used to pro-
6 vide child care assistance under this part.

7 “(4) FEDERAL PAYMENTS.—For purposes of
8 paragraphs (1) and (2), Federal payments for fiscal
9 year 1994 means such payments as reported by the
10 State on February 14, 1995.

11 “(b) ADDITIONAL APPROPRIATION.—

12 “(1) IN GENERAL.—There are authorized to be
13 appropriated and there are appropriated,
14 \$3,000,000,000 to be distributed to the States dur-
15 ing the 5-fiscal year period beginning in fiscal year
16 1996 for the provision of child care assistance.

17 “(2) DISTRIBUTION.—

18 “(A) IN GENERAL.—The Secretary shall
19 use amounts made available under paragraph
20 (1) to make grants to States. The total amount
21 of grants awarded to a State under this para-
22 graph shall be based on the formula used for
23 determining the amount of Federal payments to
24 the State for fiscal year 1994 under section
25 403(n) (as such section was in effect before Oc-

1 tober 1, 1995) for child care services pursuant
2 to section 402(i) as such amount relates to the
3 total amount of such Federal payments to all
4 States for such fiscal year.

5 “(B) FISCAL YEAR 2000.—With respect to
6 the last quarter of fiscal year 2000, if the Sec-
7 retary determines that any allotment to a State
8 under this subsection will not be used by such
9 State for carrying out the purpose for which the
10 allotment is available, the Secretary shall make
11 such allotment available for carrying out such
12 purpose to 1 or more other States which apply
13 for such funds to the extent the Secretary de-
14 termines that such other States will be able to
15 use such additional allotments for carrying out
16 such purpose. Such available allotments shall be
17 reallocated to a State pursuant to section
18 402(i) (as such section was in effect before Oc-
19 tober 1, 1995) by substituting ‘the number of
20 children residing in all States applying for such
21 funds’ for ‘the number of children residing in
22 the United States in the second preceding fiscal
23 year’. Any amount made available to a State
24 from an appropriation for a fiscal year in ac-
25 cordance with the preceding sentence shall, for

1 purposes of this part, be regarded as part of
2 such State's payment (as determined under this
3 subsection) for such year.

4 “(3) AMOUNT OF FUNDS.—The Secretary shall
5 pay to each eligible State in a fiscal year an amount
6 equal to the Federal medical assistance percentage
7 for such State for such fiscal year (as defined in sec-
8 tion 1905(b)) of so much of the expenditures by the
9 State for child care in such year as exceed the State
10 set-aside for such State under subsection (a) for
11 such year and the amount of State expenditures in
12 fiscal year 1994 that equal the non-Federal share
13 for the programs described in subparagraphs (A),
14 (B) and (C) of subsection (a)(1).

15 “(4) BUDGET SCORING.—Notwithstanding sec-
16 tion 257(b)(2) of the Balanced Budget and Emer-
17 gency Deficit Control Act of 1985, the baseline shall
18 assume that no grant shall be made under this sub-
19 section after fiscal year 2000.

20 “(c) ADMINISTRATIVE PROVISIONS.—

21 “(1) STATE OPTION.—For purposes of section
22 402(a)(1)(B), a State may, at its option, not require
23 a single parent with a child under the age of 6 to
24 participate in work for more than an average of 20
25 hours per week during a month and may count such

1 parent as being engaged in work for a month for
2 purposes, of section 404(c)(1) if such parent partici-
3 pates in work for an average of 20 hours per week
4 during such month.

5 “(2) RULE OF CONSTRUCTION.—Nothing in
6 this section shall be construed to provide an entitle-
7 ment to child care services to any child.

8 **“SEC. 420. ELIGIBILITY FOR CHILD CARE ASSISTANCE.**

9 Notwithstanding section 658T of the Child Care and
10 Development Block Grant Act of 1990, the State agency
11 specified in section 402(a)(6) shall determine eligibility for
12 child care assistance provided under this part in accord-
13 ance with criteria determined by the State.

14 **“SEC. 421. COLLECTION OF OVERPAYMENTS FROM FED-**
15 **ERAL TAX REFUNDS.**

16 “(a) IN GENERAL.—Upon receiving notice from the
17 Secretary of Health and Human Services that a State
18 agency administering a plan approved under this part has
19 notified the Secretary that a named individual has been
20 overpaid under the State plan approved under this part,
21 the Secretary of the Treasury shall determine whether any
22 amounts as refunds of Federal taxes paid are payable to
23 such individual, regardless of whether such individual filed
24 a tax return as a married or unmarried individual. If the
25 Secretary of the Treasury finds that any such amount is

1 payable, the Secretary shall withhold from such refunds
2 an amount equal to the overpayment sought to be collected
3 by the State and pay such amount to the State agency.

4 “(b) REGULATIONS.—The Secretary of the Treasury
5 shall issue regulations, after review by the Secretary of
6 Health and Human Services, that provide—

7 “(1) that a State may only submit under sub-
8 section (a) requests for collection of overpayments
9 with respect to individuals—

10 “(A) who are no longer receiving assist-
11 ance under the State plan approved under this
12 part,

13 “(B) with respect to whom the State has
14 already taken appropriate action under State
15 law against the income or resources of the indi-
16 viduals or families involved to collect the past-
17 due legally enforceable debt; and

18 “(C) to whom the State agency has given
19 notice of its intent to request withholding by
20 the Secretary of the Treasury from the income
21 tax refunds of such individuals;

22 “(2) that the Secretary of the Treasury will
23 give a timely and appropriate notice to any other
24 person filing a joint return with the individual whose

1 refund is subject to withholding under subsection
2 (a); and

3 “(3) the procedures that the State and the Sec-
4 retary of the Treasury will follow in carrying out
5 this section which, to the maximum extent feasible
6 and consistent with the specific provisions of this
7 section, will be the same as those issued pursuant to
8 section 464(b) applicable to collection of past-due
9 child support.”.

10 (c) CONFORMING AMENDMENTS RELATING TO COL-
11 LECTION OF OVERPAYMENTS.—

12 (1) Section 6402 of the Internal Revenue Code
13 of 1986 (relating to authority to make credits or re-
14 funds) is amended—

15 (A) in subsection (a), by striking “(c) and
16 (d)” and inserting “(c), (d), and (e)”;

17 (B) by redesignating subsections (e)
18 through (i) as subsections (f) through (j), re-
19 spectively; and

20 (C) by inserting after subsection (d) the
21 following:

22 “(e) COLLECTION OF OVERPAYMENTS UNDER TITLE
23 IV–A OF THE SOCIAL SECURITY ACT.—The amount of
24 any overpayment to be refunded to the person making the
25 overpayment shall be reduced (after reductions pursuant

1 to subsections (c) and (d), but before a credit against fu-
2 ture liability for an internal revenue tax) in accordance
3 with section 421 of the Social Security Act (concerning
4 recovery of overpayments to individuals under State plans
5 approved under part A of title IV of such Act).”.

6 (2) Paragraph (10) of section 6103(l) of such
7 Code is amended—

8 (A) by striking “(c) or (d)” each place it
9 appears and inserting “(c), (d), or (e)”; and

10 (B) by adding at the end of subparagraph
11 (B) the following new sentence: “Any return in-
12 formation disclosed with respect to section
13 6402(e) shall only be disclosed to officers and
14 employees of the State agency requesting such
15 information.”.

16 (3) The matter preceding subparagraph (A) of
17 section 6103(p)(4) of such Code is amended—

18 (A) by striking “(5), (10)” and inserting
19 “(5)”; and

20 (B) by striking “(9), or (12)” and insert-
21 ing “(9), (10), or (12)”.

22 (4) Section 552a(a)(8)(B)(iv)(III) of title 5,
23 United States Code, is amended by striking “section
24 464 or 1137 of the Social Security Act” and insert-

1 (i) permits contracts with organiza-
2 tions; or

3 (ii) permits certificates, vouchers, or
4 other forms of disbursement to be provided
5 to beneficiaries, as a means of providing
6 assistance.

7 (b) RELIGIOUS ORGANIZATIONS.—The purpose of
8 this section is to allow religious organizations to contract,
9 or to accept certificates, vouchers, or other forms of dis-
10 bursement under any program described in subsection
11 (a)(2), on the same basis as any other provider without
12 impairing the religious character of such organizations,
13 and without diminishing the religious freedom of bene-
14 ficiaries of assistance funded under such program.

15 (c) NONDISCRIMINATION AGAINST RELIGIOUS ORGA-
16 NIZATIONS.—Religious organizations are eligible, on the
17 same basis as any other private organization, as contrac-
18 tors to provide assistance, or to accept certificates, vouch-
19 ers, or other forms of disbursement, under any program
20 described in subsection (a)(2) so long as the programs are
21 implemented consistent with the Establishment Clause of
22 the United States Constitution. Neither the Federal Gov-
23 ernment nor a State receiving funds under such programs
24 shall discriminate against an organization which is or ap-
25 plies to be a contractor to provide assistance, or which

1 accepts certificates, vouchers, or other forms of disburse-
2 ment, on the basis that the organization has a religious
3 character.

4 (d) RELIGIOUS CHARACTER AND FREEDOM.—

5 (1) RELIGIOUS ORGANIZATIONS.—Notwith-
6 standing any other provision of law, any religious or-
7 ganization with a contract described in subsection
8 (a)(1)(A), or which accepts certificates, vouchers, or
9 other forms of disbursement under subsection
10 (a)(1)(B), shall retain its independence from Fed-
11 eral, State, and local governments, including such
12 organization's control over the definition, develop-
13 ment, practice, and expression of its religious beliefs.

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

17 (A) alter its form of internal governance;

18 or

19 (B) remove religious art, icons, scripture,
20 or other symbols;

21 in order to be eligible to contract to provide assist-
22 ance, or to accept certificates, vouchers, or other
23 forms of disbursement, funded under a program de-
24 scribed in subsection (a)(2).

25 (e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

1 (1) IN GENERAL.—If an individual described in
2 paragraph (2) has an objection to the religious char-
3 acter of the organization or institution from which
4 the individual receives, or would receive, assistance
5 funded under any program described in subsection
6 (a)(2), the State in which the individual resides shall
7 provide such individual (if otherwise eligible for such
8 assistance) with assistance from an alternative pro-
9 vider the value of which is not less than the value
10 of the assistance which the individual would have re-
11 ceived from such organization.

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

16 (f) NONDISCRIMINATION IN EMPLOYMENT.—

17 (1) IN GENERAL.—Except as provided in para-
18 graph (2), nothing in this section shall be construed
19 to modify or affect the provisions of any other Fed-
20 eral or State law or regulation that relates to dis-
21 crimination in employment on the basis of religion.

22 (2) EXCEPTION.—A religious organization with
23 a contract described in subsection (a)(1)(A), or
24 which accepts certificates, vouchers, or other forms
25 of disbursement under subsection (a)(1)(B), may re-

1 quire that an employee rendering service pursuant to
2 such contract, or pursuant to the organization's ac-
3 ceptance of certificates, vouchers, or other forms of
4 disbursement adhere to—

5 (A) the religious tenets and teachings of
6 such organization; and

7 (B) any rules of the organization regarding
8 the use of drugs or alcohol.

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

16 (h) FISCAL ACCOUNTABILITY.—

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

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

6 (i) COMPLIANCE.—A religious organization which has
7 its rights under this section violated may enforce its claim
8 exclusively by asserting a civil action for such relief as may
9 be appropriate, including injunctive relief or damages, in
10 an appropriate State court against the entity or agency
11 that allegedly commits such violation.

12 **SEC. 103. LIMITATIONS ON USE OF FUNDS FOR CERTAIN**
13 **PURPOSES.**

14 No funds provided directly to institutions or organi-
15 zations to provide services and administer programs de-
16 scribed in section 102(a)(2) and programs established or
17 modified under this Act shall be expended for sectarian
18 worship or instruction. This section shall not apply to fi-
19 nancial assistance provided to or on behalf of beneficiaries
20 of assistance in the form of certificates, vouchers, or other
21 forms of disbursement, if such beneficiary may choose
22 where such assistance shall be redeemed.

1 **SEC. 104. CONTINUED APPLICATION OF CURRENT STAND-**
2 **ARDS UNDER MEDICAID PROGRAM.**

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

5 (1) in section 1931, by inserting “subject to
6 section 1931(a),” after “under this title,” and by re-
7 designating such section as section 1932; and

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

10 “CONTINUED APPLICATION OF AFDC STANDARDS

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

13 “(1) except as provided in paragraph (2), any
14 reference in this title (or other provision of law in
15 relation to the operation of this title) to a provision
16 of part A of title IV of this Act, or a State plan
17 under such part, shall be considered a reference to
18 such provision or plan as in effect as of June 1,
19 1995, with respect to the State and eligibility for
20 medical assistance under this title shall be deter-
21 mined as if such provision or plan (as in effect as
22 of such date) had remained in effect on and after
23 October 1, 1995; and

24 “(2) any reference in section 1902(a)(5) or
25 1902(a)(55) to a State plan approved under part A
26 of title IV shall be deemed a reference to a State

1 program funded under such part (as in effect on and
2 after October 1, 1995).

3 “(b) In the case of a waiver of a provision of part
4 A of title IV in effect with respect to a State as of June
5 1, 1995, if the waiver affects eligibility of individuals for
6 medical assistance under this title, such waiver may, at
7 the option of the State, continue to be applied in relation
8 to this title after the date the waiver would otherwise ex-
9 pire.”.

10 (b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C.
11 1396a(a)) is amended—

12 (1) by striking “and” at the end of paragraph
13 (61);

14 (2) by striking the period at the end of para-
15 graph (62) and inserting “; and”; and

16 (3) by inserting after paragraph (62) the fol-
17 lowing new paragraph:

18 “(63) provide for continuing to administer eligi-
19 bility standards with respect to individuals who are
20 (or seek to be) eligible for medical assistance based
21 on the application of section 1931.”.

22 (c) CONFORMING AMENDMENTS.—(1) Section
23 1902(c) (42 U.S.C. 1396a(c)) is amended by striking
24 “if—” and all that follows and inserting the following: “if
25 the State requires individuals described in subsection

1 (l)(1) to apply for assistance under the State program
2 funded under part A of title IV as a condition of applying
3 for or receiving medical assistance under this title.”.

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

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

9 **SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY**
10 **CAREGIVERS FOR THEIR GRANDCHILDREN.**

11 (a) IN GENERAL.—Not later than 90 days after the
12 date of the enactment of this Act, the Secretary of Com-
13 merce (hereafter in this section referred to as the “Sec-
14 retary”), in carrying out the provisions of section 141 of
15 title 13, United States Code, shall expand the data collec-
16 tion efforts of the Bureau of the Census (hereafter in this
17 section referred to as the “Bureau”) to enable the Bureau
18 to collect statistically significant data, in connection with
19 its decennial census and its mid-decade census, concerning
20 the growing trend of grandparents who are the primary
21 caregivers for their grandchildren.

22 (b) EXPANDED CENSUS QUESTION.—In carrying out
23 the provisions of subsection (a), the Secretary shall expand
24 the Bureau’s census question that details households
25 which include both grandparents and their grandchildren.

1 The expanded question shall be formulated to distinguish
2 between the following households:

3 (1) A household in which a grandparent tempo-
4 rarily provides a home for a grandchild for a period
5 of weeks or months during periods of parental dis-
6 tress.

7 (2) A household in which a grandparent pro-
8 vides a home for a grandchild and serves as the pri-
9 mary caregiver for the grandchild.

10 **SEC. 105A. DEVELOPMENT OF PROTOTYPE OF COUNTER-**

11 **FEIT-RESISTANT SOCIAL SECURITY CARD RE-**
12 **QUIRED.**

13 (a) DEVELOPMENT.—

14 (1) IN GENERAL.—The Commissioner of Social
15 Security (hereafter in this section referred to as the
16 “Commissioner”) shall in accordance with the provi-
17 sions of this section develop a prototype of a coun-
18 terfeit-resistant social security card. Such prototype
19 card shall—

20 (A) be made of a durable, tamper-resistant
21 material such as plastic or polyester,

22 (B) employ technologies that provide secu-
23 rity features, such as magnetic stripes,
24 holograms, and integrated circuits, and

1 (C) be developed so as to provide individ-
2 uals with reliable proof of citizenship or legal
3 resident alien status.

4 (2) ASSISTANCE BY ATTORNEY GENERAL.—The
5 Attorney General of the United States shall provide
6 such information and assistance as the Commis-
7 sioner deems necessary to achieve the purposes of
8 this section.

9 (b) STUDY AND REPORT.—

10 (1) IN GENERAL.—The Commissioner shall con-
11 duct a study and issue a report to Congress which
12 examines different methods of improving the social
13 security card application process.

14 (2) ELEMENTS OF STUDY.—The study shall in-
15 clude an evaluation of the cost and work load impli-
16 cations of issuing a counterfeit-resistant social secu-
17 rity card for all individuals over a 3, 5, and 10 year
18 period. The study shall also evaluate the feasibility
19 and cost implications of imposing a user fee for re-
20 placement cards and cards issued to individuals who
21 apply for such a card prior to the scheduled 3, 5,
22 and 10 year phase-in options.

23 (3) DISTRIBUTION OF REPORT.—Copies of the
24 report described in this subsection along with a fac-
25 simile of the prototype card as described in sub-

1 section (a) shall be submitted to the Committees on
2 Ways and Means and Judiciary of the House of
3 Representatives and the Committees on Finance and
4 Judiciary of the Senate within 1 year of the date of
5 the enactment of this Act.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated and are appropriated
8 from the Federal Old-Age and Survivors Insurance Trust
9 Fund such sums as may be necessary to carry out the
10 purposes of this section.

11 **SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SE-**
12 **CURITY ACT.**

13 (a) AMENDMENTS TO TITLE II.—

14 (1) Section 205(c)(2)(C)(vi) (42 U.S.C.
15 405(c)(2)(C)(vi)), as so redesignated by section
16 321(a)(9)(B) of the Social Security Independence
17 and Program Improvements Act of 1994, is amend-
18 ed—

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

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

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

4 (b) AMENDMENT TO PART B OF TITLE IV.—Section
5 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking
6 “under the State plan approved” and inserting “under the
7 State program funded.”.

8 (c) AMENDMENTS TO PART D OF TITLE IV.—

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

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

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

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

19 (C) by striking “402(a)(26) or”.

20 (3) Section 452(a)(10)(F) (42 U.S.C.
21 652(a)(10)(F)) is amended—

22 (A) by striking “aid under a State plan ap-
23 proved” and inserting “assistance under a State
24 program funded”; and

1 (B) by striking “in accordance with the
2 standards referred to in section
3 402(a)(26)(B)(ii)” and inserting “by the
4 State”.

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

10 (5) Section 452(d)(3)(B)(i) (42 U.S.C.
11 652(d)(3)(B)(i)) is amended by striking “1115(c)”
12 and inserting “1115(b)”.

13 (6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C.
14 652(g)(2)(A)(ii)(I)) is amended by striking “aid is
15 being paid under the State’s plan approved under
16 part A or E” and inserting “assistance is being pro-
17 vided under the State program funded under part A
18 or aid is being paid under the State’s plan approved
19 under part E”.

20 (7) Section 452(g)(2)(A) (42 U.S.C.
21 652(g)(2)(A)) is amended in the matter following
22 clause (iii) by striking “aid was being paid under the
23 State’s plan approved under part A or E” and in-
24 serting “assistance was being provided under the

1 State program funded under part A or aid was being
2 paid under the State’s plan approved under part E”.

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

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

10 (B) by inserting “by the State agency ad-
11 ministering the State plan approved under this
12 part” after “found”; and

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

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

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

21 (11) Section 454 (42 U.S.C. 654)) is amend-
22 ed—

23 (A) in paragraph (5)(A)—

24 (i) by striking “under section
25 402(a)(26)”;

1 (ii) by striking “except that this para-
2 graph shall not apply to such payments for
3 any month following the first month in
4 which the amount collected is sufficient to
5 make such family ineligible for assistance
6 under the State plan approved under part
7 A;” and

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

11 (12) Section 456 (42 U.S.C. 656) is amended—

12 (A) in subsection (a)(1), by striking
13 “under section 402(a)(26)”; and

14 (B) by striking subsection (b) and insert-
15 ing the following:

16 “(b) A debt which is a support obligation enforceable
17 under this title is not released by a discharge in bank-
18 ruptcy under title 11, United States Code.”.

19 (13) Section 466(a)(3)(B) (42 U.S.C.
20 666(a)(3)(B)) is amended by striking “402(a)(26)
21 or”.

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

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

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

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

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

9 (1) Section 470 (42 U.S.C. 670) is amended—

10 (A) by striking “would be” and inserting
11 “would have been”; and

12 (B) by inserting “(as such plan was in ef-
13 fect on June 1, 1995)” after “part A”.

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

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

20 (A) in the matter preceding paragraph

21 (1)—

22 (i) by striking “would meet” and in-
23 sserting “would have met”;

1 (ii) by inserting “(as such sections
2 were in effect on June 1, 1995)” after
3 “407”; and

4 (iii) by inserting “(as so in effect)”
5 after “406(a)”; and

6 (B) in paragraph (4)—

7 (i) in subparagraph (A)—

8 (I) by inserting “would have”
9 after “(A)”; and

10 (II) by inserting “(as in effect on
11 June 1, 1995)” after “section 402”;
12 and

13 (ii) in subparagraph (B)(ii), by insert-
14 ing “(as in effect on June 1, 1995)” after
15 “406(a)”.

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

18 “(h)(1) For purposes of title XIX, any child with re-
19 spect to whom foster care maintenance payments are
20 made under this section shall be deemed to be a dependent
21 child as defined in section 406 (as in effect as of June
22 1, 1995) and shall be deemed to be a recipient of aid to
23 families with dependent children under part A of this title
24 (as so in effect). For purposes of title XX, any child with
25 respect to whom foster care maintenance payments are

1 made under this section shall be deemed to be a minor
2 child in a needy family under a State program funded
3 under part A and shall be deemed to be a recipient of
4 assistance under such part.

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

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

14 (A) in subparagraph (A)(i)—

15 (i) by inserting “(as such sections
16 were in effect on June 1, 1995)” after
17 “407”;

18 (ii) by inserting “(as so in effect)”
19 after “specified in section 406(a)”; and

20 (iii) by inserting “(as such section was
21 in effect on June 1, 1995)” after “403”;

22 (B) in subparagraph (B)(i)—

23 (i) by inserting “would have” after
24 “(B)(i)”; and

1 (ii) by inserting “(as in effect on June
2 1, 1995)” after “section 402”; and

3 (C) in subparagraph (B)(ii)(II), by insert-
4 ing “(as in effect on June 1, 1995)” after
5 “406(a)”.

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

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

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

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

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

24 “(ii) with respect to whom an adoption assist-
25 ance agreement is in effect under this section

1 (whether or not adoption assistance payments are
2 provided under the agreement or are being made
3 under this section), including any such child who has
4 been placed for adoption in accordance with applica-
5 ble State and local law (whether or not an interlocu-
6 tory or other judicial decree of adoption has been is-
7 sued), or

8 “(B) with respect to whom foster care mainte-
9 nance payments are being made under section 472.

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

17 (e) AMENDMENT TO TITLE X.—Section 1002(a)(7)
18 (42 U.S.C. 1202(a)(7)) is amended by striking “aid to
19 families with dependent children under the State plan ap-
20 proved under section 402 of this Act” and inserting “as-
21 sistance under a State program funded under part A of
22 title IV”.

23 (f) AMENDMENTS TO TITLE XI.—

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

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

3 (A) in subsection (a)(2)—

4 (i) by inserting “(A)” after “(2)”;

5 (ii) by striking “403,”;

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

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

10 “(B) costs of such project which would not oth-
11 erwise be a permissible use of funds under part A
12 of title IV and which are not included as part of the
13 costs of projects under section 1110, shall to the ex-
14 tent and for the period prescribed by the Secretary,
15 be regarded as a permissible use of funds under
16 such part.”; and

17 (B) in subsection (c)(3), by striking
18 “under the program of aid to families with de-
19 pendent children” and inserting “part A of
20 such title”.

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

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

1 (B) in subsection (a)(3), by striking
2 “404,”.

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

5 (A) by striking “403(a),”;

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

7 and

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

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

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

14 (B) by striking “403(a),”.

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

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

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

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

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

25 (B) in subsection (d)(1)(B)—

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

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

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

9 (9) Section 1108 (42 U.S.C. 1308) is amend-
10 ed—

11 (A) in subsection (a)—

12 (i) in the matter preceding paragraph
13 (1)—

14 (I) by inserting “(or paid, in the
15 case of part A of title IV)” after “cer-
16 tified”; and

17 (II) by striking “or, in the case
18 of” and all that follows through “sec-
19 tion 403(k)”;

20 (ii) in paragraph (1)—

21 (I) in subparagraph (F), by strik-
22 ing “or”;

23 (II) in subparagraph (G), by
24 striking “the fiscal year 1989 and
25 each fiscal year thereafter;” and in-

1 serting “each of the fiscal years 1989
2 through 1995, or”; and

3 (III) by inserting after subpara-
4 graph (G), the following new subpara-
5 graph:

6 “(H) \$100,039,000 with respect to fiscal
7 year 1996 and each fiscal year thereafter;”;

8 (iii) in paragraph (2)—

9 (I) in subparagraph (F), by strik-
10 ing “or”;

11 (II) in subparagraph (G), by
12 striking “the fiscal year 1989 and
13 each fiscal year thereafter;” and in-
14 serting “each of the fiscal years 1989
15 through 1995, or”; and

16 (III) by inserting after subpara-
17 graph (G), the following new subpara-
18 graph:

19 “(H) \$3,489,000 with respect to fiscal
20 year 1996 and each fiscal year thereafter;” and

21 (iv) in paragraph (3)—

22 (I) in subparagraph (F), by strik-
23 ing “or”;

24 (II) in subparagraph (G), by
25 striking “the fiscal year 1989 and

1 each fiscal year thereafter.” and in-
2 sserting “each of the fiscal years 1989
3 through 1995, or”; and

4 (III) by inserting after subpara-
5 graph (G), the following new subpara-
6 graph:

7 “(H) \$4,593,000 with respect to fiscal
8 year 1996 and each fiscal year thereafter.”; and

9 (B) in subsection (d), by striking “(exclu-
10 sive of any amounts” and all that follows
11 through “section 403(k) applies”).

12 (g) AMENDMENT TO TITLE XIV.—Section
13 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking
14 “aid to families with dependent children under the State
15 plan approved under section 402 of this Act” and insert-
16 ing “assistance under a State program funded under part
17 A of title IV”.

18 (h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
19 RESPECT TO THE TERRITORIES.—Section 1602(a)(11),
20 as in effect without regard to the amendment made by
21 section 301 of the Social Security Amendments of 1972
22 (42 U.S.C. 1382 note), is amended by striking “aid under
23 the State plan approved” and inserting “assistance under
24 a State program funded”.

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

5 **SEC. 107. CONFORMING AMENDMENTS TO THE FOOD**
6 **STAMP ACT OF 1977 AND RELATED PROVI-**
7 **SIONS.**

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

10 (1) in the second sentence of subsection (a), by
11 striking “plan approved” and all that follows
12 through “title IV of the Social Security Act” and in-
13 sserting “program funded under part A of title IV of
14 the Social Security Act (42 U.S.C. 601 et seq.) that
15 the Secretary determines complies with standards
16 established by the Secretary that ensure that the
17 standards under the State program are comparable
18 to or more restrictive than those in effect on June
19 1, 1995”;

20 (2) in subsection (d)(5)—

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

1 (B) by striking paragraph (13) and redesi-
2 gnating paragraphs (14), (15), and (16) as
3 paragraphs (13), (14), and (15), respectively;

4 (3) in subsection (j), by striking “plan approved
5 under part A of title IV of such Act (42 U.S.C. 601
6 et seq.)” and inserting “program funded under part
7 A of title IV of the Act (42 U.S.C. 601 et seq.) that
8 the Secretary determines complies with standards
9 established by the Secretary that ensure that the
10 standards under the State program are comparable
11 to or more restrictive than those in effect on June
12 1, 1995”.

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

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

18 (2) in subsection (e)—

19 (A) by striking “aid to families with de-
20 pendent children” and inserting “benefits under
21 a State program funded”; and

22 (B) by inserting before the semicolon the
23 following: “that the Secretary determines com-
24 plies with standards established by the Sec-
25 retary that ensure that the standards under the

1 State program are comparable to or more re-
2 strictive than those in effect on June 1, 1995”;
3 and

4 (3) by adding at the end the following new sub-
5 section:

6 “(i) Notwithstanding any other provision of this Act,
7 a household may not receive benefits under this Act as
8 a result of the household’s eligibility under a State pro-
9 gram funded under part A of title IV of the Social Secu-
10 rity Act (42 U.S.C. 601 et seq.), unless the Secretary de-
11 termines that any household with income above 130 per-
12 cent of the poverty guidelines is not eligible for the pro-
13 gram.”.

14 (c) Section 16(g)(4) of such Act (7 U.S.C.
15 2025(g)(4)) is amended by striking “State plans under the
16 Aid to Families with Dependent Children Program under”
17 and inserting “State programs funded under part A of”.

18 (d) Section 17 of such Act (7 U.S.C. 2026) is amend-
19 ed—

20 (1) in the first sentence of subsection (b)(1)(A),
21 by striking “to aid to families with dependent chil-
22 dren under part A of title IV of the Social Security
23 Act” and inserting “or are receiving assistance
24 under a State program funded under part A of title

1 IV of the Social Security Act (42 U.S.C. 601 et
2 seq.)”); and

3 (2) in subsection (b)(3), by adding at the end
4 the following new subparagraph:

5 “(I) The Secretary may not grant a waiver
6 under this paragraph on or after October 1, 1995.
7 Any reference in this paragraph to a provision of
8 title IV of the Social Security Act shall be deemed
9 to be a reference to such provision as in effect on
10 September 30, 1995.”;

11 (e) Section 20 of such Act (7 U.S.C. 2029) is amend-
12 ed—

13 (1) in subsection (a)(2)(B) by striking “operat-
14 ing—” and all that follows through “(ii) any other”
15 and inserting “operating any”; and

16 (2) in subsection (b)—

17 (A) in paragraph (1)—

18 (i) by striking “(b)(1) A household”
19 and inserting “(b) A household”; and

20 (ii) in subparagraph (B), by striking
21 “training program” and inserting “activ-
22 ity”;

23 (B) by striking paragraph (2); and

1 (C) by redesignating subparagraphs (A)
2 through (F) as paragraphs (1) through (6), re-
3 spectively.

4 (f) Section 5(h)(1) of the Agriculture and Consumer
5 Protection Act of 1973 (Public Law 93–186; 7 U.S.C.
6 612c note) is amended by striking “the program for aid
7 to families with dependent children” and inserting “the
8 State program funded”.

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

11 (1) in subsection (b)—

12 (A) in paragraph (2)(C)(ii)(II)—

13 (i) by striking “program for aid to
14 families with dependent children” and in-
15 serting “State program funded”; and

16 (ii) by inserting before the period at
17 the end the following: “that the Secretary
18 determines complies with standards estab-
19 lished by the Secretary that ensure that
20 the standards under the State program are
21 comparable to or more restrictive than
22 those in effect on June 1, 1995”; and

23 (B) in paragraph (6)—

24 (i) in subparagraph (A)(ii)—

1 (I) by striking “an AFDC assist-
2 ance unit (under the aid to families
3 with dependent children program au-
4 thorized” and inserting “a family
5 (under the State program funded”;
6 and

7 (II) by striking “, in a State”
8 and all that follows through
9 “9902(2))” and inserting “that the
10 Secretary determines complies with
11 standards established by the Secretary
12 that ensure that the standards under
13 the State program are comparable to
14 or more restrictive than those in effect
15 on June 1, 1995”; and

16 (ii) in subparagraph (B), by striking
17 “aid to families with dependent children”
18 and inserting “assistance under the State
19 program funded under part A of title IV
20 of the Social Security Act (42 U.S.C. 601
21 et seq.) that the Secretary determines com-
22 plies with standards established by the
23 Secretary that ensure that the standards
24 under the State program are comparable

1 to or more restrictive than those in effect
2 on June 1, 1995”; and

3 (2) in subsection (d)(2)(C)—

4 (A) by striking “program for aid to fami-
5 lies with dependent children” and inserting
6 “State program funded”; and

7 (B) by inserting before the period at the
8 end the following: “that the Secretary deter-
9 mines complies with standards established by
10 the Secretary that ensure that the standards
11 under the State program are comparable to or
12 more restrictive than those in effect on June 1,
13 1995”.

14 (h) Section 17 of the Child Nutrition Act of 1966
15 (42 U.S.C. 1786) is amended—

16 (1) in subsection (d)(2)(A)(ii)(II)—

17 (A) by striking “program for aid to fami-
18 lies with dependent children established” and
19 inserting “State program funded”; and

20 (B) by inserting before the semicolon the
21 following: “that the Secretary determines com-
22 plies with standards established by the Sec-
23 retary that ensure that the standards under the
24 State program are comparable to or more re-
25 strictive than those in effect on June 1, 1995”;

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

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

9 **SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.**

10 (a) Subsection (b) of section 508 of the Unemploy-
11 ment Compensation Amendments of 1976 (Public Law
12 94–566; 90 Stat. 2689) is amended to read as follows:

13 “(b) PROVISION FOR REIMBURSEMENT OF EX-
14 PENSES.—For purposes of section 455 of the Social Secu-
15 rity Act, expenses incurred to reimburse State employment
16 offices for furnishing information requested of such of-
17 fices—

18 “(1) pursuant to the third sentence of section
19 3(a) of the Act entitled ‘An Act to provide for the
20 establishment of a national employment system and
21 for cooperation with the States in the promotion of
22 such system, and for other purposes’, approved June
23 6, 1933 (29 U.S.C. 49b(a)), or

24 “(2) by a State or local agency charged with
25 the duty of carrying a State plan for child support

1 approved under part D of title IV of the Social Se-
2 curity Act,
3 shall be considered to constitute expenses incurred in the
4 administration of such State plan.”.

5 (b) Section 9121 of the Omnibus Budget Reconcili-
6 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

7 (c) Section 9122 of the Omnibus Budget Reconcili-
8 ation Act of 1987 (42 U.S.C. 602 note) is repealed.

9 (d) Section 221 of the Housing and Urban-Rural Re-
10 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-
11 ment under AFDC of certain rental payments for federally
12 assisted housing, is repealed.

13 (e) Section 159 of the Tax Equity and Fiscal Respon-
14 sibility Act of 1982 (42 U.S.C. 602 note) is repealed.

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

17 (g) Section 903 of the Stewart B. McKinney Home-
18 less Assistance Amendments Act of 1988 (42 U.S.C.
19 11381 note), relating to demonstration projects to reduce
20 number of AFDC families in welfare hotels, is amended—

21 (1) in subsection (a), by striking “aid to fami-
22 lies with dependent children under a State plan ap-
23 proved” and inserting “assistance under a State pro-
24 gram funded”; and

1 (2) in subsection (c), by striking “aid to fami-
2 lies with dependent children in the State under a
3 State plan approved” and inserting “assistance in
4 the State under a State program funded”.

5 (h) The Higher Education Act of 1965 (20 U.S.C.
6 1001 et seq.) is amended—

7 (1) in section 404C(c)(3) (20 U.S.C. 1070a-
8 23(c)(3)), by striking “(Aid to Families with De-
9 pendent Children)”; and

10 (2) in section 480(b)(2) (20 U.S.C.
11 1087vv(b)(2)), by striking “aid to families with de-
12 pendent children under a State plan approved” and
13 inserting “assistance under a State program fund-
14 ed”.

15 (i) The Carl D. Perkins Vocational and Applied Tech-
16 nology Education Act (20 U.S.C. 2301 et seq.) is amend-
17 ed—

18 (1) in section 231(d)(3)(A)(ii) (20 U.S.C.
19 2341(d)(3)(A)(ii)), by striking “the program for aid
20 to dependent children” and inserting “the State pro-
21 gram funded”;

22 (2) in section 232(b)(2)(B) (20 U.S.C.
23 2341a(b)(2)(B)), by striking “the program for aid to
24 families with dependent children” and inserting “the
25 State program funded”; and

1 (3) in section 521(14)(B)(iii) (20 U.S.C.
2 2471(14)(B)(iii)), by striking “the program for aid
3 to families with dependent children” and inserting
4 “the State program funded”.

5 (j) The Elementary and Secondary Education Act of
6 1965 (20 U.S.C. 2701 et seq.) is amended—

7 (1) in section 1113(a)(5) (20 U.S.C.
8 6313(a)(5)), by striking “Aid to Families with De-
9 pendent Children Program” and inserting “State
10 program funded under part A of title IV of the So-
11 cial Security Act”;

12 (2) in section 1124(e)(5) (20 U.S.C.
13 6333(e)(5)), by striking “the program of aid to fam-
14 ilies with dependent children under a State plan ap-
15 proved under” and inserting “a State program fund-
16 ed under part A of”; and

17 (3) in section 5203(b)(2) (20 U.S.C.
18 7233(b)(2))—

19 (A) in subparagraph (A)(xi), by striking
20 “Aid to Families with Dependent Children ben-
21 efits” and inserting “assistance under a State
22 program funded under part A of title IV of the
23 Social Security Act”; and

24 (B) in subparagraph (B)(viii), by striking
25 “Aid to Families with Dependent Children” and

1 inserting “assistance under the State program
2 funded under part A of title IV of the Social
3 Security Act”.

4 (k) Chapter VII of title I of Public Law 99–88 (25
5 U.S.C. 13d–1) is amended to read as follows: “*Provided*
6 *further*, That general assistance payments made by the
7 Bureau of Indian Affairs shall be made—

8 “(1) after April 29, 1985, and before October
9 1, 1995, on the basis of Aid to Families with De-
10 pendent Children (AFDC) standards of need; and

11 “(2) on and after October 1, 1995, on the basis
12 of standards of need established under the State
13 program funded under part A of title IV of the So-
14 cial Security Act,

15 except that where a State ratably reduces its AFDC or
16 State program payments, the Bureau shall reduce general
17 assistance payments in such State by the same percentage
18 as the State has reduced the AFDC or State program pay-
19 ment.”.

20 (l) The Internal Revenue Code of 1986 (26 U.S.C.
21 1 et seq.) is amended—

22 (1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by
23 striking all that follows “agency as” and inserting
24 “being eligible for financial assistance under part A
25 of title IV of the Social Security Act and as having

1 continually received such financial assistance during
2 the 90-day period which immediately precedes the
3 date on which such individual is hired by the em-
4 ployer.”;

5 (2) in section 3304(a)(16) (26 U.S.C.
6 3304(a)(16)), by striking “eligibility for aid or serv-
7 ices,” and all that follows through “children ap-
8 proved” and inserting “eligibility for assistance, or
9 the amount of such assistance, under a State pro-
10 gram funded”;

11 (3) in section 6103(l)(7)(D)(i) (26 U.S.C.
12 6103(l)(7)(D)(i)), by striking “aid to families with
13 dependent children provided under a State plan ap-
14 proved” and inserting “a State program funded”;

15 (4) in section 6334(a)(11)(A) (26 U.S.C.
16 6334(a)(11)(A)), by striking “(relating to aid to
17 families with dependent children)”;

18 (5) in section 7523(b)(3)(C) (26 U.S.C.
19 7523(b)(3)(C)), by striking “aid to families with de-
20 pendent children” and inserting “assistance under a
21 State program funded under part A of title IV of the
22 Social Security Act”.

23 (m) Section 3(b) of the Wagner-Peyser Act (29
24 U.S.C. 49b(b)) is amended by striking “State plan ap-

1 proved under part A of title IV” and inserting “State pro-
2 gram funded under part A of title IV”.

3 (n) The Job Training Partnership Act (29 U.S.C.
4 1501 et seq.) is amended—

5 (1) in section 4(29)(A)(i) (29 U.S.C.
6 1503(29)(A)(i)), by striking “(42 U.S.C. 601 et
7 seq.)”;

8 (2) in section 106(b)(6)(C) (29 U.S.C.
9 1516(b)(6)(C)), by striking “State aid to families
10 with dependent children records,” and inserting
11 “records collected under the State program funded
12 under part A of title IV of the Social Security Act,”;

13 (3) in section 121(b)(2) (29 U.S.C.
14 1531(b)(2))—

15 (A) by striking “the JOBS program” and
16 inserting “the work activities required under
17 title IV of the Social Security Act”; and

18 (B) by striking the second sentence;

19 (4) in section 123(c) (29 U.S.C. 1533(c))—

20 (A) in paragraph (1)(E), by repealing
21 clause (vi); and

22 (B) in paragraph (2)(D), by repealing
23 clause (v);

1 (5) in section 203(b)(3) (29 U.S.C.
2 1603(b)(3)), by striking “, including recipients
3 under the JOBS program”;

4 (6) in subparagraphs (A) and (B) of section
5 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by
6 striking “(such as the JOBS program)” each place
7 it appears;

8 (7) in section 205(a) (29 U.S.C. 1605(a)), by
9 striking paragraph (4) and inserting the following:

10 “(4) the portions of title IV of the Social Secu-
11 rity Act relating to work activities;”;

12 (8) in section 253 (29 U.S.C. 1632)—

13 (A) in subsection (b)(2), by repealing sub-
14 paragraph (C); and

15 (B) in paragraphs (1)(B) and (2)(B) of
16 subsection (c), by striking “the JOBS program
17 or” each place it appears;

18 (9) in section 264 (29 U.S.C. 1644)—

19 (A) in subparagraphs (A) and (B) of sub-
20 section (b)(1), by striking “(such as the JOBS
21 program)” each place it appears; and

22 (B) in subparagraphs (A) and (B) of sub-
23 section (d)(3), by striking “and the JOBS pro-
24 gram” each place it appears;

1 (10) in section 265(b) (29 U.S.C. 1645(b)), by
2 striking paragraph (6) and inserting the following:

3 “(6) the portion of title IV of the Social Secu-
4 rity Act relating to work activities;”;

5 (11) in the second sentence of section 429(e)
6 (29 U.S.C. 1699(e)), by striking “and shall be in an
7 amount that does not exceed the maximum amount
8 that may be provided by the State pursuant to sec-
9 tion 402(g)(1)(C) of the Social Security Act (42
10 U.S.C. 602(g)(1)(C))”;

11 (12) in section 454(e) (29 U.S.C. 1734(e)), by
12 striking “JOBS and”;

13 (13) in section 455(b) (29 U.S.C. 1735(b)), by
14 striking “the JOBS program,”;

15 (14) in section 501(1) (29 U.S.C. 1791(1)), by
16 striking “aid to families with dependent children
17 under part A of title IV of the Social Security Act
18 (42 U.S.C. 601 et seq.)” and inserting “assistance
19 under the State program funded under part A of
20 title IV of the Social Security Act”;

21 (15) in section 506(1)(A) (29 U.S.C.
22 1791e(1)(A)), by striking “aid to families with de-
23 pendent children” and inserting “assistance under
24 the State program funded”;

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

5 (17) in section 701(b)(2)(A) (29 U.S.C.
6 1792(b)(2)(A))—

7 (A) in clause (v), by striking the semicolon
8 and inserting “; and”; and

9 (B) by striking clause (vi).

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

12 “(iv) assistance under a State pro-
13 gram funded under part A of title IV of
14 the Social Security Act”.

15 (p) Section 2605(b)(2)(A)(i) of the Low-Income
16 Home Energy Assistance Act of 1981 (42 U.S.C.
17 8624(b)(2)(A)(i)) is amended to read as follows:

18 “(i) assistance under the State pro-
19 gram funded under part A of title IV of
20 the Social Security Act;”.

21 (q) Section 303(f)(2) of the Family Support Act of
22 1988 (42 U.S.C. 602 note) is amended—

23 (1) by striking “(A)”; and

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

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

3 (1) in section 255(h) (2 U.S.C. 905(h), by
4 striking “Aid to families with dependent children
5 (75–0412–0–1–609);” and inserting “Block grants
6 to States for temporary assistance for needy fami-
7 lies;”; and

8 (2) in section 256 (2 U.S.C. 906)—

9 (A) by striking subsection (k); and

10 (B) by redesignating subsection (l) as sub-
11 section (k).

12 (s) The Immigration and Nationality Act (8 U.S.C.
13 1101 et seq.) is amended—

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

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

19 (A) in paragraph (1)(A)(i), by striking
20 “program of aid to families with dependent chil-
21 dren” and inserting “State program of assist-
22 ance”; and

23 (B) in paragraph (2)(B), by striking “aid
24 to families with dependent children” and insert-
25 ing “assistance under a State program funded

1 under part A of title IV of the Social Security
2 Act”; and

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

6 (t) Section 640(a)(4)(B)(i) of the Head Start Act (42
7 U.S.C. 9835(a)(4)(B)(i)) is amended by striking “pro-
8 gram of aid to families with dependent children under a
9 State plan approved” and inserting “State program of as-
10 sistance funded”.

11 (u) Section 9 of the Act of April 19, 1950 (64 Stat.
12 47, chapter 92; 25 U.S.C. 639) is repealed.

13 (v) Subparagraph (E) of section 213(d)(6) of the
14 School-To-Work Opportunities Act of 1994 (20 U.S.C.
15 6143(d)(6)) is amended to read as follows:

16 “(E) part A of title IV of the Social Secu-
17 rity Act (42 U.S.C. 601 et seq.) relating to
18 work activities;”.

19 **SEC. 109. STUDY OF EFFECT OF WELFARE REFORM ON**
20 **GRANDPARENTS AS PRIMARY CAREGIVERS.**

21 (a) IN GENERAL.—The Secretary of Health and
22 Human Services (hereafter in this section referred to as
23 the “Secretary”) shall conduct a study evaluating the im-
24 pact of amendments made by this Act on grandparents
25 who have assumed the responsibility of providing care to

1 their grandchildren. In such study, the Secretary shall
2 identify barriers to participation in public programs in-
3 cluding inconsistent policies, standards, and definitions
4 used by programs and agencies in the administration of
5 medicaid, assistance under a State program funded under
6 part A of title IV of the Social Security Act, child support
7 enforcement, and foster care programs on grandparents
8 who have assumed the care-giving role for children whose
9 natural parents are unable to provide care.

10 (b) REPORT.—Not later than December 31, 1997,
11 the Secretary shall submit a report setting forth the find-
12 ings of the study described in subsection (a) to the Com-
13 mittee on Ways and Means and the Committee on Eco-
14 nomic and Educational Opportunities of the House of
15 Representatives and the Committee on Finance, the Com-
16 mittee on Labor and Human Resources, and the Special
17 Committee on Aging of the Senate. The report shall in-
18 clude such recommendations for administrative or legisla-
19 tive changes as the Secretary considers appropriate.

20 **SEC. 110. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

21 (a) IN GENERAL.—Whenever an organization that
22 accepts Federal funds under this Act or the amendments
23 made by this Act makes any communication that in any
24 way intends to promote public support or opposition to
25 any policy of a Federal, State, or local government

1 through any broadcasting station, newspaper, magazine,
2 outdoor advertising facility, direct mailing, or any other
3 type of general public advertising, such communication
4 shall state the following: “This was prepared and paid for
5 by an organization that accepts taxpayer dollars.”.

6 (b) FAILURE TO COMPLY.—If an organization makes
7 any communication described in subsection (a) and fails
8 to provide the statement required by that subsection, such
9 organization shall be ineligible to receive Federal funds
10 under this Act or the amendments made by this Act.

11 (c) DEFINITION.—For purposes of this section, the
12 term “organization” means an organization described in
13 section 501(c) of the Internal Revenue Code of 1986.

14 (d) EFFECTIVE DATES.—This section shall take ef-
15 fect—

16 (1) with respect to printed communications 1
17 year after the date of enactment of this Act; and

18 (2) with respect to any other communication on
19 the date of enactment of this Act.

20 **SEC. 110A. MODIFICATIONS TO THE JOB OPPORTUNITIES**
21 **FOR CERTAIN LOW-INCOME INDIVIDUALS**
22 **PROGRAM.**

23 Section 505 of the Family Support Act of 1988 (42
24 U.S.C. 1315 note) is amended—

1 (1) in the heading, by striking “**DEMONSTRA-**
2 **TION**”;

3 (2) by striking “demonstration” each place it
4 appears;

5 (3) in subsection (a), by striking “in each of
6 fiscal years” and all that follows through “10” and
7 inserting “shall enter into agreements with”;

8 (4) in subsection (b)(3), by striking “aid to
9 families with dependent children under part A of
10 title IV of the Social Security Act” and inserting
11 “assistance under the State program funded part A
12 of title IV of the Social Security Act in the State in
13 which the individual resides”;

14 (5) in subsection (c)—

15 (A) in paragraph (1)(C), by striking “aid
16 to families with dependent children under part
17 A of title IV of the Social Security Act” and in-
18 serting “assistance under the State program
19 funded part A of title IV of the Social Security
20 Act”;

21 (B) in paragraph (2), by striking “aid to
22 families with dependent children under title IV
23 of such Act” and inserting “assistance under
24 the State program funded part A of title IV of
25 the Social Security Act”;

1 dren to participate in safe, healthy, and enjoyable extra-
2 curricular and organized developmental and recreational
3 activities, and to make more accessible the opportunities
4 for parents, especially those dependent on public assist-
5 ance, to increase and enhance their parenting and living
6 skills. All of these contributions can be facilitated by es-
7 tablishing the neighborhood public school as a focal point
8 for such activities and by extending the hours of the day
9 in which its facilities are available for such activities.

10 (b) GRANTS.—The Secretary of Education (hereafter
11 in this section referred to as the “Secretary”) shall make
12 demonstration grants as provided in subsection (c) to
13 States to enable them to increase the number of hours
14 during each day when existing public school facilities are
15 available for use for the purposes set forth in subsection
16 (d).

17 (c) SELECTION OF STATES.—The Secretary shall
18 make grants to not more than 5 States for demonstration
19 projects in accordance with this section. Each State shall
20 select the number and location of schools based on the
21 amount of funds it deems necessary for a school properly
22 to achieve the goals of this program. The schools selected
23 must have a significant percentage of students receiving
24 benefits under part A of title IV of the Social Security
25 Act. No more than 2 percent of the grant to any State

1 shall be used for administrative expenses of any kind by
2 any entity (except that none of the activities set forth in
3 paragraphs (1) and (2) of subsection (d) shall be consid-
4 ered an administrative activity the expenses for which are
5 limited by this subsection).

6 (d) USE OF FUNDS.—The grants made under sub-
7 section (b), in order that school facilities can be more fully
8 utilized, shall be used to provide funding for, among other
9 things—

10 (1) extending the length of the school day, ex-
11 panding the scope of student programs offered be-
12 fore and after pre-existing school hours, enabling
13 volunteers and parents or professionals paid from
14 other sources to teach, tutor, coach, organize, advise,
15 or monitor students before and after pre-existing
16 school hours, and providing security, supplies, utili-
17 ties, and janitorial services before and after pre-ex-
18 isting school hours for these programs,

19 (2) making the school facilities available for
20 community and neighborhood clubs, civic associa-
21 tions and organizations, Boy and Girl Scouts and
22 similar organizations, adult education classes, orga-
23 nized sports, parental education classes, and other
24 educational, recreational, and social activities.

1 None of the funds provided under this section can be used
2 to supplant funds already provided to a school facility for
3 services, equipment, personnel, or utilities nor can funds
4 be used to pay costs associated with operating school fa-
5 cilities during hours those facilities are already available
6 for student or community use.

7 (e) APPLICATIONS.—

8 (1) IN GENERAL.—The Governor of each State
9 desiring to conduct a demonstration project under
10 this section shall prepare and submit to the Sec-
11 retary an application in such manner and containing
12 such information as the Secretary may require. The
13 Secretary shall actively encourage States to submit
14 such applications.

15 (2) APPROVAL.—The Secretary shall consider
16 all applications received from States desiring to con-
17 duct demonstration projects under this section and
18 shall approve such applications in a number of
19 States to be determined by the Secretary (not to ex-
20 ceed 5), taking into account the overall funding lev-
21 els available under this section.

22 (f) DURATION.—A demonstration project under this
23 section shall be conducted for not more than 4 years plus
24 an additional time period of up to 12 months for final
25 evaluation and reporting. The Secretary may terminate a

1 project if the Secretary determines that the State conduct-
2 ing the project is not in substantial compliance with the
3 terms of the application approved by the Secretary under
4 this section.

5 (g) EVALUATION PLAN.—

6 (1) STANDARDS.—Not later than 3 months
7 after the date of the enactment of this section, the
8 Secretary shall develop standards for evaluating the
9 effectiveness of each demonstration project in con-
10 tributing toward meeting the objectives set forth in
11 subsection (a), which shall include the requirement
12 that an independent expert entity selected by the
13 Secretary provide an evaluation of all demonstration
14 projects, which evaluations shall be included in the
15 appropriate State’s annual and final reports to the
16 Secretary under subsection (h)(1).

17 (2) SUBMISSION OF PLAN.—Each State con-
18 ducting a demonstration project under this section
19 shall submit an evaluation plan (meeting the stand-
20 ards developed by the Secretary under paragraph
21 (1)) to the Secretary not later than 90 days after
22 the State is notified of the Secretary’s approval for
23 such project. A State shall not receive any Federal
24 funds for the operation of the demonstration project
25 until the Secretary approves such evaluation plan.

1 (h) REPORTS.—

2 (1) STATE.—A State that conducts a dem-
3 onstration project under this section shall prepare
4 and submit to the Secretary annual and final reports
5 in accordance with the State's evaluation plan under
6 subsection (g)(2) for such demonstration project.

7 (2) SECRETARY.—The Secretary shall prepare
8 and submit to the Congress annual reports concern-
9 ing each demonstration project under this Act.

10 (i) AUTHORIZATIONS.—

11 (1) GRANTS.—There are authorized to be ap-
12 propriated for grants under subsection (b) for each
13 of fiscal years 1996, 1997, 1998, 1999, and 2000,
14 \$10,000,000.

15 (2) ADMINISTRATION.—There are authorized to
16 be appropriated \$1,000,000 for each of fiscal years
17 1996, 1997, 1998, 1999, and 2000 for the adminis-
18 tration of this section by the Secretary, including de-
19 velopment of standards and evaluation of all dem-
20 onstration projects by an independent expert entity
21 under subsection (g)(1).

22 **SEC. 110C. CORRECTIVE COMPLIANCE PLAN.**

23 (a) IN GENERAL.—

24 (1) NOTIFICATION OF VIOLATION.—Notwith-
25 standing any other provision of law, the Federal

1 Government shall, prior to assessing a penalty
2 against a State under any program established or
3 modified under this Act, notify the State of the vio-
4 lation of law for which such penalty would be as-
5 sessed and allow the State the opportunity to enter
6 into a corrective compliance plan in accordance with
7 this section which outlines how the State will correct
8 any violations for which such penalty would be as-
9 sessed and how the State will insure continuing com-
10 pliance with the requirements of such program.

11 (2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE
12 COMPLIANCE PLAN.—Any State notified under para-
13 graph (1) shall have 60 days in which to submit to
14 the Federal Government a corrective compliance
15 plan to correct any violations described in such para-
16 graph.

17 (3) ACCEPTANCE OF PLAN.—The Federal Gov-
18 ernment shall have 60 days to accept or reject the
19 State’s corrective compliance plan and may consult
20 with the State during this period to modify the plan.
21 If the Federal Government does not accept or reject
22 the corrective compliance plan during the period, the
23 corrective compliance plan shall be deemed to be ac-
24 cepted.

1 (b) FAILURE TO CORRECT.—If a corrective compli-
2 ance plan is accepted by the Federal Government, no pen-
3 alty shall be imposed with respect to a violation described
4 in subsection (a) if the State corrects the violation pursu-
5 ant to the plan. If a State has not corrected the violation
6 in a timely manner under the plan, some or all of the pen-
7 alty shall be assessed.

8 **SEC. 110D. PARENTAL RESPONSIBILITY CONTRACTS.**

9 (a) ASSESSMENT.—Notwithstanding any other provi-
10 sion of, or amendment made by, this title, each State to
11 which a grant is made under section 403 of the Social
12 Security Act shall provide that the State agency, through
13 a case manager, shall make an initial assessment of the
14 education level, parenting skills, and history of parenting
15 activities and involvement of each parent who is applying
16 for financial assistance under the plan.

17 (b) PARENTAL RESPONSIBILITY CONTRACTS.—On the
18 basis of the assessment made under subsection (a) with
19 respect to each parent applicant, the case manager, in con-
20 sultation with the parent applicant (hereafter in this sub-
21 section referred to as the “client”) and, if possible, the
22 client’s spouse if one is present, shall develop a parental
23 responsibility contract for the client, which meets the fol-
24 lowing requirements:

1 (1) Sets forth the obligations of the client, includ-
2 ing all of the following the case manager believes are
3 within the ability and capacity of the client, are not
4 incompatible with the employment or school activi-
5 ties of the client, and are not inconsistent with each
6 other in the client's case or with the well being of
7 the client's children:

8 (A) Attend school, if necessary, and maintain
9 certain grades and attendance.

10 (B) Keep school-age children of the client in
11 school.

12 (C) Immunize children of the client.

13 (D) Attend parenting and money manage-
14 ment classes.

15 (E) Participate in parent and teacher asso-
16 ciations and other activities intended to involve
17 parents in their children's school activities and
18 in the affairs of their children's school.

19 (F) Attend school activities with their chil-
20 dren where attendance or participation by both
21 children and parents is appropriate.

22 (G) Undergo appropriate substance abuse
23 treatment counseling.

24 (H) Any other appropriate activity, at the op-
25 tion of the State.

1 (2) Provides that the client shall accept any bona
2 fide offer of unsubsidized full-time employment, un-
3 less the client has good cause for not doing so.

4 (c) PENALTIES FOR NONCOMPLIANCE WITH PARENTAL
5 RESPONSIBILITY CONTRACT.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), the following penalties shall apply:

8 (A) PROGRESSIVE REDUCTIONS IN ASSIST-
9 ANCE FOR 1ST AND 2ND ACTS OF NONCOMPLI-
10 ANCE.—The State plan shall provide that the
11 amount of assistance otherwise payable under
12 this part to a family that includes a client who,
13 with respect to a parental responsibility con-
14 tract signed by the client, commits an act of
15 noncompliance without good cause, shall be re-
16 duced by—

17 (i) 33 percent for the 1st such act of
18 noncompliance; or

19 (ii) 66 percent for the 2nd such act of
20 noncompliance.

21 (B) DENIAL OF ASSISTANCE FOR 3RD AND
22 SUBSEQUENT ACTS OF NONCOMPLIANCE.—The
23 State shall provide that in the case of the 3rd
24 or subsequent such act of noncompliance, the
25 family of which the client is a member shall not

1 thereafter be eligible for assistance under this
2 part.

3 (C) LENGTH OF PENALTIES.—The penalty
4 for an act of noncompliance shall not exceed the
5 greater of—

6 (i) in the case of—

7 (I) the 1st act of noncompliance, 1
8 month,

9 (II) the 2nd act of noncompliance,
10 3 months, or

11 (III) the 3rd or subsequent act of
12 noncompliance, 6 months; or

13 (ii) the period ending with the cessation
14 of such act of noncompliance.

15 (D) DENIAL OF ASSISTANCE TO ADULTS RE-
16 FUSING TO ACCEPT A BONA FIDE OFFER OF
17 EMPLOYMENT.—The State plan shall provide
18 that if an unemployed individual who has at-
19 tained 18 years of age refuses to accept a bona
20 fide offer of employment without good cause,
21 such act of noncompliance shall be considered a
22 3rd or subsequent act of noncompliance.

23 (2) STATE FLEXIBILITY.—The State plan may
24 provide for different penalties than those specified in
25 paragraph (1).

1 **SEC. 110E. CORRECTIVE ACTION PLAN.**

2 (a) IN GENERAL.—

3 (1) NOTIFICATION OF VIOLATION.—Notwith-
4 standing any other provision of law, the Federal
5 Government shall, prior to assessing a penalty
6 against a State under any program established or
7 modified under this Act, notify the State of the vio-
8 lation of law for which such penalty would be as-
9 sessed and allow the State the opportunity to enter
10 into a corrective action plan in accordance with this
11 section.

12 (2) 60-DAY PERIOD TO PROPOSE A CORRECTIVE
13 ACTION PLAN.—Any State notified under paragraph
14 (1) shall have 60 days in which to submit to the
15 Federal Government a corrective action plan to cor-
16 rect any violations described in such paragraph.

17 (3) ACCEPTANCE OF PLAN.—The Federal Gov-
18 ernment shall have 60 days to accept or reject the
19 State's corrective action plan and may consult with
20 the State during this period to modify the plan. If
21 the Federal Government does not accept or reject
22 the corrective action plan during the period, the cor-
23 rective action plan shall be deemed to be accepted.

24 (b) 90-DAY GRACE PERIOD.—If a corrective action
25 plan is accepted by the Federal Government, no penalty
26 shall be imposed with respect to a violation described in

1 subsection (a) if the State corrects the violation pursuant
 2 to the plan within 90 days after the date on which the
 3 plan is accepted (or within such other period specified in
 4 the plan).

5 **SEC. 111. SECRETARIAL SUBMISSION OF LEGISLATIVE PRO-**
 6 **POSAL FOR TECHNICAL AND CONFORMING**
 7 **AMENDMENTS.**

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

15 **SEC. 112. EFFECTIVE DATE; TRANSITION RULE.**

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

19 (b) TRANSITION RULE.—

20 (1) STATE OPTION TO CONTINUE AFDC PRO-
 21 GRAM.—

22 (A) 9-MONTH EXTENSION.—A State may
 23 continue a State program under parts A and F
 24 of title IV of the Social Security Act, as in ef-
 25 fect on September 30, 1995 (for purposes of

1 this paragraph, the “State AFDC program”)
2 until June 30, 1996.

3 (B) REDUCTION OF FISCAL YEAR 1996
4 GRANT.—In the case of any State opting to
5 continue the State AFDC program pursuant to
6 subparagraph (A), the State family assistance
7 grant paid to such State under section 403(a)
8 of the Social Security Act (as added by section
9 101 and as in effect on and after October 1,
10 1995) for fiscal year 1996 (after the termi-
11 nation of the State AFDC program) shall be re-
12 duced by an amount equal to the total Federal
13 payment to such State under section 403 of the
14 Social Security Act (as in effect on September
15 30, 1995) for such fiscal year.

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

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

24 (B) administrative actions and proceedings
25 commenced before such date, or authorized be-

1 fore such date to be commenced, under such
2 provisions.

3 (3) CLOSING OUT ACCOUNT FOR THOSE PRO-
4 GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED
5 BY THIS TITLE.—In closing out accounts, Federal
6 and State officials may use scientifically acceptable
7 statistical sampling techniques. Claims made under
8 programs which are repealed or substantially amend-
9 ed in this title and which involve State expenditures
10 in cases where assistance or services were provided
11 during a prior fiscal year, shall be treated as ex-
12 penditures during fiscal year 1995 for purposes of
13 reimbursement even if payment was made by a State
14 on or after October 1, 1995. States shall complete
15 the filing of all claims no later than September 30,
16 1997. Federal department heads shall—

17 (A) use the single audit procedure to re-
18 view and resolve any claims in connection with
19 the closeout of programs, and

20 (B) reimburse States for any payments
21 made for assistance or services provided during
22 a prior fiscal year from funds for fiscal year
23 1995, rather than the funds authorized by this
24 title.

1 (c) SUNSET.—The amendment made by section
 2 101(b) shall be effective only during the 5-year period be-
 3 ginning on October 1, 1995.

4 **TITLE II—SUPPLEMENTAL**
 5 **SECURITY INCOME**
 6 **Subtitle A—Eligibility Restrictions**

7 **SEC. 201. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
 8 **BENEFITS BY REASON OF DISABILITY TO**
 9 **DRUG ADDICTS AND ALCOHOLICS.**

10 (a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C.
 11 1382c(a)(3)) is amended by adding at the end the follow-
 12 ing:

13 “(I) Notwithstanding subparagraph (A), an individ-
 14 ual shall not be considered to be disabled for purposes of
 15 this title if alcoholism or drug addiction would (but for
 16 this subparagraph) be a contributing factor material to
 17 the Commissioner’s determination that the individual is
 18 disabled.”.

19 (b) REPRESENTATIVE PAYEE REQUIREMENTS.—

20 (1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C.
 21 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

22 “(II) In the case of an individual eligible for benefits
 23 under this title by reason of disability, if such individual
 24 also has an alcoholism or drug addiction condition (as de-
 25 termined by the Commissioner of Social Security), the

1 payment of such benefits to a representative payee shall
2 be deemed to serve the interest of the individual. In any
3 case in which such payment is so deemed under this
4 subclause to serve the interest of an individual, the Com-
5 missioner shall include, in the individual's notification of
6 such eligibility, a notice that such alcoholism or drug ad-
7 diction condition accompanies the disability upon which
8 such eligibility is based and that the Commissioner is
9 therefore required to pay the individual's benefits to a rep-
10 resentative payee.”.

11 (2) Section 1631(a)(2)(B)(vii) (42 U.S.C.
12 1383(a)(2)(B)(vii)) is amended by striking “eligible
13 for benefits” and all that follows through “is dis-
14 abled” and inserting “described in subparagraph
15 (A)(ii)(II)”.

16 (3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C.
17 1383(a)(2)(B)(ix)(II)) is amended by striking all
18 that follows “15 years, or” and inserting “described
19 in subparagraph (A)(ii)(II)”.

20 (4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C.
21 1383(a)(2)(D)(i)(II)) is amended by striking “eligi-
22 ble for benefits” and all that follows through “is dis-
23 abled” and inserting “described in subparagraph
24 (A)(ii)(II)”.

1 (c) TREATMENT SERVICES FOR INDIVIDUALS WITH
2 A SUBSTANCE ABUSE CONDITION.—

3 (1) IN GENERAL.—Title XVI (42 U.S.C. 1381
4 et seq.) is amended by adding at the end the follow-
5 ing new section:

6 “TREATMENT SERVICES FOR INDIVIDUALS WITH A
7 SUBSTANCE ABUSE CONDITION

8 “SEC. 1636. (a) In the case of any individual eligible
9 for benefits under this title by reason of disability who
10 is identified as having a substance abuse condition, the
11 Commissioner of Social Security shall make provision for
12 referral of such individual to the appropriate State agency
13 administering the State plan for substance abuse treat-
14 ment services approved under subpart II of part B of title
15 XIX of the Public Health Service Act (42 U.S.C. 300x–
16 21 et seq.).

17 “(b) No individual described in subsection (a) shall
18 be an eligible individual or eligible spouse for purposes of
19 this title if such individual refuses without good cause to
20 accept the referred services described under subsection
21 (a).

22 (2) CONFORMING AMENDMENT.—Section
23 1614(a)(4) (42 U.S.C. 1382c(a)(4)) is amended by
24 inserting after the second sentence the following new
25 sentence: “For purposes of the preceding sentence,
26 any individual identified by the Commissioner as

1 having a substance abuse condition shall seek and
2 complete appropriate treatment as needed.”.

3 (d) CONFORMING AMENDMENTS.—

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

6 (2) Section 1634 (42 U.S.C. 1383e) is amended
7 by striking subsection (e).

8 (3) Section 201(c)(1) of the Social Security
9 Independence and Program Improvements Act of
10 1994 (42 U.S.C. 425 note) is amended—

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

13 (B) by striking “and” the 3rd place it ap-
14 pears;

15 (C) by striking subparagraph (B);

16 (D) by striking “either subparagraph (A)
17 or subparagraph (B)” and inserting “the pre-
18 ceding sentence”; and

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

21 (e) SUPPLEMENTAL FUNDING FOR ALCOHOL AND
22 SUBSTANCE ABUSE TREATMENT PROGRAMS.—

23 (1) IN GENERAL.—Out of any money in the
24 Treasury not otherwise appropriated, there are here-
25 by appropriated to supplement State and Tribal pro-

1 grams funded under section 1933 of the Public
2 Health Service Act (42 U.S.C. 300x-33),
3 \$50,000,000 for each of the fiscal years 1997 and
4 1998.

5 (2) ADDITIONAL FUNDS.—Amounts appro-
6 priated under paragraph (1) shall be in addition to
7 any funds otherwise appropriated for allotments
8 under section 1933 of the Public Health Service Act
9 (42 U.S.C. 300x-33) and shall be allocated pursuant
10 to such section 1933.

11 (3) USE OF FUNDS.—A State or Tribal govern-
12 ment receiving an allotment under this subsection
13 shall consider as priorities, for purposes of expend-
14 ing funds allotted under this subsection, activities
15 relating to the treatment of the abuse of alcohol and
16 other drugs.

17 **SEC. 202. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI**
18 **BENEFITS.**

19 Paragraph (1) of section 1614(a) (42 U.S.C.
20 1382c(a)) is amended—

21 (1) in subparagraph (B)(i), by striking “either”
22 and all that follows through “, or” and inserting
23 “(I) a citizen; (II) a noncitizen who is granted asy-
24 lum under section 208 of the Immigration and Na-
25 tionality Act or whose deportation has been withheld

1 under section 243(h) of such Act for a period of not
2 more than 5 years after the date of arrival into the
3 United States; (III) a noncitizen who is admitted to
4 the United States as a refugee under section 207 of
5 such Act for not more than such 5-year period; (IV)
6 a noncitizen, lawfully present in any State (or any
7 territory or possession of the United States), who is
8 a veteran (as defined in section 101 of title 38,
9 United States Code) with a discharge characterized
10 as an honorable discharge and not on account of
11 alienage or who is the spouse or unmarried depend-
12 ent child of such veteran; or (V) a noncitizen who
13 has worked sufficient calendar quarters of coverage
14 to be a fully insured individual for benefits under
15 title II, or”;

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

18 “For purposes of subparagraph (B)(i)(IV), the determina-
19 tion of whether a noncitizen is lawfully present in the
20 United States shall be made in accordance with regula-
21 tions of the Attorney General. A noncitizen shall not be
22 considered to be lawfully present in the United States for
23 purposes of this title merely because the noncitizen may
24 be considered to be permanently residing in the United

1 States under color of law for purposes of any particular
2 program.”.

3 **SEC. 203. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-**
4 **VIDUALS FOUND TO HAVE FRAUDULENTLY**
5 **MISREPRESENTED RESIDENCE IN ORDER TO**
6 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
7 **MORE STATES.**

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

10 “(5) An individual shall not be considered an eligible
11 individual for purposes of this title during the 10-year pe-
12 riod beginning on the date the individual is convicted in
13 Federal or State court of having made a fraudulent state-
14 ment or representation with respect to the place of resi-
15 dence of the individual in order to receive assistance simul-
16 taneously from 2 or more States under programs that are
17 funded under part A of title IV, title XIX, or the Food
18 Stamp Act of 1977, or benefits in 2 or more States under
19 the supplemental security income program under title
20 XVI.”.

21 **SEC. 204. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
22 **AND PROBATION AND PAROLE VIOLATORS.**

23 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.
24 1382(e)), as amended by section 201(c)(1), is amended

1 by inserting after paragraph (2) the following new para-
2 graph:

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

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

13 “(B) violating a condition of probation or pa-
14 role imposed under Federal or State law.”.

15 (b) EXCHANGE OF INFORMATION WITH LAW EN-
16 FORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C.
17 1383(e)) is amended by inserting after paragraph (3) the
18 following new paragraph:

19 “(4) Notwithstanding any other provision of law, the
20 Commissioner shall furnish any Federal, State, or local
21 law enforcement officer, upon the request of the officer,
22 with the current address, Social Security number, and
23 photograph (if applicable) of any recipient of benefits
24 under this title, if the officer furnishes the agency with
25 the name of the recipient and notifies the agency that—

1 “(A) the recipient—

2 “(i) is fleeing to avoid prosecution, or cus-
3 tody or confinement after conviction, under the
4 laws of the place from which the person flees,
5 for a crime, or an attempt to commit a crime,
6 which is a felony under the laws of the place
7 from which the person flees, or which, in the
8 case of the State of New Jersey, is a high mis-
9 dememeanor under the laws of such State;

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

12 “(iii) has information that is necessary for
13 the officer to conduct the officer’s official du-
14 ties; and

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

17 **SEC. 205. EFFECTIVE DATES; APPLICATION TO CURRENT**
18 **RECIPIENTS.**

19 (a) SECTIONS 201 AND 202.—

20 (1) IN GENERAL.—Except as provided in para-
21 graphs (2) and (3), the amendments made by sec-
22 tions 201 and 202 shall apply to applicants for bene-
23 fits for months beginning on or after the date of the
24 enactment of this Act, without regard to whether

1 regulations have been issued to implement such
2 amendments.

3 (2) APPLICATION TO CURRENT RECIPIENTS.—

4 (A) APPLICATION AND NOTICE.—Notwith-
5 standing any other provision of law, in the case
6 of an individual who is receiving supplemental
7 security income benefits under title XVI of the
8 Social Security Act as of the date of the enact-
9 ment of this Act and whose eligibility for such
10 benefits would terminate by reason of the
11 amendments made by section 201 or 202, such
12 amendments shall apply with respect to the
13 benefits of such individual, including such indi-
14 vidual's treatment (if any) provided pursuant to
15 such title as in effect on the day before the date
16 of such enactment, for months beginning on or
17 after January 1, 1997, and the Commissioner
18 of Social Security shall so notify the individual
19 not later than 90 days after the date of the en-
20 actment of this Act.

21 (B) REAPPLICATION.—

22 (i) IN GENERAL.—Not later than 120
23 days after the date of the enactment of
24 this Act, each individual notified pursuant
25 to subparagraph (A) who desires to re-

1 apply for benefits under title XVI of the
2 Social Security Act, as amended by this
3 title, shall reapply to the Commissioner of
4 Social Security.

5 (ii) DETERMINATION OF ELIGI-
6 BILITY.—Not later than 1 year after the
7 date of the enactment of this Act, the
8 Commissioner of Social Security shall de-
9 termine the eligibility of each individual
10 who reapplies for benefits under clause (i)
11 pursuant to the procedures of such title.

12 (3) ADDITIONAL APPLICATION OF PAYEE REP-
13 RESENTATIVE REQUIREMENTS.—The amendments
14 made by section 201(b) shall also apply—

15 (A) in the case of any individual who is re-
16 ceiving supplemental security income benefits
17 under title XVI of the Social Security Act as of
18 the date of the enactment of this Act, on and
19 after the date of such individual's first continu-
20 ing disability review occurring after such date
21 of enactment, and

22 (B) in the case of any individual who re-
23 ceives supplemental security income benefits
24 under title XVI of the Social Security Act and
25 has attained age 65, in such manner as deter-

1 mined appropriate by the Commissioner of So-
2 cial Security.

3 (b) OTHER AMENDMENTS.—The amendments made
4 by sections 203 and 204 shall take effect on the date of
5 the enactment of this Act.

6 **Subtitle B—Benefits for Disabled** 7 **Children**

8 **SEC. 211. DEFINITION AND ELIGIBILITY RULES.**

9 (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-
10 tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by
11 section 201(a), is amended—

12 (1) in subparagraph (A), by striking “An indi-
13 vidual” and inserting “Except as provided in sub-
14 paragraph (C), an individual”;

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

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

21 (4) by inserting after subparagraph (B) the fol-
22 lowing new subparagraph:

23 “(C) An individual under the age of 18 shall be con-
24 sidered disabled for the purposes of this title if that indi-
25 vidual has a medically determinable physical or mental im-

1 pairment, which results in marked and severe functional
2 limitations, and which can be expected to result in death
3 or which has lasted or can be expected to last for a contin-
4 uous period of not less than 12 months.”; and

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

8 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

9 (1) MODIFICATION TO MEDICAL CRITERIA FOR
10 EVALUATION OF MENTAL AND EMOTIONAL DIS-
11 ORDERS.—The Commissioner of Social Security
12 shall modify sections 112.00C.2. and
13 112.02B.2.e.(2) of appendix 1 to subpart P of part
14 404 of title 20, Code of Federal Regulations, to
15 eliminate references to maladaptive behavior in the
16 domain of personal/behaviorial function.

17 (2) DISCONTINUANCE OF INDIVIDUALIZED
18 FUNCTIONAL ASSESSMENT.—The Commissioner of
19 Social Security shall discontinue the individualized
20 functional assessment for children set forth in sec-
21 tions 416.924d and 416.924e of title 20, Code of
22 Federal Regulations.

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

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

7 (2) REGULATIONS.—The Commissioner of So-
8 cial Security shall issue such regulations as the
9 Commissioner determines to be necessary to imple-
10 ment the amendments made by subsections (a) and
11 (b) not later than 60 days after the date of the en-
12 actment of this Act.

13 (3) APPLICATION TO CURRENT RECIPIENTS.—

14 (A) ELIGIBILITY DETERMINATIONS.—Not
15 later than 1 year after the date of the enact-
16 ment of this Act, the Commissioner of Social
17 Security shall redetermine the eligibility of any
18 individual under age 18 who is receiving supple-
19 mental security income benefits based on a dis-
20 ability under title XVI of the Social Security
21 Act as of the date of the enactment of this Act
22 and whose eligibility for such benefits may ter-
23 minate by reason of the amendments made by
24 subsection (a) or (b). With respect to any rede-
25 termination under this subparagraph—

1 (i) section 1614(a)(4) of the Social
2 Security Act (42 U.S.C. 1382c(a)(4)) shall
3 not apply;

4 (ii) the Commissioner of Social Secu-
5 rity shall apply the eligibility criteria for
6 new applicants for benefits under title XVI
7 of such Act;

8 (iii) the Commissioner shall give such
9 redetermination priority over all continuing
10 eligibility reviews and other reviews under
11 such title; and

12 (iv) such redetermination shall be
13 counted as a review or redetermination
14 otherwise required to be made under sec-
15 tion 208 of the Social Security Independ-
16 ence and Program Improvements Act of
17 1994 or any other provision of title XVI of
18 the Social Security Act.

19 (B) GRANDFATHER PROVISION.—The
20 amendments made by subsections (a) and (b),
21 and the redetermination under subparagraph
22 (A), shall only apply with respect to the benefits
23 of an individual described in subparagraph (A)
24 for months beginning on or after January 1,
25 1997.

1 (C) NOTICE.—Not later than 90 days after
2 the date of the enactment of this Act, the Com-
3 missioner of Social Security shall notify an indi-
4 vidual described in subparagraph (A) of the
5 provisions of this paragraph.

6 **SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINU-**
7 **ING DISABILITY REVIEWS.**

8 (a) CONTINUING DISABILITY REVIEWS RELATING TO
9 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.
10 1382c(a)(3)(H)), as redesignated by section 211(a)(3), is
11 amended—

12 (1) by inserting “(i)” after “(H)”; and

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

15 “(ii)(I) Not less frequently than once every 3 years,
16 the Commissioner shall review in accordance with para-
17 graph (4) the continued eligibility for benefits under this
18 title of each individual who has not attained 18 years of
19 age and is eligible for such benefits by reason of an im-
20 pairment (or combination of impairments) which may im-
21 prove (or, which is unlikely to improve, at the option of
22 the Commissioner).

23 “(II) A parent or guardian of a recipient whose case
24 is reviewed under this clause shall present, at the time
25 of review, evidence demonstrating that the recipient is,

1 and has been, receiving treatment, to the extent consid-
2 ered medically necessary and available, of the condition
3 which was the basis for providing benefits under this
4 title.”.

5 (b) DISABILITY ELIGIBILITY REDETERMINATIONS
6 REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS
7 OF AGE.—

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

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

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

18 “(II) by applying the criteria used in determin-
19 ing the initial eligibility for applicants who have at-
20 tained the age of 18 years.

21 With respect to a redetermination under this clause, para-
22 graph (4) shall not apply and such redetermination shall
23 be considered a substitute for a review or redetermination
24 otherwise required under any other provision of this sub-
25 paragraph during that 1-year period.”.

1 (2) CONFORMING REPEAL.—Section 207 of the
2 Social Security Independence and Program Improve-
3 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.
4 1516) is hereby repealed.

5 (c) CONTINUING DISABILITY REVIEW REQUIRED FOR
6 LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)
7 (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections
8 (a) and (b), is amended by adding at the end the following
9 new clause:

10 “(iv)(I) Not later than 12 months after the birth of
11 an individual, the Commissioner shall review in accordance
12 with paragraph (4) the continuing eligibility for benefits
13 under this title by reason of disability of such individual
14 whose low birth weight is a contributing factor material
15 to the Commissioner’s determination that the individual
16 is disabled.

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

21 “(III) A parent or guardian of a recipient whose case
22 is reviewed under this clause shall present, at the time
23 of review, evidence demonstrating that the recipient is,
24 and has been, receiving treatment, to the extent consid-
25 ered medically necessary and available, of the condition

1 which was the basis for providing benefits under this
2 title.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to benefits for months beginning
5 on or after the date of the enactment of this Act, without
6 regard to whether regulations have been issued to imple-
7 ment such amendments.

8 **SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

9 (a) **TIGHTENING OF REPRESENTATIVE PAYEE RE-**
10 **QUIREMENTS.**—

11 (1) **CLARIFICATION OF ROLE.**—Section
12 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is
13 amended by striking “and” at the end of subclause
14 (II), by striking the period at the end of subclause
15 (IV) and inserting “; and”, and by adding after
16 subclause (IV) the following new subclause:

17 “(V) advise such person through the notice of
18 award of benefits, and at such other times as the
19 Commissioner of Social Security deems appropriate,
20 of specific examples of appropriate expenditures of
21 benefits under this title and the proper role of a rep-
22 resentative payee.”.

23 (2) **DOCUMENTATION OF EXPENDITURES RE-**
24 **QUIRED.**—

1 (A) IN GENERAL.—Subparagraph (C)(i) of
2 section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is
3 amended to read as follows:

4 “(C)(i) In any case where payment is made to a rep-
5 resentative payee of an individual or spouse, the Commis-
6 sioner of Social Security shall—

7 “(I) require such representative payee to docu-
8 ment expenditures and keep contemporaneous
9 records of transactions made using such payment;
10 and

11 “(II) implement statistically valid procedures
12 for reviewing a sample of such contemporaneous
13 records in order to identify instances in which such
14 representative payee is not properly using such pay-
15 ment.”.

16 (B) CONFORMING AMENDMENT WITH RE-
17 SPECT TO PARENT PAYEES.—Clause (ii) of sec-
18 tion 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C))
19 is amended by striking “Clause (i)” and insert-
20 ing “Subclauses (II) and (III) of clause (i)”.

21 (3) EFFECTIVE DATE.—The amendments made
22 by this subsection shall apply to benefits paid after
23 the date of the enactment of this Act.

24 (b) DEDICATED SAVINGS ACCOUNTS.—

1 (1) IN GENERAL.—Section 1631(a)(2)(B) (42
2 U.S.C. 1383(a)(2)(B)) is amended by adding at the
3 end the following new clause:

4 “(xiv) Notwithstanding clause (x), the Commissioner
5 of Social Security may, at the request of the representative
6 payee, pay any lump sum payment for the benefit of a
7 child into a dedicated savings account that could only be
8 used to purchase for such child—

9 “(I) education and job skills training;

10 “(II) special equipment or housing modifica-
11 tions or both specifically related to, and required by
12 the nature of, the child’s disability; and

13 “(III) appropriate therapy and rehabilitation.”.

14 (2) DISREGARD OF TRUST FUNDS.—Section
15 1613(a) (42 U.S.C. 1382b) is amended—

16 (A) by striking “and” at the end of para-
17 graph (9),

18 (B) by striking the period at the end of
19 paragraph (10) the first place it appears and
20 inserting a semicolon,

21 (C) by redesignating paragraph (10) the
22 second place it appears as paragraph (11) and
23 striking the period at the end of such para-
24 graph and inserting “; and”, and

1 (D) by inserting after paragraph (11), as
2 so redesignated, the following new paragraph:

3 “(12) all amounts deposited in, or interest cred-
4 ited to, a dedicated savings account described in sec-
5 tion 1631(a)(2)(B)(xiv).”.

6 (3) EFFECTIVE DATE.—The amendments made
7 by this subsection shall apply to payments made
8 after the date of the enactment of this Act.

9 **Subtitle C—Studies Regarding Sup-**
10 **plemental Security Income Pro-**
11 **gram**

12 **SEC. 221. ANNUAL REPORT ON THE SUPPLEMENTAL SECU-**
13 **RITY INCOME PROGRAM.**

14 Title XVI is amended by adding at the end the follow-
15 ing new section:

16 **“SEC. 1636. ANNUAL REPORT ON PROGRAM.**

17 “(a) DESCRIPTION OF REPORT.—Not later than May
18 30 of each year, the Commissioner of Social Security shall
19 prepare and deliver a report annually to the President and
20 the Congress regarding the program under this title, in-
21 cluding—

22 “(1) a comprehensive description of the pro-
23 gram;

24 “(2) historical and current data on allowances
25 and denials, including number of applications and

1 allowance rates at initial determinations, reconsider-
2 ations, administrative law judge hearings, council of
3 appeals hearings, and Federal court appeal hearings;

4 “(3) historical and current data on characteris-
5 tics of recipients and program costs, by recipient
6 group (aged, blind, work disabled adults, and chil-
7 dren);

8 “(4) projections of future number of recipients
9 and program costs, through at least 25 years;

10 “(5) number of redeterminations and continu-
11 ing disability reviews, and the outcomes of such
12 redeterminations and reviews;

13 “(6) data on the utilization of work incentives;

14 “(7) detailed information on administrative and
15 other program operation costs;

16 “(8) summaries of relevant research undertaken
17 by the Social Security Administration, or by other
18 researchers;

19 “(9) State supplementation program operations;

20 “(10) a historical summary of statutory
21 changes to this title; and

22 “(11) such other information as the Commis-
23 sioner deems useful.

24 “(b) VIEWS OF MEMBERS OF THE SOCIAL SECURITY
25 ADVISORY COUNCIL.—Each member of the Social Secu-

1 rity Advisory Council shall be permitted to provide an indi-
2 vidual report, or a joint report if agreed, of views of the
3 program under this title, to be included in the annual re-
4 port under this section.”.

5 **SEC. 222. IMPROVEMENTS TO DISABILITY EVALUATION.**

6 (a) REQUEST FOR COMMENTS.—

7 (1) IN GENERAL.—Not later than 60 days after
8 the date of the enactment of this Act, the Commis-
9 sioner of Social Security shall issue a request for
10 comments in the Federal Register regarding im-
11 provements to the disability evaluation and deter-
12 mination procedures for individuals under age 18 to
13 ensure the comprehensive assessment of such indi-
14 viduals, including—

15 (A) additions to conditions which should be
16 presumptively disabling at birth or ages 0
17 through 3 years;

18 (B) specific changes in individual listings
19 in the Listing of Impairments set forth in ap-
20 pendix 1 of subpart P of part 404 of title 20,
21 Code of Federal Regulations;

22 (C) improvements in regulations regarding
23 determinations based on regulations providing
24 for medical and functional equivalence to such

1 Listing of Impairments, and consideration of
2 multiple impairments; and

3 (D) any other changes to the disability de-
4 termination procedures.

5 (2) REVIEW AND REGULATORY ACTION.—The
6 Commissioner of Social Security shall promptly re-
7 view such comments and issue any regulations im-
8 plementing any necessary changes not later than 18
9 months after the date of the enactment of this Act.

10 **SEC. 223. STUDY OF DISABILITY DETERMINATION PROC-**
11 **ESS.**

12 (a) IN GENERAL.—Not later than 90 days after the
13 date of the enactment of this Act, and from funds other-
14 wise appropriated, the Commissioner of Social Security
15 shall make arrangements with the National Academy of
16 Sciences, or other independent entity, to conduct a study
17 of the disability determination process under titles II and
18 XVI of the Social Security Act. This study shall be under-
19 taken in consultation with professionals representing ap-
20 propriate disciplines.

21 (b) STUDY COMPONENTS.—The study described in
22 subsection (a) shall include—

23 (1) an initial phase examining the appropriate-
24 ness of, and making recommendations regarding—

1 (A) the definitions of disability in effect on
2 the date of the enactment of this Act and the
3 advantages and disadvantages of alternative
4 definitions; and

5 (B) the operation of the disability deter-
6 mination process, including the appropriate
7 method of performing comprehensive assess-
8 ments of individuals under age 18 with physical
9 and mental impairments;

10 (2) a second phase, which may be concurrent
11 with the initial phase, examining the validity, reli-
12 ability, and consistency with current scientific knowl-
13 edge of the standards and individual listings in the
14 Listing of Impairments set forth in appendix 1 of
15 subpart P of part 404 of title 20, Code of Federal
16 Regulations, and of related evaluation procedures as
17 promulgated by the Commissioner of Social Security;
18 and

19 (3) such other issues as the applicable entity
20 considers appropriate.

21 (c) REPORTS AND REGULATIONS.—

22 (1) REPORTS.—The Commissioner of Social Se-
23 curity shall request the applicable entity, to submit
24 an interim report and a final report of the findings
25 and recommendations resulting from the study de-

1 scribed in this section to the President and the Con-
2 gress not later than 18 months and 24 months, re-
3 spectively, from the date of the contract for such
4 study, and such additional reports as the Commis-
5 sioner deems appropriate after consultation with the
6 applicable entity.

7 (2) REGULATIONS.—The Commissioner of So-
8 cial Security shall review both the interim and final
9 reports, and shall issue regulations implementing
10 any necessary changes following each report.

11 **SEC. 224. STUDY BY GENERAL ACCOUNTING OFFICE.**

12 Not later than January 1, 1998, the Comptroller
13 General of the United States shall study and report on
14 the impact of the amendments made by, and the provi-
15 sions of, this title on the supplemental security income
16 program under title XVI of the Social Security Act.

17 **Subtitle D—National Commission**
18 **on the Future of Disability**

19 **SEC. 231. ESTABLISHMENT.**

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

1 **SEC. 232. DUTIES OF THE COMMISSION.**

2 (a) IN GENERAL.—The Commission shall develop
3 and carry out a comprehensive study of all matters related
4 to the nature, purpose, and adequacy of all Federal pro-
5 grams serving individuals with disabilities. In particular,
6 the Commission shall study the disability insurance pro-
7 gram under title II of the Social Security Act and the sup-
8 plemental security income program under title XVI of
9 such Act.

10 (b) MATTERS STUDIED.—The Commission shall pre-
11 pare an inventory of Federal programs serving individuals
12 with disabilities, and shall examine—

13 (1) trends and projections regarding the size
14 and characteristics of the population of individuals
15 with disabilities, and the implications of such analy-
16 ses for program planning;

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

19 (3) the adequacy of Federal efforts in rehabili-
20 tation research and training, and opportunities to
21 improve the lives of individuals with disabilities
22 through all manners of scientific and engineering re-
23 search; and

24 (4) the adequacy of policy research available to
25 the Federal Government, and what actions might be

1 undertaken to improve the quality and scope of such
2 research.

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

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

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

11 (3) the suitability of the organization and loca-
12 tion of disability programs within the Federal Gov-
13 ernment;

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

17 (5) such other matters as the Commission con-
18 siders appropriate.

19 **SEC. 233. MEMBERSHIP.**

20 (a) NUMBER AND APPOINTMENT.—

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

23 (A) five shall be appointed by the Presi-
24 dent, of whom not more than 3 shall be of the
25 same major political party;

1 (B) three shall be appointed by the Major-
2 ity Leader of the Senate;

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

5 (D) three shall be appointed by the Speak-
6 er of the House of Representatives; and

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

9 (2) REPRESENTATION.—The Commission mem-
10 bers shall be chosen based on their education, train-
11 ing, or experience. In appointing individuals as
12 members of the Commission, the President and the
13 Majority and Minority Leaders of the Senate and
14 the Speaker and Minority Leader of the House of
15 Representatives shall seek to ensure that the mem-
16 bership of the Commission reflects the diversity of
17 individuals with disabilities in the United States.

18 (b) COMPTROLLER GENERAL.—The Comptroller
19 General shall serve on the Commission as an ex officio
20 member of the Commission to advise and oversee the
21 methodology and approach of the study of the Commis-
22 sion.

23 (c) PROHIBITION AGAINST OFFICER OR EM-
24 PLOYEE.—No officer or employee of any government shall
25 be appointed under subsection (a).

1 (d) DEADLINE FOR APPOINTMENT; TERM OF AP-
2 POINTMENT.—Members of the Commission shall be ap-
3 pointed not later than 60 days after the date of the enact-
4 ment of this Act. The members shall serve on the Commis-
5 sion for the life of the Commission.

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

10 (f) QUORUM.—Ten members of the Commission shall
11 constitute a quorum, but a lesser number may hold hear-
12 ings.

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

18 (h) CONTINUATION OF MEMBERSHIP.—If a member
19 of the Commission becomes an officer or employee of any
20 government after appointment to the Commission, the in-
21 dividual may continue as a member until a successor mem-
22 ber is appointed.

23 (i) VACANCIES.—A vacancy on the Commission shall
24 be filled in the manner in which the original appointment

1 was made not later than 30 days after the Commission
2 is given notice of the vacancy.

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

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

10 **SEC. 234. STAFF AND SUPPORT SERVICES.**

11 (a) DIRECTOR.—

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

15 (2) COMPENSATION.—The Director shall be
16 paid the rate of basic pay for level V of the Execu-
17 tive Schedule.

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

21 (c) APPLICABILITY OF CIVIL SERVICE LAWS.—The
22 staff of the Commission shall be appointed without regard
23 to the provisions of title 5, United States Code, governing
24 appointments in the competitive service, and shall be paid
25 without regard to the provisions of chapter 51 and sub-

1 chapter III of chapter 53 of such title relating to classi-
2 fication and General Schedule pay rates.

3 (d) EXPERTS AND CONSULTANTS.—With the ap-
4 proval of the Commission, the Director may procure tem-
5 porary and intermittent services under section 3109(b) of
6 title 5, United States Code.

7 (e) STAFF OF FEDERAL AGENCIES.—Upon the re-
8 quest of the Commission, the head of any Federal agency
9 may detail, on a reimbursable basis, any of the personnel
10 of such agency to the Commission to assist in carrying
11 out the duties of the Commission under this subtitle.

12 (f) OTHER RESOURCES.—The Commission shall have
13 reasonable access to materials, resources, statistical data,
14 and other information from the Library of Congress and
15 agencies and elected representatives of the executive and
16 legislative branches of the Federal Government. The
17 Chairperson of the Commission shall make requests for
18 such access in writing when necessary.

19 (g) PHYSICAL FACILITIES.—The Administrator of
20 the General Services Administration shall locate suitable
21 office space for the operation of the Commission. The fa-
22 cilities shall serve as the headquarters of the Commission
23 and shall include all necessary equipment and incidentals
24 required for proper functioning of the Commission.

1 **SEC. 235. POWERS OF COMMISSION.**

2 (a) HEARINGS.—The Commission may conduct pub-
3 lic hearings or forums at the discretion of the Commission,
4 at any time and place the Commission is able to secure
5 facilities and witnesses, for the purpose of carrying out
6 the duties of the Commission under this subtitle.

7 (b) DELEGATION OF AUTHORITY.—Any member or
8 agent of the Commission may, if authorized by the Com-
9 mission, take any action the Commission is authorized to
10 take by this section.

11 (c) INFORMATION.—The Commission may secure di-
12 rectly from any Federal agency information necessary to
13 enable the Commission to carry out its duties under this
14 subtitle. Upon request of the Chairperson or Vice Chair-
15 person of the Commission, the head of a Federal agency
16 shall furnish the information to the Commission to the ex-
17 tent permitted by law.

18 (d) GIFTS, BEQUESTS, AND DEVISES.—The Commis-
19 sion may accept, use, and dispose of gifts, bequests, or
20 devises of services or property, both real and personal, for
21 the purpose of aiding or facilitating the work of the Com-
22 mission. Gifts, bequests, or devises of money and proceeds
23 from sales of other property received as gifts, bequests,
24 or devises shall be deposited in the Treasury and shall be
25 available for disbursement upon order of the Commission.

1 (e) **MAILS.**—The Commission may use the United
2 States mails in the same manner and under the same con-
3 ditions as other Federal agencies.

4 **SEC. 236. REPORTS.**

5 (a) **INTERIM REPORT.**—Not later than 1 year prior
6 to the date on which the Commission terminates pursuant
7 to section 237, the Commission shall submit an interim
8 report to the President and to the Congress. The interim
9 report shall contain a detailed statement of the findings
10 and conclusions of the Commission, together with the
11 Commission's recommendations for legislative and admin-
12 istrative action, based on the activities of the Commission.

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

17 (1) a detailed statement of final findings, con-
18 clusions, and recommendations; and

19 (2) an assessment of the extent to which rec-
20 ommendations of the Commission included in the in-
21 terim report under subsection (a) have been imple-
22 mented.

23 (c) **PRINTING AND PUBLIC DISTRIBUTION.**—Upon
24 receipt of each report of the Commission under this sec-
25 tion, the President shall—

- 1 (1) order the report to be printed; and
2 (2) make the report available to the public upon
3 request.

4 **SEC. 237. TERMINATION.**

5 The Commission shall terminate on the date that is
6 2 years after the date on which the members of the Com-
7 mission have met and designated a Chairperson and Vice
8 Chairperson.

9 **Subtitle E—State Supplementation**
10 **Programs**

11 **SEC. 241. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**
12 **MENTS APPLICABLE TO OPTIONAL STATE**
13 **PROGRAMS FOR SUPPLEMENTATION OF SSI**
14 **BENEFITS.**

15 (a) **IN GENERAL.**—Section 1618 (42 U.S.C. 1382g)
16 is repealed.

17 (b) **EFFECTIVE DATE.**—The repeal made by sub-
18 section (a) shall apply with respect to calendar quarters
19 beginning after September 30, 1995.

1 **Subtitle F—Retirement Age**
2 **Eligibility**

3 **SEC. 251. ELIGIBILITY FOR SUPPLEMENTAL SECURITY IN-**
4 **COME BENEFITS BASED ON SOCIAL SECU-**
5 **RITY RETIREMENT AGE.**

6 (a) **IN GENERAL.**—Section 1614(a)(1)(A) (42 U.S.C.
7 1382C(a)(1)(A)) is amended by striking “is 65 years of
8 age or older,” and inserting “has attained retirement
9 age.”.

10 (b) **RETIREMENT AGE DEFINED.**—Section 1614 (42
11 U.S.C. 1382c) is amended by adding at the end the follow-
12 ing new subsection:

13 “Retirement Age

14 “(g) For purposes of this title, the term “retirement
15 age” has the meaning given such term by section
16 216(l)(1).”.

17 (c) **CONFORMING AMENDMENTS.**—Sections 1601,
18 1612(b)(4), 1615(a)(1), and 1620(b)(2) (42 U.S.C. 1381,
19 1382a(b)(4), 1382d(a)(1), and 1382i(b)(2)) are amended
20 by striking “age 65” each place it appears and inserting
21 “retirement age”.

22 (d) **EFFECTIVE DATE.**—The amendments made by
23 this section shall apply to applicants for benefits for
24 months beginning after September 30, 1995.

1 **TITLE III—FOOD STAMP**
2 **PROGRAM**
3 **Subtitle A—Food Stamp Reform**

4 **SEC. 301. DECLARATION OF POLICY.**

5 Section 2 of the Food Stamp Act of 1977 (7 U.S.C.
6 2011) is amended by adding at the end the following:
7 “Congress intends that the food stamp program support
8 the employment focus and family strengthening mission
9 of public welfare and welfare replacement programs by—

10 “(1) facilitating the transition of low-income
11 families and households from economic dependency
12 to economic self-sufficiency through work;

13 “(2) promoting employment as the primary
14 means of income support for economically dependent
15 families and households and reducing the barriers to
16 employment of economically dependent families and
17 households; and

18 “(3) maintaining and strengthening healthy
19 family functioning and family life.”.

20 **SEC. 301A. CERTIFICATION PERIOD.**

21 Section 3(c) of the Food Stamp Act of 1977 (7
22 U.S.C. 2012(c)) is amended by striking “Except as pro-
23 vided” and all that follows and inserting the following:
24 “The certification period shall not exceed 12 months, ex-
25 cept that the certification period may be up to 24 months

1 if all adult household members are elderly, disabled, or
2 primarily self-employed. A State agency shall have at least
3 1 personal contact with each certified household every 12
4 months.”.

5 **SEC. 302. TREATMENT OF CHILDREN LIVING AT HOME.**

6 The second sentence of section 3(i) of the Food
7 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by
8 striking “(who are not themselves parents living with their
9 children or married and living with their spouses)”.

10 **SEC. 303. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE**
11 **HOUSEHOLD DETERMINATIONS.**

12 (a) IN GENERAL.—Section 3(i) of the Food Stamp
13 Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting
14 after the third sentence the following: “Notwithstanding
15 the preceding sentences, a State may establish criteria
16 that prescribe when individuals who live together, and who
17 would be allowed to participate as separate households
18 under the preceding sentences, shall be considered a single
19 household, without regard to the common purchase of food
20 and preparation of meals.”.

21 (b) CONFORMING AMENDMENT.—The second sen-
22 tence of section 5(a) of the Act (7 U.S.C. 2014(a)) is
23 amended by striking “the third sentence of section 3(i)”
24 and inserting “the fourth sentence of section 3(i)”.

1 **SEC. 304. ADJUSTMENT OF THRIFTY FOOD PLAN.**

2 The second sentence of section 3(o) of the Food
3 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

4 (1) by striking “shall (1) make” and inserting
5 the following: “shall—

6 “(1) make”;

7 (2) by striking “scale, (2) make” and inserting
8 “scale;

9 “(2) make”;

10 (3) by striking “Alaska, (3) make” and insert-
11 ing the following: “Alaska;

12 “(3) make”; and

13 (4) by striking “Columbia, (4) through” and all
14 that follows through the end of the subsection and
15 inserting the following: “Columbia; and

16 “(4) on October 1, 1995, and each October 1
17 thereafter, adjust the cost of the diet to reflect the
18 cost of the diet, in the preceding June, and round
19 the result to the nearest lower dollar increment for
20 each household size, except that on October 1, 1995,
21 the Secretary may not reduce the cost of the diet in
22 effect on September 30, 1995.”.

23 **SEC. 305. DEFINITION OF HOMELESS INDIVIDUAL.**

24 Section 3(s)(2)(C) of the Food Stamp Act of 1977
25 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting “for not
26 more than 90 days” after “temporary accommodation”.

1 **SEC. 306. STATE OPTIONS IN REGULATIONS.**

2 Section 5(b) of the Food Stamp Act of 1977 (7
3 U.S.C. 2014(d)) is amended by striking “(b) The Sec-
4 retary” and inserting the following:

5 “(b) UNIFORM STANDARDS.—Except as otherwise
6 provided in this Act, the Secretary”.

7 **SEC. 307. EARNINGS OF STUDENTS.**

8 Section 5(d)(7) of the Food Stamp Act of 1977 (7
9 U.S.C. 2014(d)(7)) is amended by striking “21” and in-
10 serting “19”.

11 **SEC. 308. ENERGY ASSISTANCE.**

12 (a) IN GENERAL.—Section 5(d) of the Food Stamp
13 Act of 1977 (7 U.S.C. 2014(d)) is amended by striking
14 paragraph (11) and inserting the following: “(11) a one-
15 time payment or allowance made under a Federal or State
16 law for the costs of weatherization or emergency repair
17 or replacement of an unsafe or inoperative furnace or
18 other heating or cooling device,”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Section 5(k) of the Act (7 U.S.C. 2014(k))
21 is amended—

22 (A) in paragraph (1)—

23 (i) in subparagraph (A), by striking
24 “plan for aid to families with dependent
25 children approved” and inserting “program
26 funded”; and

1 (ii) in subparagraph (B), by striking
2 “, not including energy or utility-cost as-
3 sistance,”; and

4 (B) in paragraph (2), by striking subpara-
5 graph (C) and inserting the following:

6 “(C) a payment or allowance described in sub-
7 section (d)(11);”;

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

9 “(4) THIRD PARTY ENERGY ASSISTANCE PAY-
10 MENTS.—

11 “(A) ENERGY ASSISTANCE PAYMENTS.—
12 For purposes of subsection (d)(1), a payment
13 made under a Federal or State law to provide
14 energy assistance to a household shall be con-
15 sidered money payable directly to the house-
16 hold.

17 “(B) ENERGY ASSISTANCE EXPENSES.—
18 For purposes of subsection (e)(7), an expense
19 paid on behalf of a household under a Federal
20 or State law to provide energy assistance shall
21 be considered an out-of-pocket expense incurred
22 and paid by the household.”.

23 (2) Section 2605(f) of the Low-Income Home
24 Energy Assistance Act of 1981 (42 U.S.C. 8624(f))
25 is amended—

1 (A) by striking “(f)(1) Notwithstanding”
2 and inserting “(f) Notwithstanding”;

3 (B) in paragraph (1), by striking “food
4 stamps,”; and

5 (C) by striking paragraph (2).

6 **SEC. 309. DEDUCTIONS FROM INCOME.**

7 (a) IN GENERAL.—Section 5 of the Food Stamp Act
8 of 1977 (7 U.S.C. 2014) is amended by striking sub-
9 section (e) and inserting the following:

10 “(e) DEDUCTIONS FROM INCOME.—

11 “(1) STANDARD DEDUCTION.—

12 “(A) IN GENERAL.—The Secretary shall
13 allow a standard deduction for each household
14 in the 48 contiguous States and the District of
15 Columbia, Alaska, Hawaii, Guam, and the Vir-
16 gin Islands of the United States of—

17 “(i) for fiscal year 1995, \$134, \$229,
18 \$189, \$269, and \$118, respectively;

19 “(ii) for fiscal year 1996, \$132, \$225,
20 \$186, \$265, and \$116, respectively; and

21 “(iii) for fiscal years 1997 through
22 2002, \$124, \$211, \$174, \$248 and \$109,
23 respectively.

24 “(B) ADJUSTMENT FOR INFLATION.—On
25 October 1, 2002, and each October 1 thereafter,

1 the Secretary shall adjust the standard deduc-
2 tion to the nearest lower dollar increment to re-
3 flect changes in the Consumer Price Index for
4 all urban consumers published by the Bureau of
5 Labor Statistics, for items other than food, for
6 the 12-month period ending the preceding June
7 30.

8 “(2) EARNED INCOME DEDUCTION.—

9 “(A) IN GENERAL.—Except as provided in
10 subparagraph (B), a household with earned in-
11 come shall be allowed a deduction of 20 percent
12 of all earned income (other than income ex-
13 cluded by subsection (d)), to compensate for
14 taxes, other mandatory deductions from salary,
15 and work expenses.

16 “(B) EXCEPTION.—The deduction de-
17 scribed in subparagraph (A) shall not be al-
18 lowed with respect to determining an
19 overissuance due to the failure of a household
20 to report earned income in a timely manner.

21 “(3) DEPENDENT CARE DEDUCTION.—

22 “(A) IN GENERAL.—A household shall be
23 entitled, with respect to expenses (other than
24 excluded expenses described in subparagraph
25 (B)) for dependent care, to a dependent care

1 deduction, the maximum allowable level of
2 which shall be \$200 per month for each depend-
3 ent child under 2 years of age and \$175 per
4 month for each other dependent, for the actual
5 cost of payments necessary for the care of a
6 dependent if the care enables a household mem-
7 ber to accept or continue employment, or train-
8 ing or education that is preparatory for employ-
9 ment.

10 “(B) EXCLUDED EXPENSES.—The ex-
11 cluded expenses referred to in subparagraph
12 (A) are—

13 “(i) expenses paid on behalf of the
14 household by a third party;

15 “(ii) amounts made available and ex-
16 cluded for the expenses referred to in sub-
17 paragraph (A) under subsection (d)(3);
18 and

19 “(iii) expenses that are paid under
20 section 6(d)(4).

21 “(4) DEDUCTION FOR CHILD SUPPORT PAY-
22 MENTS.—

23 “(A) IN GENERAL.—A household shall be
24 entitled to a deduction for child support pay-
25 ments made by a household member to or for

1 an individual who is not a member of the
2 household if the household member is legally
3 obligated to make the payments.

4 “(B) METHODS FOR DETERMINING
5 AMOUNT.—The Secretary may prescribe by reg-
6 ulation the methods, including calculation on a
7 retrospective basis, that a State agency shall
8 use to determine the amount of the deduction
9 for child support payments.

10 “(5) HOMELESS SHELTER DEDUCTION.—A
11 State agency may develop a standard homeless shel-
12 ter deduction, which shall not exceed \$139 per
13 month, for such expenses as may reasonably be ex-
14 pected to be incurred by households in which all
15 members are homeless individuals but are not receiv-
16 ing free shelter throughout the month. A State agen-
17 cy that develops the deduction may use the deduc-
18 tion in determining eligibility and allotments for the
19 households, except that the State agency may pro-
20 hibit the use of the deduction for households with
21 extremely low shelter costs.

22 “(6) EXCESS MEDICAL EXPENSE DEDUCTION.—
23 “(A) IN GENERAL.—A household contain-
24 ing an elderly or disabled member shall be enti-
25 tled, with respect to expenses other than ex-

1 penses paid on behalf of the household by a
2 third party, to an excess medical expense de-
3 duction for the portion of the actual costs of al-
4 lowable medical expenses, incurred by the elder-
5 ly or disabled member, exclusive of special diets,
6 that exceeds \$35 per month.

7 “(B) METHOD OF CLAIMING DEDUC-
8 TION.—

9 “(i) IN GENERAL.—A State agency
10 shall offer an eligible household under sub-
11 paragraph (A) a method of claiming a de-
12 duction for recurring medical expenses that
13 are initially verified under the excess medi-
14 cal expense deduction in lieu of submitting
15 information or verification on actual ex-
16 penses on a monthly basis.

17 “(ii) METHOD.—The method de-
18 scribed in clause (i) shall—

19 “(I) be designed to minimize the
20 burden for the eligible elderly or dis-
21 abled household member choosing to
22 deduct the recurrent medical expenses
23 of the member pursuant to the meth-
24 od;

1 “(II) rely on reasonable estimates
2 of the expected medical expenses of
3 the member for the certification pe-
4 riod (including changes that can be
5 reasonably anticipated based on avail-
6 able information about the medical
7 condition of the member, public or
8 private medical insurance coverage,
9 and the current verified medical ex-
10 penses incurred by the member); and

11 “(III) not require further report-
12 ing or verification of a change in med-
13 ical expenses if such a change has
14 been anticipated for the certification
15 period.

16 “(7) EXCESS SHELTER EXPENSE DEDUC-
17 TION.—

18 “(A) IN GENERAL.—A household shall be
19 entitled, with respect to expenses other than ex-
20 penses paid on behalf of the household by a
21 third party, to an excess shelter expense deduc-
22 tion to the extent that the monthly amount ex-
23 pended by a household for shelter exceeds an
24 amount equal to 50 percent of monthly house-

1 hold income after all other applicable deduc-
2 tions have been allowed.

3 “(B) MAXIMUM AMOUNT OF DEDUC-
4 TION.—

5 “(i) PRIOR TO SEPTEMBER 30, 1995.—

6 In the case of a household that does not
7 contain an elderly or disabled individual,
8 during the 15-month period ending Sep-
9 tember 30, 1995, the excess shelter ex-
10 pense deduction shall not exceed—

11 “(I) in the 48 contiguous States
12 and the District of Columbia, \$231
13 per month; and

14 “(II) in Alaska, Hawaii, Guam,
15 and the Virgin Islands of the United
16 States, \$402, \$330, \$280, and \$171
17 per month, respectively.

18 “(ii) AFTER SEPTEMBER 30, 1995.—In
19 the case of a household that does not con-
20 tain an elderly or disabled individual, dur-
21 ing the 15-month period ending December
22 31, 1996, the excess shelter expense deduc-
23 tion shall not exceed—

1 “(I) in the 48 contiguous States
2 and the District of Columbia, \$247
3 per month; and

4 “(II) in Alaska, Hawaii, Guam,
5 and the Virgin Islands of the United
6 States, \$429, \$353, \$300, and \$182
7 per month, respectively.

8 “(C) STANDARD UTILITY ALLOWANCE.—

9 “(i) IN GENERAL.—In computing the
10 excess shelter expense deduction, a State
11 agency may use a standard utility allow-
12 ance in accordance with regulations pro-
13 mulgated by the Secretary, except that a
14 State agency may use an allowance that
15 does not fluctuate within a year to reflect
16 seasonal variations.

17 “(ii) RESTRICTIONS ON HEATING AND
18 COOLING EXPENSES.—An allowance for a
19 heating or cooling expense may not be used
20 in the case of a household that—

21 “(I) does not incur a heating or
22 cooling expense, as the case may be;

23 “(II) does incur a heating or
24 cooling expense but is located in a
25 public housing unit that has central

1 utility meters and charges households,
2 with regard to the expense, only for
3 excess utility costs; or

4 “(III) shares the expense with,
5 and lives with, another individual not
6 participating in the food stamp pro-
7 gram, another household participating
8 in the food stamp program, or both,
9 unless the allowance is prorated be-
10 tween the household and the other in-
11 dividual, household, or both.

12 “(iii) MANDATORY ALLOWANCE.—

13 “(I) IN GENERAL.—A State
14 agency may make the use of a stand-
15 ard utility allowance mandatory for all
16 households with qualifying utility
17 costs if—

18 “(aa) the State agency has
19 developed 1 or more standards
20 that include the cost of heating
21 and cooling and 1 or more stand-
22 ards that do not include the cost
23 of heating and cooling; and

24 “(bb) the Secretary finds
25 that the standards will not result

1 in an increased cost to the Sec-
2 retary.

3 “(II) HOUSEHOLD ELECTION.—

4 A State agency that has not made the
5 use of a standard utility allowance
6 mandatory under subclause (I) shall
7 allow a household to switch, at the
8 end of a certification period, between
9 the standard utility allowance and a
10 deduction based on the actual utility
11 costs of the household.

12 “(iv) AVAILABILITY OF ALLOWANCE
13 TO RECIPIENTS OF ENERGY ASSISTANCE.—

14 “(I) IN GENERAL.—Subject to
15 subclause (II), if a State agency elects
16 to use a standard utility allowance
17 that reflects heating or cooling costs,
18 the standard utility allowance shall be
19 made available to households receiving
20 a payment, or on behalf of which a
21 payment is made, under the Low-In-
22 come Home Energy Assistance Act of
23 1981 (42 U.S.C. 8621 et seq.) or
24 other similar energy assistance pro-
25 gram, if the household still incurs out-

1 of-pocket heating or cooling expenses
2 in excess of any assistance paid on be-
3 half of the household to an energy
4 provider.

5 “(II) SEPARATE ALLOWANCE.—A
6 State agency may use a separate
7 standard utility allowance for house-
8 holds on behalf of which a payment
9 described in subclause (I) is made,
10 but may not be required to do so.

11 “(III) STATES NOT ELECTING TO
12 USE SEPARATE ALLOWANCE.—A State
13 agency that does not elect to use a
14 separate allowance but makes a single
15 standard utility allowance available to
16 households incurring heating or cool-
17 ing expenses (other than a household
18 described in subclause (I) or (II) of
19 subparagraph (C)(ii)) may not be re-
20 quired to reduce the allowance due to
21 the provision (directly or indirectly) of
22 assistance under the Low-Income
23 Home Energy Assistance Act of 1981
24 (42 U.S.C. 8621 et seq.).

1 “(IV) PRORATION OF ASSIST-
2 ANCE.—For the purpose of the food
3 stamp program, assistance provided
4 under the Low-Income Home Energy
5 Assistance Act of 1981 (42 U.S.C.
6 8621 et seq.) shall be considered to be
7 prorated over the entire heating or
8 cooling season for which the assist-
9 ance was provided.”.

10 (b) CONFORMING AMENDMENT.—Section 11(e)(3) of
11 the Act (7 U.S.C. 2020(e)(3)) is amended by striking “.
12 Under rules prescribed” and all that follows through
13 “verifies higher expenses”.

14 **SEC. 310. AMOUNT OF VEHICLE ASSET LIMITATION.**

15 The first sentence of section 5(g)(2) of the Food
16 Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by
17 striking “through September 30, 1995” and all that fol-
18 lows through “such date and on” and inserting “and shall
19 be adjusted on October 1, 1996, and”.

20 **SEC. 311. BENEFITS FOR ALIENS.**

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

23 (1) in the first sentence of paragraph (1)—

24 (A) by inserting “or who executed such an
25 affidavit or similar agreement to enable the in-

1 dividual to lawfully remain in the United
2 States,” after “respect to such individual,”; and

3 (B) by striking “for a period” and all that
4 follows through the period at the end and in-
5 serting “until the end of the period ending on
6 the later of the date agreed to in the affidavit
7 or agreement or the date that is 5 years after
8 the date on which the individual was first law-
9 fully admitted into the United States following
10 the execution of the affidavit or agreement.”; and
11 and

12 (2) in paragraph (2)—

13 (A) in subparagraph (C)(i), by striking “of
14 three years after entry into the United States”
15 and inserting “determined under paragraph
16 (1)”; and

17 (B) in subparagraph (D), by striking “of
18 three years after such alien’s entry into the
19 United States” and inserting “determined
20 under paragraph (1)”.

21 **SEC. 312. DISQUALIFICATION.**

22 (a) IN GENERAL.—Section 6(d) of the Food Stamp
23 Act of 1977 (7 U.S.C. 2015(d)) is amended by striking
24 “(d)(1) Unless otherwise exempted by the provisions” and

1 all that follows through the end of paragraph (1) and in-
2 serting the following:

3 “(d) CONDITIONS OF PARTICIPATION.—

4 “(1) WORK REQUIREMENTS.—

5 “(A) IN GENERAL.—No physically and
6 mentally fit individual over the age of 15 and
7 under the age of 60 shall be eligible to partici-
8 pate in the food stamp program if the individ-
9 ual—

10 “(i) refuses, at the time of application
11 and every 12 months thereafter, to register
12 for employment in a manner prescribed by
13 the Secretary;

14 “(ii) refuses without good cause to
15 participate in an employment and training
16 program under paragraph (4), to the ex-
17 tent required by the State agency;

18 “(iii) refuses without good cause to
19 accept an offer of employment, at a site or
20 plant not subject to a strike or lockout at
21 the time of the refusal, at a wage not less
22 than the higher of—

23 “(I) the applicable Federal or
24 State minimum wage; or

1 “(II) 80 percent of the wage that
2 would have governed had the mini-
3 mum hourly rate under section
4 6(a)(1) of the Fair Labor Standards
5 Act of 1938 (29 U.S.C. 206(a)(1))
6 been applicable to the offer of employ-
7 ment;

8 “(iv) refuses without good cause to
9 provide a State agency with sufficient in-
10 formation to allow the State agency to de-
11 termine the employment status or the job
12 availability of the individual;

13 “(v) voluntarily and without good
14 cause—

15 “(I) quits a job; or

16 “(II) reduces work effort and,
17 after the reduction, the individual is
18 working less than 30 hours per week;
19 or

20 “(vi) fails to comply with section 20.

21 “(B) HOUSEHOLD INELIGIBILITY.—If an
22 individual who is the head of a household be-
23 comes ineligible to participate in the food stamp
24 program under subparagraph (A), the house-
25 hold shall, at the option of the State agency,

1 become ineligible to participate in the food
2 stamp program for a period, determined by the
3 State agency, that does not exceed the lesser
4 of—

5 “(i) the duration of the ineligibility of
6 the individual determined under subpara-
7 graph (C); or

8 “(ii) 180 days.

9 “(C) DURATION OF INELIGIBILITY.—

10 “(i) FIRST VIOLATION.—The first
11 time that an individual becomes ineligible
12 to participate in the food stamp program
13 under subparagraph (A), the individual
14 shall remain ineligible until the later of—

15 “(I) the date the individual be-
16 comes eligible under subparagraph
17 (A);

18 “(II) the date that is 1 month
19 after the date the individual became
20 ineligible; or

21 “(III) a date determined by the
22 State agency that is not later than 3
23 months after the date the individual
24 became ineligible.

1 “(ii) SECOND VIOLATION.—The sec-
2 ond time that an individual becomes ineli-
3 gible to participate in the food stamp pro-
4 gram under subparagraph (A), the individ-
5 ual shall remain ineligible until the later
6 of—

7 “(I) the date the individual be-
8 comes eligible under subparagraph
9 (A);

10 “(II) the date that is 3 months
11 after the date the individual became
12 ineligible; or

13 “(III) a date determined by the
14 State agency that is not later than 6
15 months after the date the individual
16 became ineligible.

17 “(iii) THIRD OR SUBSEQUENT VIOLA-
18 TION.—The third or subsequent time that
19 an individual becomes ineligible to partici-
20 pate in the food stamp program under sub-
21 paragraph (A), the individual shall remain
22 ineligible until the later of—

23 “(I) the date the individual be-
24 comes eligible under subparagraph
25 (A);

1 “(II) the date that is 6 months
2 after the date the individual became
3 ineligible;

4 “(III) a date determined by the
5 State agency; or

6 “(IV) at the option of the State
7 agency, permanently.

8 “(D) ADMINISTRATION.—

9 “(i) GOOD CAUSE.—The Secretary
10 shall determine the meaning of good cause
11 for the purpose of this paragraph.

12 “(ii) VOLUNTARY QUIT.—The Sec-
13 retary shall determine the meaning of vol-
14 untarily quitting and reducing work effort
15 for the purpose of this paragraph.

16 “(iii) DETERMINATION BY STATE
17 AGENCY.—

18 “(I) IN GENERAL.—Subject to
19 subclause (II) and clauses (i) and (ii),
20 a State agency shall determine—

21 “(aa) the meaning of any
22 term in subparagraph (A);

23 “(bb) the procedures for de-
24 termining whether an individual
25 is in compliance with a require-

1 ment under subparagraph (A);
2 and

3 “(cc) whether an individual
4 is in compliance with a require-
5 ment under subparagraph (A).

6 “(II) NOT LESS RESTRICTIVE.—

7 A State agency may not determine a
8 meaning, procedure, or determination
9 under subclause (I) to be less restric-
10 tive than a comparable meaning, pro-
11 cedure, or determination under a
12 State program funded under part A of
13 title IV of the Social Security Act (42
14 U.S.C. 601 et seq.).

15 “(iv) STRIKE AGAINST THE GOVERN-

16 MENT.—For the purpose of subparagraph
17 (A)(v), an employee of the Federal Govern-
18 ment, a State, or a political subdivision of
19 a State, who is dismissed for participating
20 in a strike against the Federal Govern-
21 ment, the State, or the political subdivision
22 of the State shall be considered to have
23 voluntarily quit without good cause.

24 “(v) SELECTING A HEAD OF HOUSE-

25 HOLD.—

1 “(I) IN GENERAL.—For the pur-
2 pose of this paragraph, the State
3 agency shall allow the household to se-
4 lect any adult parent of a child in the
5 household as the head of the house-
6 hold if all adult household members
7 making application under the food
8 stamp program agree to the selection.

9 “(II) TIME FOR MAKING DES-
10 IGNATION.—A household may des-
11 ignate the head of the household
12 under subclause (I) each time the
13 household is certified for participation
14 in the food stamp program, but may
15 not change the designation during a
16 certification period unless there is a
17 change in the composition of the
18 household.

19 “(vi) CHANGE IN HEAD OF HOUSE-
20 HOLD.—If the head of a household leaves
21 the household during a period in which the
22 household is ineligible to participate in the
23 food stamp program under subparagraph
24 (B)—

1 “(I) the household shall, if other-
2 wise eligible, become eligible to par-
3 ticipate in the food stamp program;
4 and

5 “(II) if the head of the household
6 becomes the head of another house-
7 hold, the household that becomes
8 headed by the individual shall become
9 ineligible to participate in the food
10 stamp program for the remaining pe-
11 riod of ineligibility.”.

12 (b) CONFORMING AMENDMENT.—

13 (1) The second sentence of section 17(b)(2) of
14 the Act (7 U.S.C. 2026(b)(2)) is amended by strik-
15 ing “6(d)(1)(i)” and inserting “6(d)(1)(A)(i)”.

16 (2) Section 20 of the Act (7 U.S.C. 2029) is
17 amended by striking subsection (f) and inserting the
18 following:

19 “(f) DISQUALIFICATION.—An individual or a house-
20 hold may become ineligible under section 6(d)(1) to par-
21 ticipate in the food stamp program for failing to comply
22 with this section.”.

23 **SEC. 313. CARETAKER EXEMPTION.**

24 Section 6(d)(2) of the Food Stamp Act of 1977 (7
25 U.S.C. 2015(d)(2)) is amended by striking subparagraph

1 (B) and inserting the following: “(B) a parent or other
2 member of a household with responsibility for the care of
3 (i) a dependent child under the age of 6 or any lower age
4 designated by the State agency that is not under the age
5 of 1, or (ii) an incapacitated person;”.

6 **SEC. 314. EMPLOYMENT AND TRAINING.**

7 (a) IN GENERAL.—Section 6(d)(4) of the Food
8 Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

9 (1) in subparagraph (A)—

10 (A) by striking “Not later than April 1,
11 1987, each” and inserting “Each”;

12 (B) by inserting “work,” after “skills,
13 training,”; and

14 (C) by adding at the end the following:
15 “Each component of an employment and train-
16 ing program carried out under this paragraph
17 shall be delivered through the statewide
18 workforce development system established in
19 section 711 of the Work Opportunity Act of
20 1995, unless the component is not available lo-
21 cally through the statewide workforce develop-
22 ment system.”;

23 (2) in subparagraph (B)—

24 (A) in the matter preceding clause (i), by
25 striking the colon at the end and inserting the

1 following: “, except that the State agency shall
2 retain the option to apply employment require-
3 ments prescribed under this subparagraph to a
4 program applicant at the time of application.”;

5 (B) in clause (i), by striking “with terms
6 and conditions” and all that follows through
7 “time of application”; and

8 (C) in clause (iv)—

9 (i) by striking subclauses (I) and (II);

10 and

11 (ii) by redesignating subclauses (III)

12 and (IV) as subclauses (I) and (II), respec-
13 tively;

14 (3) in subparagraph (D)—

15 (A) in clause (i), by striking “to which the
16 application” and all that follows through “30
17 days or less”;

18 (B) in clause (ii), by striking “but with re-
19 spect” and all that follows through “child
20 care”; and

21 (C) in clause (iii), by striking “, on the
22 basis of” and all that follows through “clause
23 (ii)” and inserting “the exemption continues to
24 be valid”;

1 (4) in subparagraph (E), by striking the third
2 sentence;

3 (5) in subparagraph (G)—

4 (A) by striking “(G)(i) The State” and in-
5 sserting “(G) The State”; and

6 (B) by striking clause (ii);

7 (6) in subparagraph (H), by striking “(H)(i)
8 The Secretary” and all that follows through “(ii)
9 Federal funds” and inserting “(H) Federal funds”;

10 (7) in subparagraph (I)(i)(II), by striking “, or
11 was in operation,” and all that follows through “So-
12 cial Security Act” and inserting the following: “),
13 except that no such payment or reimbursement shall
14 exceed the applicable local market rate”;

15 (8)(A) by striking subparagraphs (K) and (L)
16 and inserting the following:

17 “(K) LIMITATION ON FUNDING.—Notwith-
18 standing any other provision of this paragraph,
19 the amount of funds a State agency uses to
20 carry out this paragraph (including under sub-
21 paragraph (I)) for participants who are receiv-
22 ing benefits under a State program funded
23 under part A of title IV of the Social Security
24 Act (42 U.S.C. 601 et seq.) shall not exceed the
25 amount of funds the State agency used in fiscal

1 year 1995 to carry out this paragraph for par-
2 ticipants who were receiving benefits in fiscal
3 year 1995 under a State program funded under
4 part A of title IV of the Act (42 U.S.C. 601 et
5 seq.).”; and

6 (B) by redesignating subparagraphs (M) and
7 (N) as subparagraphs (L) and (M), respectively; and
8 (9) in subparagraph (L) (as redesignated by
9 paragraph (8)(B))—

10 (A) by striking “(L)(i) The Secretary” and
11 inserting “(L) The Secretary”; and

12 (B) by striking clause (ii).

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a)(1)(C) shall take effect—

15 (1) in a State described in section 815(b)(1), on
16 July 1, 1997; and

17 (2) in any other State, on July 1, 1998.

18 (c) FUNDING.—Section 16(h) of the Act (7 U.S.C.
19 2025(h)) is amended by striking “(h)(1)(A) The Sec-
20 retary” and all that follows through the end of paragraph
21 (1) and inserting the following:

22 “(h) FUNDING OF EMPLOYMENT AND TRAINING
23 PROGRAMS.—

24 “(1) IN GENERAL.—

1 “(A) AMOUNTS.—To carry out employ-
2 ment and training programs, the Secretary
3 shall reserve for allocation to State agencies
4 from funds made available for each fiscal year
5 under section 18(a)(1) the amount of—

6 “(i) for fiscal year 1996, \$77,000,000;

7 “(ii) for fiscal year 1997,
8 \$80,000,000;

9 “(iii) for fiscal year 1998,
10 \$83,000,000;

11 “(iv) for fiscal year 1999,
12 \$86,000,000;

13 “(v) for fiscal year 2000,
14 \$89,000,000;

15 “(vi) for fiscal year 2001,
16 \$92,000,000; and

17 “(vii) for fiscal year 2002,
18 \$95,000,000.

19 “(B) ALLOCATION.—The Secretary shall
20 allocate the amounts reserved under subpara-
21 graph (A) among the State agencies using a
22 reasonable formula (as determined by the Sec-
23 retary) that gives consideration to the popu-
24 lation in each State affected by section 6(n).

25 “(C) REALLOCATION.—

1 “(i) NOTIFICATION.—A State agency
2 shall promptly notify the Secretary if the
3 State agency determines that the State
4 agency will not expend all of the funds al-
5 located to the State agency under subpara-
6 graph (B).

7 “(ii) REALLOCATION.—On notification
8 under clause (i), the Secretary shall reallo-
9 cate the funds that the State agency will
10 not expend as the Secretary considers ap-
11 propriate and equitable.

12 “(D) MINIMUM ALLOCATION.—Notwith-
13 standing subparagraphs (A) through (C), the
14 Secretary shall ensure that each State agency
15 operating an employment and training program
16 shall receive not less than \$50,000 in each fis-
17 cal year.”.

18 (d) ADDITIONAL MATCHING FUNDS.—Section
19 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by
20 inserting before the period at the end the following: “, in-
21 cluding the costs for case management and casework to
22 facilitate the transition from economic dependency to self-
23 sufficiency through work”.

24 (e) REPORTS.—Section 16(h) of the Act (7 U.S.C.
25 2025(h)) is amended—

1 (1) in paragraph (5)—

2 (A) by striking “(5)(A) The Secretary”

3 and inserting “(5) The Secretary”; and

4 (B) by striking subparagraph (B); and

5 (2) by striking paragraph (6).

6 **SEC. 315. COMPARABLE TREATMENT FOR DISQUALIFICA-**
7 **TION.**

8 (a) IN GENERAL.—Section 6 of the Food Stamp Act
9 of 1977 (7 U.S.C. 2015) is amended—

10 (1) by redesignating subsection (i) (as added by
11 section 106) as subsection (o); and

12 (2) by inserting after subsection (h) the follow-
13 ing:

14 “(i) COMPARABLE TREATMENT FOR DISQUALIFICA-
15 TION.—

16 “(1) IN GENERAL.—If a disqualification is im-
17 posed on a member of a household for a failure of
18 the member to perform an action required under a
19 Federal, State, or local law relating to a welfare or
20 public assistance program, the State agency may im-
21 pose the same disqualification on the member of the
22 household under the food stamp program.

23 “(2) RULES AND PROCEDURES.—If a disquali-
24 fication is imposed under paragraph (1) for a failure
25 of an individual to perform an action required under

1 part A of title IV of the Social Security Act (42
2 U.S.C. 601 et seq.), the State agency may use the
3 rules and procedures that apply under part A of title
4 IV of the Act to impose the same disqualification
5 under the food stamp program.

6 “(3) APPLICATION AFTER DISQUALIFICATION
7 PERIOD.—A member of a household disqualified
8 under paragraph (1) may, after the disqualification
9 period has expired, apply for benefits under this Act
10 and shall be treated as a new applicant, except that
11 a prior disqualification under subsection (d) shall be
12 considered in determining eligibility.”.

13 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
14 Act (7 U.S.C. 2020(e)) is amended—

15 (1) in paragraph (24), by striking “and” at the
16 end; and

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

18 “(26) the guidelines the State agency uses in
19 carrying out section 6(i);”.

20 (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)
21 of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by strik-
22 ing “that is comparable to a requirement of paragraph
23 (1)”.

1 **SEC. 316. COOPERATION WITH CHILD SUPPORT AGENCIES.**

2 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
3 2015) (as amended by section 315) is further amended
4 by inserting after subsection (i) the following:

5 “(j) CUSTODIAL PARENT’S COOPERATION WITH
6 CHILD SUPPORT AGENCIES.—

7 “(1) IN GENERAL.—At the option of a State
8 agency, subject to paragraphs (2) and (3), no natu-
9 ral or adoptive parent or other individual (collec-
10 tively referred to in this subsection as ‘the individ-
11 ual’) who is living with and exercising parental con-
12 trol over a child under the age of 18 who has an ab-
13 sent parent shall be eligible to participate in the food
14 stamp program unless the individual cooperates with
15 the State agency administering the program estab-
16 lished under part D of title IV of the Social Security
17 Act (42 U.S.C. 651 et seq.)—

18 “(A) in establishing the paternity of the
19 child (if the child is born out of wedlock); and

20 “(B) in obtaining support for—

21 “(i) the child; or

22 “(ii) the individual and the child.

23 “(2) GOOD CAUSE FOR NONCOOPERATION.—

24 Paragraph (1) shall not apply to the individual if
25 good cause is found for refusing to cooperate, as de-
26 termined by the State agency in accordance with

1 standards prescribed by the Secretary in consulta-
2 tion with the Secretary of Health and Human Serv-
3 ices. The standards shall take into consideration cir-
4 cumstances under which cooperation may be against
5 the best interests of the child.

6 “(3) FEES.—Paragraph (1) shall not require
7 the payment of a fee or other cost for services pro-
8 vided under part D of title IV of the Social Security
9 Act (42 U.S.C. 651 et seq.).

10 “(k) NONCUSTODIAL PARENT’S COOPERATION WITH
11 CHILD SUPPORT AGENCIES.—

12 “(1) IN GENERAL.—At the option of a State
13 agency, subject to paragraphs (2) and (3), a puta-
14 tive or identified noncustodial parent of a child
15 under the age of 18 (referred to in this subsection
16 as ‘the individual’) shall not be eligible to participate
17 in the food stamp program if the individual refuses
18 to cooperate with the State agency administering the
19 program established under part D of title IV of the
20 Social Security Act (42 U.S.C. 651 et seq.)—

21 “(A) in establishing the paternity of the
22 child (if the child is born out of wedlock); and

23 “(B) in providing support for the child.

24 “(2) REFUSAL TO COOPERATE.—

1 “(A) GUIDELINES.—The Secretary, in con-
2 sultation with the Secretary of Health and
3 Human Services, shall develop guidelines on
4 what constitutes a refusal to cooperate under
5 paragraph (1).

6 “(B) PROCEDURES.—The State agency
7 shall develop procedures, using guidelines devel-
8 oped under subparagraph (A), for determining
9 whether an individual is refusing to cooperate
10 under paragraph (1).

11 “(3) FEES.—Paragraph (1) shall not require
12 the payment of a fee or other cost for services pro-
13 vided under part D of title IV of the Social Security
14 Act (42 U.S.C. 651 et seq.).

15 “(4) PRIVACY.—The State agency shall provide
16 safeguards to restrict the use of information col-
17 lected by a State agency administering the program
18 established under part D of title IV of the Social Se-
19 curity Act (42 U.S.C. 651 et seq.) to purposes for
20 which the information is collected.”.

21 **SEC. 317. DISQUALIFICATION FOR CHILD SUPPORT AR-**
22 **REARS.**

23 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
24 2015) (as amended by section 316) is further amended
25 by inserting after subsection (k) the following:

1 “(1) DISQUALIFICATION FOR CHILD SUPPORT AR-
2 REARS.—

3 “(1) IN GENERAL.—At the option of a State
4 agency, except as provided in paragraph (2), no indi-
5 vidual shall be eligible to participate in the food
6 stamp program as a member of any household dur-
7 ing any month that the individual is delinquent in
8 any payment due under a court order for the sup-
9 port of a child of the individual.

10 “(2) EXCEPTIONS.—Paragraph (1) shall not
11 apply if—

12 “(A) a court is allowing the individual to
13 delay payment; or

14 “(B) the individual is complying with a
15 payment plan approved by a court or the State
16 agency designated under part D of title IV of
17 the Social Security Act (42 U.S.C. 651 et seq.)
18 to provide support for the child of the individ-
19 ual.”.

20 **SEC. 318. PERMANENT DISQUALIFICATION FOR PARTICI-**
21 **PATING IN 2 OR MORE STATES.**

22 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
23 2015) (as amended by section 317) is further amended
24 by inserting after subsection (l) the following:

1 “(m) PERMANENT DISQUALIFICATION FOR PARTICI-
2 PATING IN 2 OR MORE STATES.—An individual shall be
3 permanently ineligible to participate in the food stamp
4 program as a member of any household if the individual
5 is found by a State agency to have made, or is convicted
6 in Federal or State court of having made, a fraudulent
7 statement or representation with respect to the place of
8 residence of the individual in order to receive benefits si-
9 multaneously from 2 or more States under the food stamp
10 program.”.

11 **SEC. 319. WORK REQUIREMENT.**

12 (a) IN GENERAL.—Section 6 of the Food Stamp Act
13 of 1977 (7 U.S.C. 2015) (as amended by section 318) is
14 further amended by inserting after subsection (m) the fol-
15 lowing:

16 “(n) WORK REQUIREMENT.—

17 “(1) DEFINITION OF WORK PROGRAM.—In this
18 subsection, the term ‘work program’ means—

19 “(A) a program under the Job Training
20 Partnership Act (29 U.S.C. 1501 et seq.);

21 “(B) a program under section 236 of the
22 Trade Act of 1974 (19 U.S.C. 2296); or

23 “(C) a program of employment or training
24 operated or supervised by a State or political
25 subdivision of a State that meets standards ap-

1 proved by the Governor of the State, including
2 a program under section 6(d)(4) other than a
3 job search program or a job search training
4 program under clause (i) or (ii) of section
5 6(d)(4)(B).

6 “(2) WORK REQUIREMENT.—No individual
7 shall be eligible to participate in the food stamp pro-
8 gram as a member of any household if, during the
9 preceding 12-month period, the individual received
10 food stamp benefits for not less than 6 months dur-
11 ing which the individual did not—

12 “(A) work 20 hours or more per week,
13 averaged monthly; or

14 “(B) participate in and comply with the re-
15 quirements of a work program for 20 hours or
16 more per week, as determined by the State
17 agency.

18 “(3) EXCEPTION.—Paragraph (2) shall not
19 apply to an individual if the individual is—

20 “(A) under 18 or over 50 years of age;

21 “(B) medically certified as physically or
22 mentally unfit for employment;

23 “(C) a parent or other member of a house-
24 hold with responsibility for a dependent child;

25 or

1 “(D) otherwise exempt under section
2 6(d)(2).

3 “(4) WAIVER.—

4 “(A) IN GENERAL.—On the request of a
5 State agency, the Secretary may waive the ap-
6 plicability of paragraph (2) to any group of in-
7 dividuals in the State if the Secretary makes a
8 determination that the area in which the indi-
9 viduals reside—

10 “(i) has an unemployment rate of over
11 8 percent; or

12 “(ii) does not have a sufficient num-
13 ber of jobs to provide employment for the
14 individuals.

15 “(B) REPORT.—The Secretary shall report
16 the basis for a waiver under subparagraph (A)
17 to the Committee on Agriculture of the House
18 of Representatives and the Committee on Agri-
19 culture, Nutrition, and Forestry of the Sen-
20 ate.”.

21 (b) TRANSITION PROVISION.—Prior to October 1,
22 1996, the term “preceding 12-month period” in section
23 6(n)(2) of the Food Stamp Act of 1977 (as amended by
24 subsection (a)) means the preceding period that begins on
25 October 1, 1995.

1 **SEC. 319A. DISQUALIFICATION OF FLEEING FELONS.**

2 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
3 2015), as amended by section 319(a), is further amended
4 by adding at the end the following new subsection:

5 “(o) No member of a household who is otherwise eli-
6 gible to participate in the food stamp program shall be
7 eligible to participate in the program as a member of that
8 or any other household during any period during which
9 the individual is—

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

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

20 **SEC. 320. ELECTRONIC BENEFIT TRANSFERS.**

21 (a) IN GENERAL.—Section 7 of the Food Stamp Act
22 of 1977 (7 U.S.C. 2016) is amended by adding at the end
23 the following:

24 “(j) ELECTRONIC BENEFIT TRANSFERS.—

25 “(1) APPLICABLE LAW.—

1 “(A) IN GENERAL.—Disclosures, protec-
2 tions, responsibilities, and remedies established
3 by the Federal Reserve Board under section
4 904 of the Electronic Fund Transfer Act (15
5 U.S.C. 1693b) shall not apply to benefits under
6 this Act delivered through any electronic benefit
7 transfer system.

8 “(B) DEFINITION OF ELECTRONIC BENE-
9 FIT TRANSFER SYSTEM.—In this paragraph,
10 the term ‘electronic benefit transfer system’
11 means a system under which a governmental
12 entity distributes benefits under this Act or
13 other benefits or payments by establishing ac-
14 counts to be accessed by recipients of the bene-
15 fits electronically, including through the use of
16 an automated teller machine, a point-of-sale
17 terminal, or an intelligent benefit card.

18 “(2) CHARGING FOR ELECTRONIC BENEFIT
19 TRANSFER CARD REPLACEMENT.—

20 “(A) IN GENERAL.—A State agency may
21 charge an individual for the cost of replacing a
22 lost or stolen electronic benefit transfer card.

23 “(B) REDUCING ALLOTMENT.—A State
24 agency may collect a charge imposed under sub-
25 paragraph (A) by reducing the monthly allot-

1 ment of the household of which the individual
2 is a member.

3 “(3) OPTIONAL PHOTOGRAPHIC IDENTIFICA-
4 TION.—

5 “(A) IN GENERAL.—A State agency may
6 require that an electronic benefit card contain
7 a photograph of 1 or more members of a house-
8 hold.

9 “(B) OTHER AUTHORIZED USERS.—If a
10 State agency requires a photograph on an elec-
11 tronic benefit card under subparagraph (A), the
12 State agency shall establish procedures to en-
13 sure that any other appropriate member of the
14 household or any authorized representative of
15 the household may utilize the card.

16 “(4) STATE ELECTRONIC BENEFITS TRANSFER
17 OPTIONS IN GENERAL.—States may implement elec-
18 tronic benefit transfer systems under the authorities
19 and conditions set forth in section 7(i) and related
20 provisions, or the authorities and conditions set
21 forth in paragraph (5).

22 “(5) ELECTRONIC BENEFITS TRANSFER CARD
23 SYSTEMS ASSISTANCE OPTION.—If a State notifies
24 the Secretary of its intention to convert to a state-
25 wide electronic benefits transfer card system, or a

1 multiple-State regional electronic benefits transfer
2 card system with other state-wide systems, within
3 three years of the date of enactment of this para-
4 graph, the Secretary shall allow the establishment of
5 an electronic benefits transfer card system within
6 the State under the following terms—

7 “(A) COORDINATION AND LAW ENFORCE-
8 MENT.—

9 “(i) CONVERSION.—The Secretary
10 shall coordinate with, and assist, the State
11 or States in a regional system in eliminat-
12 ing the use of food stamp coupons and the
13 full conversion to an electronic benefits
14 transfer card system within three years
15 after the decision of the State to convert to
16 the system set forth in this paragraph.

17 “(ii) OPERATIONS.—States shall take
18 into account generally accepted standard
19 operating rules for carrying out this para-
20 graph, based on—

21 “(I) commercial electronic funds
22 transfer technology;

23 “(II) the need to permit inter-
24 state operation and law enforcement
25 monitoring; and

1 “(III) the need to permit mon-
2 itoring and investigations by author-
3 ized law enforcement agencies.

4 “(iii) LAW ENFORCEMENT.—The Sec-
5 retary, in consultation with the Inspector
6 General of the United States Department
7 of Agriculture and the United States Se-
8 cret Service, shall inform the State of
9 proper security features, good management
10 techniques, and methods of deterring coun-
11 terfeiting.

12 “(B) PAPER AND OTHER ALTERNATIVE
13 BENEFIT TRANSFER SYSTEMS.—Beginning on
14 the date of the implementation of the electronic
15 benefits transfer card system in a State under
16 authority of this paragraph, the Secretary shall
17 also permit the use of paper-based and other
18 benefit transfer approaches for providing bene-
19 fits to food stamp households in the case of spe-
20 cial-need retail food stores.

21 “(C) STATE-PROVIDED EQUIPMENT.—

22 “(i) ELECTRONIC BENEFITS TRANS-
23 FER CARD SYSTEM.—

24 “(I) IN GENERAL.—A retail food
25 store that does not have point-of-sale

1 electronic benefits transfer equipment,
2 and does not intend to obtain point-
3 of-sale electronic benefits transfer
4 equipment in the near future, shall be
5 provided by a State agency with, or
6 reimbursed for, the costs of purchas-
7 ing and installing single-function,
8 point-of-sale equipment, and related
9 telephone equipment, which shall be
10 used only for Federal and State as-
11 sistance programs.

12 “(II) EQUIPMENT REQUIRE-
13 MENTS.—Equipment provided under
14 this subparagraph shall be capable of
15 interstate operations and based on
16 generally accepted commercial elec-
17 tronic benefits transfer operating
18 principles that permit interstate law
19 enforcement monitoring and shall be
20 capable of providing a recipient with
21 access to multiple Federal and State
22 benefit programs.

23 “(ii) PAPER AND OTHER ALTER-
24 NATIVE BENEFIT SYSTEMS.—A special-
25 need retail store that does not obtain, and

1 does not intend to obtain in the near fu-
2 ture, point-of-sale paper-based or other al-
3 ternative benefits transfer equipment shall
4 be provided by the State agency or com-
5 pensated for the costs of purchasing such
6 equipment which shall be used only for
7 Federal and State assistance programs.
8 Such paper systems includes using the
9 electronic benefit transfer card to make an
10 impression on a point-of-sale paper docu-
11 ment.

12 “(iii) RETURN OF ELECTRONIC BENE-
13 FITS TRANSFER EQUIPMENT.—A retail
14 food store may at any time return the
15 equipment to the State and obtain equip-
16 ment with funds of the store.

17 “(iv) COST TO STORES.—The cost of
18 documents or systems that may be re-
19 quired pursuant to this paragraph may not
20 be imposed upon a retail food store partici-
21 pating in the program.

22 “(D) CHARGING FOR ELECTRONIC BENE-
23 FITS TRANSFER CARD REPLACEMENT.—

24 “(i) IN GENERAL.—Under this para-
25 graph, the Secretary shall reimburse State

1 agencies for the costs of purchasing and is-
2 suing electronic benefits transfer cards;
3 and

4 “(ii) REPLACEMENT CARDS.—Under
5 this paragraph, the Secretary may charge
6 a household through allotment reduction or
7 otherwise for the cost of replacing a lost or
8 stolen electronic benefit transfer card, un-
9 less the card was stolen by force or threat
10 of force.

11 “(E) TRANSITION FUND.—At the begin-
12 ning of each fiscal year during the 10-year pe-
13 riod beginning with the first full fiscal year fol-
14 lowing the date of enactment of this paragraph,
15 the Secretary shall place the amount of the
16 funds generated by the transaction fees pro-
17 vided in subparagraph (F) into an account, to
18 be known as the Transition Conversion Ac-
19 count, to remain available until expended.

20 “(F) TRANSACTION FEE.—

21 (i) During the 10-year period begin-
22 ning on the date of enactment of this para-
23 graph, the Secretary shall, to the extent
24 necessary to not increase costs to the Sec-
25 retary under this paragraph, impose a

1 transaction fee of not more than 2 cents
2 for each transaction made at a retail food
3 store using an electronic benefits transfer
4 card authorized by this paragraph, to be
5 taken from the benefits of the household
6 using the card, except that no household
7 shall be assessed more than 16 cents under
8 this paragraph per month. The Secretary
9 may reduce the fee on a household receiv-
10 ing the maximum benefits available under
11 the program.

12 “(ii) FEES LIMITED TO USES.—A fee
13 imposed under clause (i) shall be in an
14 amount not greater than is necessary to
15 carry out the uses of the Transition Con-
16 version Account in subparagraph (G).

17 “(G)(i) DUTY OF SECRETARY.—Out of
18 funds in the Transition Conversion Account,
19 and, only to the extent necessary, out of funds
20 provided to carry out this Act, the Secretary
21 shall provide funds to provide transition assist-
22 ance and funds to States participating under
23 this paragraph for—

24 “(I) the reasonable cost of purchasing
25 and installing, or for the cost of reimburs-

1 ing a retail food store for the cost of pur-
2 chasing and installing single-function,
3 point-of-sale equipment described in sub-
4 paragraph (C), to be used only for Federal
5 and State assistance programs;

6 “(II) the reasonable start-up cost of
7 purchasing and installing telephone equip-
8 ment or connections for single-function,
9 point-of-sale equipment, to be used only for
10 Federal and State assistance programs;
11 and

12 “(III) assistance to modify an elec-
13 tronic benefits transfer system imple-
14 mented by a State prior to the date of en-
15 actment of this paragraph to the extent
16 necessary to operate statewide or multi-
17 statewide under this paragraph.

18 “(ii) USE OF ACCOUNT.—The Secretary
19 shall use funds in the Transition Conversion
20 Account in implementing this paragraph and
21 to—

22 “(I) provide start-up training for
23 State agencies, employees and recipients
24 based on a plan approved by Secretary;

1 “(II) pay for other one-time reason-
2 able costs of converting to an electronic
3 benefits transfer system that is capable of
4 interstate functions and is capable of being
5 monitored by law enforcement agencies;

6 “(III) pay for liabilities assumed by
7 the Secretary under subparagraph (I);

8 “(IV) pay other liabilities related to
9 the electronic benefits transfer system es-
10 tablished under this paragraph that are in-
11 curred by the Secretary; and

12 “(V) expand and implement a nation-
13 wide program to monitor compliance with
14 program rules related to retail food stores
15 and the electronic delivery of benefits
16 under this Act.

17 “(H) COMPETITIVE BIDDING.—In purchas-
18 ing point-of-sale equipment described in sub-
19 paragraph (C), electronic benefits transfer
20 cards, and telephone equipment or connections
21 referred to in subparagraph (G), States shall
22 use competitive bidding systems to ensure that
23 they obtain the lowest prices for the equipment
24 and cards that meet specifications. States shall
25 not enter into purchase agreements which con-

1 dition the purchase of additional services or
2 equipment from suppliers of equipment or cards
3 under this paragraph. The Secretary shall mon-
4 itor the sale prices for such equipment and
5 cards and the Inspector General shall inves-
6 tigate possible wrongdoing or fraud as appro-
7 priate.

8 “(I) LIABILITY OR REPLACEMENT BENE-
9 FITS FOR UNAUTHORIZED USE OF EBT
10 CARDS.—

11 “(i) IN GENERAL.—The Secretary
12 shall require State agencies that choose to
13 implement an electronic benefits transfer
14 system under this paragraph to advise any
15 household participating in the food stamp
16 program how to promptly report a lost, de-
17 stroyed, damaged, improperly manufac-
18 tured, dysfunctional, or stolen electronic
19 benefits transfer card.

20 “(ii) REGULATIONS.—Under this
21 paragraph, the Secretary shall issue regu-
22 lations providing that—

23 “(I) a household shall not receive
24 any replacement for benefits lost due

1 to the unauthorized use of an elec-
2 tronic benefits transfer card; and

3 “(II) a household shall not be lia-
4 ble for any amounts in excess of the
5 benefits available to the household at
6 the time of the unauthorized use.

7 “(iii) SPECIAL LOSSES.—Notwith-
8 standing clause (ii), under this paragraph
9 a household shall receive a replacement for
10 any benefits lost if the loss was caused
11 by—

12 “(I) force or the threat of force;

13 “(II) unauthorized use of the
14 card after the State agency receives
15 notice that the card was lost or stolen;
16 or

17 “(III) a system error or malfunc-
18 tion, fraud, abuse, negligence, or mis-
19 take by the service provider, the card
20 issuing agency, or the State agency,
21 or an inaccurate execution of a trans-
22 action by the service provider:

23 *Provided*, That with respect to losses described in
24 subclause (II) and (III), the State shall reimburse
25 the Secretary. Nothing in subclause (III) shall pre-

1 vent a State from obtaining reimbursement from the
2 service provider or the card issuing agency for sys-
3 tem error or malfunction, fraud, abuse, negligence,
4 or mistake by such service provider or card issuing
5 agency.

6 “(J) ELIMINATION OF FOOD STAMP COU-
7 PONS.—

8 “(i) IN GENERAL.—Except as pro-
9 vided in clauses (ii) and (iii) and notwith-
10 standing any other provision of this Act,
11 effective beginning on the date 3 years
12 after the date a chief executive officer of a
13 State informs the Secretary that the State
14 intends to implement an electronic benefits
15 transfer system authorized by this para-
16 graph, the Secretary shall not provide any
17 food stamp coupons to the State.

18 “(ii) EXCEPTIONS.—

19 “(I) EXTENSION.—Clause (i)
20 shall not apply to the extent that the
21 chief executive officer of a State de-
22 termines that an extension is nec-
23 essary and so notifies the Secretary in
24 writing, except that the extension
25 shall not extend beyond 5 years after

1 the date that a chief executive officer
2 of a State informs the secretary of the
3 decision to implement an electronic
4 benefits transfer system under this
5 paragraph.

6 “(II) WAIVER.—In addition to
7 any extension under subclause (I), the
8 Secretary may grant a waiver to a
9 State to phase-in or delay, implemen-
10 tation of electronic benefits transfer
11 for good cause shown by the State,
12 except that the waiver shall not ex-
13 tend for more than 6 months.

14 “(iii) DISASTER RELIEF.—The Sec-
15 retary may provide food stamp coupons for
16 disaster relief under section 5(h).

17 “(K) SPECIAL RULE.—A State agency may
18 require a household to explain the cir-
19 cumstances regarding each occasion that—

20 “(i) the household reports a lost or
21 stolen electronic benefits transfer card; and

22 “(ii) the card was used for an unau-
23 thorized transaction.

24 In the appropriate circumstances, the State
25 agency shall investigate and ensure that appro-

1 appropriate cases are acted upon either through ad-
2 ministrative disqualification or referral to
3 courts of appropriate jurisdiction, or referral
4 for prosecution.

5 “(L) ESTABLISHMENT.—In carrying out
6 this paragraph, the States shall—

7 “(i) take into account the needs of law
8 enforcement personnel and the need to per-
9 mit and encourage further technological
10 developments and scientific advances;

11 “(ii) ensure that security is protected
12 by appropriate means such as requiring
13 that a personal identification number be is-
14 sued with each electronic benefits transfer
15 card to help protect the integrity of the
16 program;

17 “(iii) provide for—

18 “(I) recipient protection regard-
19 ing privacy, ease of use, and access to
20 and service in retail food stores;

21 “(II) financial accountability and
22 the capability of the system to handle
23 interstate operations and interstate
24 monitoring by law enforcement agen-

1 cies including the Inspector General of
2 the Department of Agriculture;

3 “(III) rules prohibiting store par-
4 ticipation unless any appropriate
5 equipment necessary to permit house-
6 holds to purchase food with the bene-
7 fits issued under the Food Stamp Act
8 of 1977 is operational and reasonably
9 available; and

10 “(IV) rules providing for mon-
11 itoring and investigation by an au-
12 thorized law enforcement agency in-
13 cluding the Inspector General of the
14 Department of Agriculture.

15 “(M) ADDITIONAL EMPLOYEES.—The Sec-
16 retary shall assign additional employees to in-
17 vestigate and adequately monitor compliance
18 with program rules related to electronic benefits
19 transfer systems and retail food store participa-
20 tion.

21 “(N) REQUEST FOR STATEMENTS.—Under
22 this paragraph on the request of a household,
23 the State, through a person issuing benefits to
24 the household, shall provide once per month a
25 statement of benefit transfers and balances for

1 such household for the month preceding the re-
2 quest.

3 “(O) ERRORS.—Under this paragraph:

4 “(i) IN GENERAL.—States shall design
5 systems to timely resolve disputes over al-
6 leged errors.

7 “(ii) CORRECTED ERRORS.—House-
8 holds able to obtain corrections of errors
9 under this subparagraph shall not be enti-
10 tled to a fair hearing regarding the re-
11 solved dispute.

12 “(P) APPLICABLE LAW.—For purposes of
13 this Act, fraud and related activities related to
14 electronic benefits transfer shall be governed by
15 section 15 of this Act (U.S.C. 2024) and sec-
16 tion 1029 of title 18, United States Code, in
17 addition to any other applicable law.

18 “(Q) DEFINITIONS.—For the purpose of
19 this paragraph:

20 “(i) ELECTRONIC BENEFITS TRANS-
21 FER CARD SYSTEM.—The term ‘electronic
22 benefits transfer card system’ means a sys-
23 tem to support transactions conducted with
24 electronic benefits transfer cards, paper, or
25 other alternative benefits transfer systems

1 approved by the Secretary for the provision
2 of program benefits in accordance with this
3 paragraph.

4 “(ii) RETAIL FOOD STORE.—The term
5 ‘retail food store’ means a retail food store,
6 a farmer’s market, or a house-to-house
7 trade route authorized to participate in the
8 food stamp program.

9 “(iii) SPECIAL-NEED RETAIL FOOD
10 STORE.—The term ‘special-need retail food
11 store’ means—

12 “(I) a retail food store located in
13 a very rural area;

14 “(II) a retail food store without
15 access to dependable electricity or reg-
16 ular telephone service; or

17 “(III) a farmers’ market or
18 house-to-house trade route that is au-
19 thorized to participate in the food
20 stamp program.

21 “(R) LEAD ROLE OF INDUSTRY AND
22 STATES.—The Secretary shall consult with the
23 Secretary of the Treasury, the Secretary of
24 Health and Human Services, the Inspector
25 General of the United States Department of

1 Agriculture, the United States Secret Service,
2 the National Governor’s Association, the Food
3 Marketing Institute, the National Association of
4 Convenience Stores, the American Public Wel-
5 fare Association, the National Conference of
6 State Legislatures, the American Bankers Asso-
7 ciation, the financial services community, State
8 agencies, and food advocates to obtain informa-
9 tion helpful to retail stores, the financial serv-
10 ices industry, and States in the conversion to
11 electronic benefits transfer, including informa-
12 tion regarding—

13 “(i) the degree to which an electronic
14 benefits transfer system could be easily in-
15 tegrated with commercial networks;

16 “(ii) the usefulness of appropriate
17 electronic benefits transfer security fea-
18 tures and local management controls, in-
19 cluding features in an electronic benefits
20 transfer card to deter counterfeiting of the
21 card;

22 “(iii) the use of laser scanner tech-
23 nology with electronic benefits transfer
24 technology so that only eligible food items

1 can be purchased by food stamp partici-
2 pants in stores that use scanners;

3 “(iv) how to maximize technology that
4 uses data available from an electronic ben-
5 efits transfer system to identify fraud and
6 allow law enforcement personnel to quickly
7 identify or target a suspected or actual
8 program violator;

9 “(v) means of ensuring the confiden-
10 tiality of personal information in electronic
11 benefits transfer systems and the applica-
12 bility of section 552a of title 5, United
13 States Code, to electronic benefits transfer
14 systems;

15 “(vi) the best approaches for maximiz-
16 ing the use of then current point-of-sale
17 terminals and systems to reduce costs; and

18 “(vii) the best approaches for maxi-
19 mizing the use of electronic benefits trans-
20 fer systems for multiple Federal and State
21 benefit programs so as to achieve the high-
22 est cost savings possible through the imple-
23 mentation of electronic benefits transfer
24 systems.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 3 of the Food Stamp Act of 1977
2 (42 U.S.C. 2012) is amended—

3 (A) in subsection (a), by striking “cou-
4 pons” and inserting “benefits”;

5 (B) in the first sentence of subsection (c),
6 by striking “authorization cards” and inserting
7 “allotments”;

8 (C) in subsection (d), by striking “the pro-
9 visions of this Act” and inserting “sections 5(h)
10 and 7”;

11 (D) in subsection (e)—

12 (i) by striking “Coupon issuer” and
13 inserting “Benefit issuer”; and

14 (ii) by striking “coupons” and insert-
15 ing “benefits”;

16 (E) in the last sentence of subsection (i),
17 by striking “coupons” and inserting “allot-
18 ments”; and

19 (F) by adding at the end the following new
20 subsection:

21 “(v) ‘Electronic benefits transfer card’
22 means a card issued to a household partici-
23 pating in the program that is used to pur-
24 chase food.

1 (2) Section 4(a) of such Act (7 U.S.C. 2013(a))
2 is amended—

3 (A) in the first sentence by inserting “and
4 to funds made available under section 7” after
5 “this Act”.

6 (B) in the first and second sentences, by
7 striking “coupons” each place it appears and
8 inserting “electronic benefits transfer cards or
9 coupons”; and

10 (C) by striking the third sentence and in-
11 serting the following new sentence: “The Sec-
12 retary, through the facilities of the Treasury of
13 the United States, shall reimburse the stores
14 for food purchases made with electronic benefits
15 transfer cards or coupons provided under this
16 Act.”.

17 (3) The first sentence of section 6(b)(1) of such
18 Act (7 U.S.C. 2015(b)(1)) is amended—

19 (A) by striking “coupons or authorization
20 cards” and inserting “electronic benefits trans-
21 fer cards, coupons, or authorization cards”; and

22 (B) in clauses (ii) and (iii), by inserting
23 “or electronic benefits transfer cards” after
24 “coupons” each place it appears.

1 (4) Section 7 of such Act (7 U.S.C. 2016) is
2 amended—

3 (A) by striking the section heading and in-
4 serting the following new section heading: “**IS-**
5 **SUANCE AND USE OF ELECTRONIC BENE-**
6 **FITS TRANSFER CARDS OR COUPONS**”;

7 (B) in subsection (a), by striking “Cou-
8 pons” and all that follows through “necessary,
9 and” and inserting “Electronic benefits transfer
10 cards or coupons”;

11 (C) in subsection (b), by striking “Cou-
12 pons” and inserting “Electronic benefits trans-
13 fer cards or coupons”;

14 (D) in subsection (e), by striking “coupons
15 to coupon issuers” and replace with “benefits to
16 benefits issuers”; and by striking “by coupon
17 issuers” and inserting “by benefits issuers”.

18 (E) in subsection (f)—

19 (i) by striking “issuance of coupons”
20 and inserting “issuance of electronic bene-
21 fits transfer cards or coupons”;

22 (ii) by striking “coupon issuer” and
23 inserting “electronic benefits transfer or
24 coupon issuer”; and

1 (iii) by striking “coupons and allot-
2 ments” and inserting “electronic benefits
3 transfer cards, coupons, and allotments”;

4 (F) by deleting “(1) The” in subsections
5 (g) and (h) and inserting the following: “(1)
6 Except with respect to electronic benefit trans-
7 fer care systems operated under section 7(j)(5),
8 the”; and

9 (G) by striking subparagraph (i)(2)(A);
10 and by relettering (B) through (H) as (A)
11 through (G).

12 (5) Section 8(b) of such Act (7 U.S.C. 2017(b))
13 is amended by striking “coupons” and inserting
14 “electronic benefits transfer cards or coupons”.

15 (6) Section 9 of such Act (7 U.S.C. 2018) is
16 amended—

17 (A) in subsections (a) and (b), by striking
18 “coupons” each place it appears and inserting
19 “coupons, or accept electronic benefits transfer
20 cards,”; and

21 (B) in subsection (a)(1)(B), by striking
22 “coupon business” and inserting “electronic
23 benefits transfer cards and coupon business”.

24 (7) Section 10 of such Act (7 U.S.C. 2019) is
25 amended—

1 (A) by striking the section heading and in-
2 serting the following: “**REDEMPTION OF COU-**
3 **PONS OR ELECTRONIC BENEFITS TRANS-**
4 **FER CARDS**”; and

5 (B) in the first sentence—

6 (i) by inserting after “provide for” the
7 following: “reimbursing stores for program
8 benefits provided and for”;

9 (ii) by inserting after “food coupons”
10 the following: “or use their members’ elec-
11 tronic benefits transfer cards”; and

12 (iii) by striking the period at the end
13 and inserting the following: “, unless the
14 center, organization, institution, shelter,
15 group living arrangement, or establishment
16 is equipped with a point-of-sale device for
17 the purpose of participating in the elec-
18 tronic benefits transfer system.”.

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

21 (A) in the first sentence of subsection (a),
22 by striking “coupons” and inserting “electronic
23 benefits transfer cards or coupons,”;

24 (B) in subsection (e)—

25 (i) in paragraph (2)—

1 (I) by striking “a coupon allot-
2 ment” and inserting “an allotment”;
3 and

4 (II) by striking “issuing cou-
5 pons” and inserting “issuing elec-
6 tronic benefits transfer cards or cou-
7 pons”;

8 (ii) in paragraph (7), by striking
9 “coupon issuance” and inserting “elec-
10 tronic benefits transfer card or coupon is-
11 suance”;

12 (iii) in paragraph (8)(C), by striking
13 “coupons” and inserting “benefits”;

14 (iv) in paragraph (9), by striking
15 “coupons” each place it appears and in-
16 serting “electronic benefits transfer cards
17 or coupons”;

18 (v) in paragraph (11), by striking “in
19 the form of coupons”;

20 (vi) in paragraph (16), by striking
21 “coupons” and inserting “electronic bene-
22 fits transfer card or coupons”;

23 (vii) in paragraph (17), by striking
24 “food stamps” and replacing with “bene-
25 fits”;

1 (viii) in paragraph (21), by striking
2 “coupons” and inserting “electronic bene-
3 fits transfer cards or coupons”;

4 (ix) in paragraph (24), by striking
5 “coupons” and inserting “benefits”; and

6 (x) in paragraph (25), by striking
7 “coupons” each place it appears and in-
8 serting “electronic benefits transfer cards
9 or coupons”; and

10 (C) in subsection (h), by striking “face
11 value of any coupon or coupons” and inserting
12 “value of any benefits”; and

13 (D) in subsection (n)—

14 (i) by striking “both coupons” each
15 place it appears and inserting “benefits
16 under this Act”; and

17 (ii) by striking “of coupons” and in-
18 serting “of benefits”.

19 (9) Section 12 of such Act (7 U.S.C. 2021) is
20 amended—

21 (A) in subsection (b)(3), by striking “cou-
22 pons” each place it appears and inserting “elec-
23 tronic benefits transfer cards or coupons”;

24 (B) in subsection (d)—

25 (i) in the first sentence—

1 (I) by inserting after “redeem
2 coupons” the following: “and to ac-
3 cept electronic benefits transfer
4 cards”; and

5 (II) by striking “value of cou-
6 pons” and inserting “value of benefits
7 and coupons”; and

8 (ii) in the third sentence, by striking
9 “coupons” each place it appears and in-
10 serting “benefits”; and

11 (C) in the first sentence of subsection (f)—

12 (i) by inserting after “to accept and
13 redeem food coupons” the following: “elec-
14 tronic benefits transfer cards, or to accept
15 and redeem food coupons,”; and

16 (ii) by inserting before the period at
17 the end the following: “or program bene-
18 fits”.

19 (10) Section 13 of such Act (7 U.S.C. 2022) is
20 amended by striking “coupons” each place it ap-
21 pears and inserting “benefits”.

22 (11) Section 15 of such Act (7 U.S.C. 2024) is
23 amended—

24 (A) in subsection (a), by striking “issuance
25 or presentment for redemption” and inserting

1 “issuance, presentment for redemption, or use
2 of electronic benefits transfer cards or”;

3 (B) in the first sentence of subsection
4 (b)(1)—

5 (i) by inserting after “coupons, au-
6 thorization cards,” each place it appears
7 the following: “electronic benefits transfer
8 cards,”; and

9 (ii) by striking “coupons or authoriza-
10 tion cards” each place it appears and in-
11 sserting the following: “coupons, authoriza-
12 tion cards, or electronic benefits transfer
13 cards”;

14 (C) in the first sentence of subsection
15 (c)—

16 (i) by striking “coupons” and insert-
17 ing “a coupon or electronic benefits trans-
18 fer card”; and

19 (ii) strike “such coupons are” and in-
20 sserting “the payment or redemption is”;

21 (D) in subsection (d) striking “coupons”
22 and replacing with “Benefits”;

23 (E) in subsection (e) after “coupons” in-
24 sserting “or electronic benefits transfer cards”;

1 (F) in subsection (f) after “coupon” insert-
2 ing “or electronic benefits transfer card”; and

3 (G) in the first sentence of subsection (g),
4 by inserting after “coupons, authorization
5 cards,” the following: “electronic benefits trans-
6 fer cards,”.

7 (12) Section 16 (7 U.S.C. 2025) is amended—

8 (A) in subsection (a)—

9 (i) in paragraph (2) after “coupons”
10 by inserting “electronic benefits transfer
11 cards”;

12 (ii) in paragraph (3) by inserting after
13 “households” the following: “, including
14 the cost of providing equipment necessary
15 for retail food stores to participate in an
16 electronic benefits transfer system”;

17 (B) by deleting subsection (d);

18 (C) by redesignating subsections (e)
19 through (j) as subsections (d) through (i), re-
20 spectively;

21 (D) in subsection (g)(5) (as redesignated
22 by paragraph (3))—

23 (i) in subparagraph (A), by striking
24 “(A)”; and

25 (ii) by striking subparagraph (B);

1 (E) in subsection (h) (as redesignated by
2 paragraph (3)), by striking paragraph (3); and

3 (F) by striking subsection (i) (as redesignated by paragraph (3)).

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

7 (A) in the last sentence of subsection
8 (a)(2), by striking “coupon” and inserting
9 “benefit”;

10 (B) by deleting the last sentence of para-
11 graph (b)(2);

12 (C) by deleting the last sentence of sub-
13 section (c);

14 (D) in subsection (d)(1)(B), by striking
15 “coupons” each place it appears and inserting
16 “benefits”;

17 (E) by deleting the last sentence of sub-
18 section (e);

19 (F) by striking subsection (f); and

20 (G) by redesignating subsections (g)
21 through (k) as subsections (f) through (j), re-
22 spectively.

23 (14) Section 21 of such Act (7 U.S.C. 2030) is
24 amended—

1 (A) by striking “coupons” each place it ap-
2 pears (other than in subsections (b)(2)(A)(ii)
3 and (d)) and inserting “benefits”;

4 (B) in subsection (b)(2)(A)(ii), by striking
5 “coupons” and inserting “electronic benefits
6 transfer cards or coupons”; and

7 (C) in subsection (d)—

8 (i) in paragraph (2), by striking
9 “Coupons” and inserting “Benefits”; and

10 (ii) in paragraph (3), by striking “in
11 food coupons”.

12 (15) Section 22 of such Act (7 U.S.C. 2031) is
13 amended—

14 (A) in subsection (b)—

15 (i) in paragraph (3)(D)—

16 (I) in clause (ii), by striking
17 “coupons” and inserting “benefits”;
18 and

19 (II) in clause (iii), by striking
20 “coupons” and inserting “electronic
21 benefits transfer benefits”;

22 (ii) in paragraph (9), by striking
23 “coupons” and inserting “benefits”;

24 (iii) in paragraph (10)(B)—

1 (I) in the second sentence of
2 clause (I), by striking “Food cou-
3 pons” and inserting “Program bene-
4 fits”; and

5 (II) in clause (ii)—

6 (aa) in the second sentence,
7 by striking “Food coupons” and
8 inserting “Benefits”; and

9 (bb) in the third sentence,
10 by striking “food coupons” each
11 place it appears and inserting
12 “benefits”;

13 (B) in subsection (d), by striking “cou-
14 pons” each place it appears and inserting “ben-
15 efits”;

16 (C) in subsection (g)(l)(A), by striking
17 “coupon”; and

18 (D) in subsection (h), by striking “food
19 coupons” and inserting “benefits”.

20 (16) Section 1956(e)(7)(D) of title 18, United
21 States Code, is amended by inserting “electronic
22 benefits transfer cards or” before “coupons having”.

1 **SEC. 321. MINIMUM BENEFIT.**

2 The proviso in section 8(a) of the Food Stamp Act
3 of 1977 (7 U.S.C. 2017(a)) is amended by striking “, and
4 shall be adjusted” and all that follows through “\$5”.

5 **SEC. 322. BENEFITS ON RECERTIFICATION.**

6 Section 8(c)(2)(B) of the Food Stamp Act of 1977
7 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
8 than one month”.

9 **SEC. 323. OPTIONAL COMBINED ALLOTMENT FOR EXPE-**
10 **DITED HOUSEHOLDS.**

11 Section 8(c) of the Food Stamp Act of 1977 (7
12 U.S.C. 2017(c)) is amended by striking paragraph (3) and
13 inserting the following:

14 “(3) OPTIONAL COMBINED ALLOTMENT FOR
15 EXPEDITED HOUSEHOLDS.—A State agency may
16 provide to an eligible household applying after the
17 15th day of a month, in lieu of the initial allotment
18 of the household and the regular allotment of the
19 household for the following month, an allotment that
20 is the aggregate of the initial allotment and the first
21 regular allotment, which shall be provided in accord-
22 ance with section 11(e)(3) in the case of a household
23 that is not entitled to expedited service or in accord-
24 ance with paragraphs (3) and (9) of section 11(e) in
25 the case of a household that is entitled to expedited
26 service.”.

1 **SEC. 324. FAILURE TO COMPLY WITH OTHER WELFARE AND**
2 **PUBLIC ASSISTANCE PROGRAMS.**

3 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
4 2017) is amended by striking subsection (d) and inserting
5 the following:

6 “(d) REDUCTION OF PUBLIC ASSISTANCE BENE-
7 FITS.—

8 “(1) IN GENERAL.—If the benefits of a house-
9 hold are reduced under a Federal, State, or local law
10 relating to a welfare or public assistance program
11 for the failure to perform an action required under
12 the law or program, for the duration of the reduc-
13 tion—

14 “(A) the household may not receive an in-
15 creased allotment as the result of a decrease in
16 the income of the household to the extent that
17 the decrease is the result of the reduction; and

18 “(B) the State agency may reduce the al-
19 lotment of the household by not more than 25
20 percent.

21 “(2) OPTIONAL METHOD.—In carrying out
22 paragraph (1), a State agency may consider, for the
23 duration of a reduction referred to under paragraph
24 (1), the benefits of the household under a welfare or
25 public assistance program before the reduction as in-
26 come of the household after the reduction.

1 “(3) RULES AND PROCEDURES.—If the allot-
 2 ment of a household is reduced under this subsection
 3 for a failure to perform an action required under
 4 part A of title IV of the Social Security Act (42
 5 U.S.C. 601 et seq.), the State agency may use the
 6 rules and procedures that apply under part A of title
 7 IV of the Act to reduce the allotment under the food
 8 stamp program.”.

9 **SEC. 325. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN IN-**
 10 **STITUTIONS.**

11 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
 12 2017) is amended by adding at the end the following:

13 “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN
 14 INSTITUTIONS.—

15 “(1) IN GENERAL.—In the case of an individual
 16 who resides in a homeless shelter, or in an institu-
 17 tion or center for the purpose of a drug or alcoholic
 18 treatment program, described in the last sentence of
 19 section 3(i), a State agency may provide an allot-
 20 ment for the individual to—

21 “(A) the institution as an authorized rep-
 22 resentative for the individual for a period that
 23 is less than 1 month; and

24 “(B) the individual, if the individual leaves
 25 the institution.

1 “(2) DIRECT PAYMENT.—A State agency may
2 require an individual referred to in paragraph (1) to
3 designate the shelter, institution, or center in which
4 the individual resides as the authorized representa-
5 tive of the individual for the purpose of receiving an
6 allotment.”.

7 **SEC. 326. OPERATION OF FOOD STAMP OFFICES.**

8 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
9 2020) is amended—

10 (1) in subsection (e)—

11 (A) by striking paragraph (2) and insert-
12 ing the following:

13 “(2)(A) that the State agency shall establish
14 procedures governing the operation of food stamp of-
15 fices that the State agency determines best serve
16 households in the State, including households with
17 special needs, such as households with elderly or dis-
18 abled members, households in rural areas with low-
19 income members, homeless individuals, households
20 residing on reservations, and households in which a
21 substantial number of members speak a language
22 other than English.

23 “(B) In carrying out subparagraph (A), a State
24 agency—

1 “(i) shall provide timely, accurate, and fair
2 service to applicants for, and participants in,
3 the food stamp program;

4 “(ii) shall permit an applicant household to
5 apply to participate in the program on the same
6 day that the household first contacts a food
7 stamp office in person during office hours;

8 “(iii) shall consider an application filed on
9 the date the applicant submits an application
10 that contains the name, address, and signature
11 of the applicant; and

12 “(iv) may establish operating procedures
13 that vary for local food stamp offices to reflect
14 regional and local differences within the
15 State;”;

16 (B) in paragraph (3) (as amended by sec-
17 tion 309(b))—

18 (i) by striking “shall—” and all that
19 follows through “provide each” and insert-
20 ing “shall provide each”; and

21 (ii) by striking “(B) assist” and all
22 that follows through “representative of the
23 State agency;”;

24 (C) by striking paragraph (14) and insert-
25 ing the following:

1 “(14) the standards and procedures used by the
2 State agency under section 6(d)(1)(D) to determine
3 whether an individual is eligible to participate under
4 section 6(d)(1)(A);”; and

5 (D) by striking paragraph (25) and insert-
6 ing the following:

7 “(25) a description of the work supplementation
8 or support program, if any, carried out by the State
9 agency under section 16(b);”; and

10 (2) in subsection (i)—

11 (A) by striking “(i) Notwithstanding” and
12 all that follows through “(2)” and inserting the
13 following:

14 “(i) APPLICATION AND DENIAL PROCEDURES.—

15 “(1) APPLICATION PROCEDURES.—Notwith-
16 standing any other provision of law,”; and

17 (B) by striking “; (3) households” and all
18 that follows through “title IV of the Social Se-
19 curity Act. No” and inserting a period and the
20 following:

21 “(2) DENIAL AND TERMINATION.—Other than
22 in a case of disqualification as a penalty for failure
23 to comply with a public assistance program rule or
24 regulation, no”.

1 **SEC. 327. STATE EMPLOYEE AND TRAINING STANDARDS.**

2 Section 11(e)(6) of the Food Stamp Act of 1977 (7
3 U.S.C. 2020(e)(6)) is amended—

4 (1) by striking “(A)”; and

5 (2) by striking subparagraphs (B) through (E).

6 **SEC. 328. EXCHANGE OF LAW ENFORCEMENT INFORMA-**
7 **TION.**

8 Section 11(e) of the Food Stamp Act of 1977 (7
9 U.S.C. 2020(e)) (as amended by section 315(b)) is further
10 amended—

11 (1) in paragraph (8)—

12 (A) by striking “that (A) such” and insert-
13 ing the following: “that—

14 “(A) the”;

15 (B) by striking “law, (B) notwithstanding”
16 and inserting the following: “law;

17 “(B) notwithstanding”;

18 (C) by striking “Act, and (C) such” and
19 inserting the following: “Act;

20 “(C) the”; and

21 (D) by adding at the end the following:

22 “(D) notwithstanding any other provision
23 of law, the address, social security number, and,
24 when available, photograph of any member of a
25 household shall be made available, on request,
26 to any Federal, State, or local law enforcement

1 officer if the officer furnishes the State agency
2 with the name of the member and notifies the
3 agency that—

4 “(i) the member—

5 “(I) is fleeing to avoid prosecu-
6 tion, or custody or confinement after
7 conviction, for a crime (or attempt to
8 commit a crime) that, under the law
9 of the place the member is fleeing, is
10 a felony (or, in the case of New Jer-
11 sey, a high misdemeanor), or is violat-
12 ing a condition of probation or parole
13 imposed under Federal or State law;
14 or

15 “(II) has information that is nec-
16 essary for the officer to conduct the
17 official duties of the officer;

18 “(ii) the location or apprehension of
19 the member is an official duty of the offi-
20 cer; and

21 “(iii) the request is being made in the
22 proper exercise of the official duties of the
23 officer; and

24 “(E) the safeguards shall not prevent com-
25 pliance with paragraph (27);” and

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

2 “(27) that the State agency shall furnish the
3 Immigration and Naturalization Service with the
4 name of, address of, and identifying information on
5 any individual the State agency knows is unlawfully
6 in the United States; and”.

7 **SEC. 329. EXPEDITED COUPON SERVICE.**

8 Section 11(e)(9) of the Food Stamp Act of 1977 (7
9 U.S.C. 2020(e)(9)) is amended—

10 (1) in subparagraph (A)—

11 (A) by striking “five days” and inserting
12 “7 business days”; and

13 (B) by inserting “and” at the end;

14 (2) by striking subparagraphs (B) and (C);

15 (3) by redesignating subparagraph (D) as sub-
16 paragraph (B); and

17 (4) in subparagraph (B) (as redesignated by
18 paragraph (3)), by striking “, (B), or (C)”.

19 **SEC. 330. FAIR HEARINGS.**

20 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
21 2020) is amended by adding at the end the following:

22 “(p) WITHDRAWING FAIR HEARING REQUESTS.—A
23 household may withdraw, orally or in writing, a request
24 by the household for a fair hearing under subsection
25 (e)(10). If the withdrawal request is an oral request, the

1 State agency shall provide a written notice to the house-
 2 hold confirming the request and providing the household
 3 with an opportunity to request a hearing.”.

4 **SEC. 331. INCOME AND ELIGIBILITY VERIFICATION SYS-**
 5 **TEM.**

6 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
 7 2020) (as amended by section 330) is further amended
 8 by adding at the end the following:

9 “(q) STATE VERIFICATION OPTION.—Notwithstand-
 10 ing any other provision of law, a State agency shall not
 11 be required to use an income and eligibility verification
 12 system established under section 1137 of the Social Secu-
 13 rity Act (42 U.S.C. 1320b-7).”.

14 **SEC. 332. COLLECTION OF OVERISSUANCES.**

15 (a) IN GENERAL.—Section 13 of the Food Stamp Act
 16 of 1977 (7 U.S.C. 2022) is amended—

17 (1) by striking subsection (b) and inserting the
 18 following:

19 “(b) COLLECTION OF OVERISSUANCES.—

20 “(1) IN GENERAL.—Except as otherwise pro-
 21 vided in this subsection, a State agency shall collect
 22 any overissuance of coupons issued to a household
 23 by—

24 “(A) reducing the allotment of the house-
 25 hold;

1 “(B) withholding unemployment compensa-
2 tion from a member of the household under
3 subsection (c);

4 “(C) recovering from Federal pay or a
5 Federal income tax refund under subsection
6 (d); or

7 “(D) any other means.

8 “(2) COST EFFECTIVENESS.—Paragraph (1)
9 shall not apply if the State agency demonstrates to
10 the satisfaction of the Secretary that all of the
11 means referred to in paragraph (1) are not cost ef-
12 fective.

13 “(3) HARDSHIPS.—A State agency may not use
14 an allotment reduction under paragraph (1)(A) as a
15 means of collecting an overissuance from a house-
16 hold if the allotment reduction would cause a hard-
17 ship on the household, as determined by the State
18 agency.

19 “(4) MAXIMUM REDUCTION ABSENT FRAUD.—
20 If a household received an overissuance of coupons
21 without any member of the household being found
22 ineligible to participate in the program under section
23 6(b)(1) and a State agency elects to reduce the allot-
24 ment of the household under paragraph (1)(A), the
25 State agency shall reduce the monthly allotment of

1 the household under paragraph (1)(A) by the great-
2 er of—

3 “(A) 10 percent of the monthly allotment
4 of the household; or

5 “(B) \$10.

6 “(5) PROCEDURES.—A State agency shall col-
7 lect an overissuance of coupons issued to a house-
8 hold under paragraph (1) in accordance with re-
9 quirements established by the State agency for pro-
10 viding notice, electing a means of payment, and es-
11 tablishing a time schedule for payment.”; and

12 (2) in subsection (d)—

13 (A) by striking “as determined under sub-
14 section (b) and except for claims arising from
15 an error of the State agency,” and inserting
16 “, as determined under subsection (b)(1),”; and

17 (B) by inserting before the period at the
18 end the following: “or a Federal income tax re-
19 fund as authorized by section 3720A of title 31,
20 United States Code”.

21 (b) CONFORMING AMENDMENT.—Section 11(e)(8) of
22 the Act (7 U.S.C. 2020(e)(8)) is amended—

23 (1) by striking “and excluding claims” and all
24 that follows through “such section”; and

1 (2) by inserting before the semicolon at the end
2 the following: “or a Federal income tax refund as
3 authorized by section 3720A of title 31, United
4 States Code”.

5 **SEC. 333. TERMINATION OF FEDERAL MATCH FOR OP-**
6 **TIONAL INFORMATION ACTIVITIES.**

7 (a) **IN GENERAL.**—Section 16(a) of the Food Stamp
8 Act of 1977 (7 U.S.C. 2025(a)) is amended—

9 (1) by striking paragraph (4); and

10 (2) by redesignating paragraphs (5) through
11 (8) as paragraphs (4) through (7), respectively.

12 (b) **CONFORMING AMENDMENT.**—Section 16(g) of
13 the Act (7 U.S.C. 2025(g)) is amended by striking “an
14 amount equal to” and all that follows through “1991, of”
15 and inserting “the amount provided under subsection
16 (a)(5) for”.

17 **SEC. 334. STANDARDS FOR ADMINISTRATION.**

18 (a) **IN GENERAL.**—Section 16 of the Food Stamp Act
19 of 1977 (7 U.S.C. 2025) is amended by striking sub-
20 section (b).

21 (b) **CONFORMING AMENDMENTS.**—

22 (1) The first sentence of section 11(g) of the
23 Act (7 U.S.C. 2020(g)) is amended by striking “the
24 Secretary’s standards for the efficient and effective

1 administration of the program established under sec-
2 tion 16(b)(1) or”.

3 (2) Section 16(c)(1)(B) of the Act (7 U.S.C.
4 2025(c)(1)(B)) is amended by striking “pursuant to
5 subsection (b)”.

6 **SEC. 335. WORK SUPPLEMENTATION OR SUPPORT PRO-**
7 **GRAM.**

8 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
9 2025) (as amended by section 334(a)) is further amended
10 by inserting after subsection (a) the following:

11 “(b) WORK SUPPLEMENTATION OR SUPPORT PRO-
12 GRAM.—

13 “(1) DEFINITION.—In this subsection, the term
14 ‘work supplementation or support program’ means a
15 program in which, as determined by the Secretary,
16 public assistance (including any benefits provided
17 under a program established by the State and the
18 food stamp program) is provided to an employer to
19 be used for hiring and employing a new employee
20 who is a public assistance recipient.

21 “(2) PROGRAM.—A State agency may elect to
22 use amounts equal to the allotment that would oth-
23 erwise be allotted to a household under the food
24 stamp program, but for the operation of this sub-
25 section, for the purpose of subsidizing or supporting

1 jobs under a work supplementation or support pro-
2 gram established by the State.

3 “(3) PROCEDURE.—If a State agency makes an
4 election under paragraph (2) and identifies each
5 household that participates in the food stamp pro-
6 gram that contains an individual who is participat-
7 ing in the work supplementation or support pro-
8 gram—

9 “(A) the Secretary shall pay to the State
10 agency an amount equal to the value of the al-
11 lotment that the household would be eligible to
12 receive but for the operation of this subsection;

13 “(B) the State agency shall expend the
14 amount paid under subparagraph (A) in accord-
15 ance with the work supplementation or support
16 program in lieu of providing the allotment that
17 the household would receive but for the oper-
18 ation of this subsection;

19 “(C) for purposes of—

20 “(i) sections 5 and 8(a), the amount
21 received under this subsection shall be ex-
22 cluded from household income and re-
23 sources; and

24 “(ii) section 8(b), the amount received
25 under this subsection shall be considered to

1 be the value of an allotment provided to
2 the household; and

3 “(D) the household shall not receive an al-
4 lotment from the State agency for the period
5 during which the member continues to partici-
6 pate in the work supplementation or support
7 program.

8 “(4) OTHER WORK REQUIREMENTS.—No indi-
9 vidual shall be excused, by reason of the fact that
10 a State has a work supplementation or support pro-
11 gram, from any work requirement under section
12 6(d), except during the periods in which the individ-
13 ual is employed under the work supplementation or
14 support program.

15 “(5) MAXIMUM LENGTH OF PARTICIPATION.—A
16 work supplementation or support program may not
17 allow the participation of any individual for longer
18 than 1 year, unless the Secretary approves a longer
19 period.”.

20 **SEC. 336. WAIVER AUTHORITY.**

21 Section 17(b)(1)(A) of the Food Stamp Act of 1977
22 (7 U.S.C. 2026(b)(1)(A)) is amended—

23 (1) by striking “benefits to eligible households,
24 including” and inserting the following: “benefits to
25 eligible households. The Secretary may waive the re-

1 requirements of this Act to the extent necessary to
2 conduct a pilot or experimental project, including a
3 project designed to test innovative welfare reform,
4 promote work, and allow conformity with other Fed-
5 eral, State, and local government assistance pro-
6 grams, except that a project involving the payment
7 of benefits in the form of cash shall maintain the av-
8 erage value of allotments for affected households as
9 a group. Pilot or experimental projects may in-
10 clude”; and

11 (2) by striking “The Secretary may waive” and
12 all that follows through “sections 5 and 8 of this
13 Act.”.

14 **SEC. 337. AUTHORIZATION OF PILOT PROJECTS.**

15 The last sentence of section 17(b)(1)(A) of the Food
16 Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended
17 by striking “1995” and inserting “2002”.

18 **SEC. 338. RESPONSE TO WAIVERS.**

19 Section 17(b)(1) of the Food Stamp Act of 1977 (7
20 U.S.C. 2026(b)(1)) is amended by adding at the end the
21 following:

22 “(C) RESPONSE TO WAIVERS.—

23 “(i) RESPONSE.—Not later than 60
24 days after the date of receiving a request

1 for a waiver under subparagraph (A), the
2 Secretary shall provide a response that—

3 “(I) approves the waiver request;

4 “(II) denies the waiver request
5 and explains any modification needed
6 for approval of the waiver request;

7 “(III) denies the waiver request
8 and explains the grounds for the de-
9 nial; or

10 “(IV) requests clarification of the
11 waiver request.

12 “(ii) FAILURE TO RESPOND.—If the
13 Secretary does not provide a response
14 under clause (i) not later than 60 days
15 after receiving a request for a waiver, the
16 waiver shall be considered approved.

17 “(iii) NOTICE OF DENIAL.—On denial
18 of a waiver request under clause (i)(III),
19 the Secretary shall provide a copy of the
20 waiver request and the grounds for the de-
21 nial to the Committee on Agriculture of
22 the House of Representatives and the
23 Committee on Agriculture, Nutrition, and
24 Forestry of the Senate.”.

1 **SEC. 339. PRIVATE SECTOR EMPLOYMENT INITIATIVES.**

2 Section 17 of the Food Stamp Act of 1977 (7 U.S.C.
3 2026) is amended by adding at the end the following:

4 “(m) PRIVATE SECTOR EMPLOYMENT INITIA-
5 TIVES.—

6 “(1) ELECTION TO PARTICIPATE.—

7 “(A) IN GENERAL.—Subject to the other
8 provisions of this subsection, a State may elect
9 to carry out a private sector employment initia-
10 tive program under this subsection.

11 “(B) REQUIREMENT.—A State shall be eli-
12 gible to carry out a private sector employment
13 initiative under this subsection only if not less
14 than 50 percent of the households that received
15 food stamp benefits during the summer of 1993
16 also received benefits under a State program
17 funded under part A of title IV of the Social
18 Security Act (42 U.S.C. 601 et seq.) during the
19 summer of 1993.

20 “(2) PROCEDURE.—A State that has elected to
21 carry out a private sector employment initiative
22 under paragraph (1) may use amounts equal to the
23 food stamp allotments that would otherwise be allot-
24 ted to a household under the food stamp program,
25 but for the operation of this subsection, to provide
26 cash benefits in lieu of the food stamp allotments to

1 the household if the household is eligible under para-
2 graph (3).

3 “(3) ELIGIBILITY.—A household shall be eligi-
4 ble to receive cash benefits under paragraph (2) if
5 an adult member of the household—

6 “(A) has worked in unsubsidized employ-
7 ment in the private sector for not less than the
8 preceding 90 days;

9 “(B) has earned not less than \$350 per
10 month from the employment referred to in sub-
11 paragraph (A) for not less than the preceding
12 90 days;

13 “(C)(i) is eligible to receive benefits under
14 a State program funded under part A of title
15 IV of the Social Security Act (42 U.S.C. 601 et
16 seq.); or

17 “(ii) was eligible to receive benefits under
18 a State program funded under part A of title
19 IV of the Social Security Act (42 U.S.C. 601 et
20 seq.) at the time the member first received cash
21 benefits under this subsection and is no longer
22 eligible for the State program because of earned
23 income;

1 “(D) is continuing to earn not less than
2 \$350 per month from the employment referred
3 to in subparagraph (A); and

4 “(E) elects to receive cash benefits in lieu
5 of food stamp benefits under this subsection.

6 “(4) EVALUATION.—A State that operates a
7 program under this subsection for 2 years shall pro-
8 vide to the Secretary a written evaluation of the im-
9 pact of cash assistance under this subsection. The
10 State agency shall determine the content of the eval-
11 uation.”.

12 **SEC. 340. REAUTHORIZATION OF APPROPRIATIONS.**

13 The first sentence of section 18(a)(1) of the Food
14 Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by
15 striking “1995” and inserting “2002”.

16 **SEC. 341. REAUTHORIZATION OF PUERTO RICO NUTRITION**
17 **ASSISTANCE PROGRAM.**

18 The first sentence of section 19(a)(1)(A) of the Food
19 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended
20 by striking “\$974,000,000” and all that follows through
21 “fiscal year 1995” and inserting the following:
22 “\$1,143,000,000 for each of fiscal years 1995 and 1996,
23 \$1,182,000,000 for fiscal year 1997, \$1,223,000,000 for
24 fiscal year 1998, \$1,266,000,000 for fiscal year 1999,
25 \$1,310,000,000 for fiscal year 2000, \$1,343,000,000 for

1 fiscal year 2001, and \$1,376,000,000 for fiscal year
2 2002”

3 **SEC. 342. SIMPLIFIED FOOD STAMP PROGRAM.**

4 (a) IN GENERAL.—The Food Stamp Act of 1977 (7
5 U.S.C. 2011 et seq.) is amended by adding at the end
6 the following:

7 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

8 “(a) ELECTION.—Subject to subsection (e), a State
9 agency may elect to carry out a Simplified Food Stamp
10 Program (referred to in this section as a ‘Program’) under
11 this section.

12 “(b) OPERATION OF PROGRAM.—

13 “(1) IN GENERAL.—If a State agency elects to
14 carry out a Program, within the State or a political
15 subdivision of the State—

16 “(A) a household in which all members re-
17 ceive assistance under a State program funded
18 under part A of title IV of the Social Security
19 Act (42 U.S.C. 601 et seq.) shall automatically
20 be eligible to participate in the Program; and

21 “(B) subject to subsection (e), benefits
22 under the Program shall be determined under
23 rules and procedures established by the State
24 under—

1 “(i) a State program funded under
2 part A of title IV of the Social Security
3 Act (42 U.S.C. 601 et seq.);

4 “(ii) the food stamp program (other
5 than section 25); or

6 “(iii) a combination of a State pro-
7 gram funded under part A of title IV of
8 the Social Security Act (42 U.S.C. 601 et
9 seq.) and the food stamp program.

10 “(2) SHELTER STANDARD.—The State agency
11 may elect to apply 1 shelter standard to a household
12 that receives a housing subsidy and another shelter
13 standard to a household that does not receive the
14 subsidy.

15 “(c) APPROVAL OF PROGRAM.—

16 “(1) STATE PLAN.—A State agency may not
17 operate a Program unless the Secretary approves a
18 State plan for the operation of the Program under
19 paragraph (2).

20 “(2) APPROVAL OF PLAN.—

21 “(A) IN GENERAL.—The Secretary shall
22 approve any State plan to carry out a Program
23 if the Secretary determines that the plan—

24 “(i) complies with this section; and

1 “(ii) would not increase Federal costs
2 incurred under this Act.

3 “(B) DEFINITION OF FEDERAL COSTS.—In
4 this section, the term ‘Federal costs’ does not
5 include any Federal costs incurred under sec-
6 tion 17.

7 “(d) INCREASED FEDERAL COSTS.—

8 “(1) DETERMINATION.—

9 “(A) IN GENERAL.—The Secretary shall
10 determine whether a Program being carried out
11 by a State agency is increasing Federal costs
12 under this Act.

13 “(B) NO EXCLUDED HOUSEHOLDS.—In
14 making a determination under subparagraph
15 (A), the Secretary shall not require the State
16 agency to collect or report any information on
17 households not included in the Program.

18 “(C) ALTERNATIVE ACCOUNTING PERI-
19 ODS.—The Secretary may approve the request
20 of a State agency to apply alternative account-
21 ing periods to determine if Federal costs do not
22 exceed the Federal costs had the State agency
23 not elected to carry out the Program.

24 “(2) NOTIFICATION.—If the Secretary deter-
25 mines that the Program has increased Federal costs

1 under this Act for any fiscal year, the Secretary
2 shall notify the State agency not later than January
3 1 of the immediately succeeding fiscal year.

4 “(3) RETURN OF FUNDS.—

5 “(A) IN GENERAL.—If the Secretary deter-
6 mines that the Program has increased Federal
7 costs under this Act for a 2-year period, includ-
8 ing a fiscal year for which notice was given
9 under paragraph (2) and an immediately suc-
10 ceeding fiscal year, the State agency shall pay
11 to the Treasury of the United States the
12 amount of the increased costs.

13 “(B) ENFORCEMENT.—If the State agency
14 does not pay an amount due under subpara-
15 graph (A) on a date that is not later than 90
16 days after the date of the determination, the
17 Secretary shall reduce amounts otherwise due
18 to the State agency for administrative costs
19 under section 16(a).

20 “(e) RULES AND PROCEDURES.—

21 “(1) IN GENERAL.—Except as provided by
22 paragraph (2), a State may apply—

23 “(A) the rules and procedures established
24 by the State under—

1 “(i) the State program funded under
2 part A of title IV of the Social Security
3 Act (42 U.S.C. 601 et seq.); or

4 “(ii) the food stamp program; or

5 “(B) the rules and procedures of 1 of the
6 programs to certain matters and the rules and
7 procedures of the other program to all remain-
8 ing matters.

9 “(2) STANDARDIZED DEDUCTIONS.—The State
10 may standardize the deductions provided under sec-
11 tion 5(e). In developing the standardized deduction,
12 the State shall give consideration to the work ex-
13 penses, dependent care costs, and shelter costs of
14 participating households.

15 “(3) REQUIREMENTS.—In operating a Pro-
16 gram, the State shall comply with—

17 “(A) subsections (a) through (g) of section
18 7;

19 “(B) section 8(a), except that the income
20 of a household may be determined under a
21 State program funded under part A of title IV
22 of the Social Security Act (42 U.S.C. 601 et
23 seq.);

24 “(C) subsections (b) and (d) of section 8;

1 “(D) subsections (a), (c), (d), and (n) of
2 section 11;

3 “(E) paragraph (3) of section 11(e), to the
4 extent that the paragraph requires that an eli-
5 gible household be certified and receive an allot-
6 ment for the period of application not later
7 than 30 days after filing an application;

8 “(F) paragraphs (8), (9), (12), (17), (19),
9 (21), and (27) of section 11(e);

10 “(G) section 11(e)(10) or a comparable re-
11 quirement established by the State under a
12 State program funded under part A of title IV
13 of the Social Security Act (42 U.S.C. 601 et
14 seq.); and

15 “(H) section 16.”.

16 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
17 Act (7 U.S.C. 2020(e)) (as amended by sections 315(b)
18 and 328) is further amended by adding at the end the
19 following:

20 “(28) the plans of the State agency for operat-
21 ing, at the election of the State, a program under
22 section 24, including—

23 “(A) the rules and procedures to be fol-
24 lowed by the State to determine food stamp
25 benefits;

1 “(B) how the State will address the needs
2 of households that experience high shelter costs
3 in relation to the incomes of the households;
4 and

5 “(C) a description of the method by which
6 the State will carry out a quality control system
7 under section 16(c).”.

8 (c) CONFORMING AMENDMENTS.—

9 (1) Section 8 of the Act (7 U.S.C. 2017) (as
10 amended by section 325) is further amended—

11 (A) by striking subsection (e); and

12 (B) by redesignating subsection (f) as sub-
13 section (e).

14 (2) Section 17 of the Act (7 U.S.C. 2026) (as
15 amended by section 339) is further amended—

16 (A) by striking subsection (i); and

17 (B) by redesignating subsections (j)
18 through (m) as subsections (i) through (l), re-
19 spectively.

20 **SEC. 343. OPTIONAL STATE FOOD ASSISTANCE BLOCK**
21 **GRANT.**

22 (a) IN GENERAL.—The Food Stamp Act of 1977 (7
23 U.S.C. 2011 et seq.) (as amended by section 342) is fur-
24 ther amended by adding at the end the following:

1 **“SEC. 25. OPTIONAL STATE FOOD ASSISTANCE BLOCK**
2 **GRANT.**

3 “(a) ESTABLISHMENT.—The Secretary shall estab-
4 lish a program to make grants to States in accordance
5 with this section to provide—

6 “(1) food assistance to needy individuals and
7 families residing in the State;

8 “(2) at the option of a State, wage subsidies
9 and payments in return for work for needy individ-
10 uals under the program;

11 “(3) funds to operate an employment and train-
12 ing program under section (g)(2) for needy individ-
13 uals under the program; and

14 “(4) funds for administrative costs incurred in
15 providing the assistance.

16 “(b) ELECTION.—

17 “(1) IN GENERAL.—A State may elect to par-
18 ticipate in the program established under subsection
19 (a).

20 “(2) ELECTION REVOCABLE.—A State that
21 elects to participate in the program established
22 under subsection (a) may subsequently reverse its
23 election only once thereafter. Following such rever-
24 sal, the State shall only be eligible to participate in
25 the food stamp program in accordance with the

1 other sections of this Act and shall not receive a
2 block grant under this section.

3 “(3) PROGRAM EXCLUSIVE.—A State that is
4 participating in the program established under sub-
5 section (a) shall not be subject to, or receive any
6 benefit under, this Act except as provided in this
7 section.

8 “(4) SUNSET OF ELECTION UPON INCREASE IN
9 NUMBER OF HUNGRY CHILDREN.—

10 “(A) FINDINGS.—The Congress finds
11 that—

12 “(i) on March 29, 1995 the Senate
13 adopted a resolution stating that Congress
14 should not enact or adopt any legislation
15 that will increase the number of children
16 who are hungry;

17 “(ii) it is not the intent of this bill to
18 cause more children to be hungry;

19 “(iii) the Food Stamp Program serves
20 to prevent child hunger; and

21 “(iv) a State’s election to participate
22 in the optional State food assistance block
23 grant program should not serve to increase
24 the number of hungry children in that
25 State.

1 “(B) SUNSET.—If the Secretary of Health
2 and Human Services makes two successive find-
3 ings that the hunger rate among children in a
4 State is significantly higher in a State that has
5 elected to participate in a program established
6 under subsection (a) than it would have been
7 had there been no such election, 180 days after
8 the second such finding such election shall be
9 permanently and irreversibly revoked and the
10 provisions of paragraphs (1) and (2) shall not
11 be applicable to that State.

12 “(C) PROCEDURE FOR FINDING BY SEC-
13 RETARY.—In making the finding described in
14 subparagraph (B), the Secretary shall adhere to
15 the following procedure:

16 “(i) Every three years, the Secretary
17 shall develop data and report to Congress
18 with respect to each State that has elected
19 to participate in a program established
20 under subsection (a) whether the child
21 hunger rate in such State is significantly
22 higher than it would have been had the
23 State not made such election.

24 “(ii) The Secretary shall provide the
25 report required under clause (i) to all

1 States that have elected to participate in a
2 program established under subsection (a),
3 and the Secretary shall provide each State
4 for which the Secretary determined that
5 the child hunger rate is significantly higher
6 than it would have been had the State not
7 made such election with an opportunity to
8 respond to such determination.

9 “(iii) If the response by a State under
10 clause (ii) does not result in the Secretary
11 reversing the determination that the child
12 hunger rate in that State is significantly
13 higher than it would have been had the
14 State not made such election, then the Sec-
15 retary shall publish a finding as described
16 in subparagraph (B).

17 “(c) LEAD AGENCY.—

18 “(1) DESIGNATION.—A State desiring to re-
19 ceive a grant under this section shall designate, in
20 an application submitted to the Secretary under sub-
21 section (d)(1), an appropriate State agency that
22 complies with paragraph (2) to act as the lead agen-
23 cy for the State.

24 “(2) DUTIES.—

1 “(A) IN GENERAL.—The lead agency
2 shall—

3 “(i) administer, either directly,
4 through other State agencies, or through
5 local agencies, the assistance received
6 under this section by the State;

7 “(ii) develop the State plan to be sub-
8 mitted to the Secretary under subsection
9 (d)(1);

10 “(iii) in conjunction with the develop-
11 ment of the State plan, hold at least 1
12 hearing in the State to provide to the pub-
13 lic an opportunity to comment on the pro-
14 gram under the State plan; and

15 “(iv) coordinate the provision of food
16 assistance under this section with other
17 Federal, State, and local programs.

18 “(B) DEVELOPMENT OF PLAN.—In the de-
19 velopment of the State plan described in sub-
20 paragraph (A)(ii), the lead agency shall consult
21 with local governments and private sector orga-
22 nizations regarding the plan and design of the
23 State plan so that services are provided in a
24 manner appropriate to local populations.

25 “(d) APPLICATION AND PLAN.—

1 “(1) APPLICATION.—To be eligible to receive
2 assistance under this section, a State shall prepare
3 and submit to the Secretary an application at such
4 time, in such manner, and containing such informa-
5 tion as the Secretary shall by regulation require, in-
6 cluding—

7 “(A) an assurance that the State will com-
8 ply with the requirements of this section;

9 “(B) a State plan that meets the require-
10 ments of paragraph (3); and

11 “(C) an assurance that the State will com-
12 ply with the requirements of the State plan
13 under paragraph (3).

14 “(2) ANNUAL PLAN.—The State plan contained
15 in the application under paragraph (1) shall be sub-
16 mitted for approval annually.

17 “(3) REQUIREMENTS OF PLAN.—

18 “(A) LEAD AGENCY.—The State plan shall
19 identify the lead agency.

20 “(B) USE OF BLOCK GRANT FUNDS.—The
21 State plan shall provide that the State shall use
22 the amounts provided to the State for each fis-
23 cal year under this section—

24 “(i) to provide food assistance to
25 needy individuals and families residing in

1 the State, other than residents of institu-
2 tions who are ineligible for food stamps
3 under section 3(i);

4 “(ii) at the option of a State, to pro-
5 vide wage subsidies and workfare under
6 section 20(a) (except that any reference in
7 section 20(a) to an allotment shall be con-
8 sidered a reference to the food assistance
9 or benefits in lieu of food assistance re-
10 ceived by an individual or family during a
11 month under this section) for needy indi-
12 viduals and families participating in the
13 program;

14 “(iii) to administer an employment
15 and training program under section (g)(2)
16 for needy individuals under the program
17 and to provide reimbursements to needy
18 individuals and families as would be al-
19 lowed under section 16(h)(3); and

20 “(iv) to pay administrative costs in-
21 curred in providing the assistance.

22 “(C) GROUPS SERVED.—The State plan
23 shall describe how the program will serve spe-
24 cific groups of individuals and families and how
25 the treatment will differ from treatment under

1 the food stamp program under the other sec-
2 tions of this Act of the individuals and families,
3 including—

4 “(i) elderly individuals and families;

5 “(ii) migrants or seasonal farm-
6 workers;

7 “(iii) homeless individuals and fami-
8 lies;

9 “(iv) individuals and families who live
10 under the supervision of institutions (other
11 than incarcerated individuals);

12 “(v) individuals and families with
13 earnings; and

14 “(vi) members of Indian tribes or trib-
15 al organizations.

16 “(D) ASSISTANCE FOR ENTIRE STATE.—

17 The State plan shall provide that benefits under
18 this section shall be available throughout the
19 entire State.

20 “(E) NOTICE AND HEARINGS.—The State
21 plan shall provide that an individual or family
22 who applies for, or receives, assistance under
23 this section shall be provided with notice of, and
24 an opportunity for a hearing on, any action

1 under this section that adversely affects the in-
2 dividual or family.

3 “(F) OTHER ASSISTANCE.—

4 “(i) COORDINATION.—The State plan
5 may coordinate assistance received under
6 this section with assistance provided under
7 the State program funded under part A of
8 title IV of the Social Security Act (42
9 U.S.C. 601 et seq.).

10 “(ii) PENALTIES.—If an individual or
11 family is penalized for violating part A of
12 title IV of the Act, the State plan may re-
13 duce the amount of assistance provided
14 under this section or otherwise penalize the
15 individual or family.

16 “(G) ASSESSMENT OF NEEDS.—The State
17 plan shall assess the food and nutrition needs
18 of needy persons residing in the State.

19 “(H) ELIGIBILITY LIMITATIONS.—The
20 State plan shall describe the income and re-
21 source eligibility limitations that are established
22 for the receipt of assistance under this section.

23 “(I) RECEIVING BENEFITS IN MORE THAN
24 1 JURISDICTION.—The State plan shall estab-
25 lish a system to verify and otherwise ensure

1 that no individual or family shall receive bene-
2 fits under this section in more than 1 jurisdic-
3 tion within the State.

4 “(J) PRIVACY.—The State plan shall pro-
5 vide for safeguarding and restricting the use
6 and disclosure of information about any individ-
7 ual or family receiving assistance under this
8 section.

9 “(K) OTHER INFORMATION.—The State
10 plan shall contain such other information as
11 may be required by the Secretary.

12 “(4) APPROVAL OF APPLICATION AND PLAN.—
13 The Secretary shall approve an application and
14 State plan that satisfies the requirements of this
15 section.

16 “(e) LIMITATIONS ON STATE ALLOTMENTS.—

17 “(1) NO INDIVIDUAL OR FAMILY ENTITLEMENT
18 TO ASSISTANCE.—Nothing in this section—

19 “(A) entitles any individual or family to
20 assistance under this section; or

21 “(B) limits the right of a State to impose
22 additional limitations or conditions on assist-
23 ance under this section.

24 “(2) CONSTRUCTION OF FACILITIES.—No funds
25 made available under this section shall be expended

1 for the purchase or improvement of land, or for the
2 purchase, construction, or permanent improvement
3 of any building or facility.

4 “(f) BENEFITS FOR ALIENS.—

5 “(1) ELIGIBILITY.—No individual shall be eligi-
6 ble to receive benefits under a State plan approved
7 under subsection (d)(4) if the individual is not eligi-
8 ble to participate in the food stamp program under
9 section 6(f).

10 “(2) INCOME.—The State plan shall provide
11 that the income of an alien shall be determined in
12 accordance with section 5(i).

13 “(g) EMPLOYMENT AND TRAINING.—

14 “(1) WORK REQUIREMENTS.—No individual or
15 member of a family shall be eligible to receive bene-
16 fits under a State plan funded under this section if
17 the individual is not eligible to participate in the
18 food stamp program under subsection (d) or (n) of
19 section 6.

20 “(2) WORK PROGRAMS.—Each State shall im-
21 plement an employment and training program under
22 section 6(d)(4) for needy individuals under the pro-
23 gram.

24 “(h) ENFORCEMENT.—

1 “(1) REVIEW OF COMPLIANCE WITH STATE
2 PLAN.—The Secretary shall review and monitor
3 State compliance with this section and the State
4 plan approved under subsection (d)(4).

5 “(2) NONCOMPLIANCE.—

6 “(A) IN GENERAL.—If the Secretary, after
7 reasonable notice to a State and opportunity for
8 a hearing, finds that—

9 “(i) there has been a failure by the
10 State to comply substantially with any pro-
11 vision or requirement set forth in the State
12 plan approved under subsection (d)(4); or

13 “(ii) in the operation of any program
14 or activity for which assistance is provided
15 under this section, there is a failure by the
16 State to comply substantially with any pro-
17 vision of this section;

18 the Secretary shall notify the State of the find-
19 ing and that no further payments will be made
20 to the State under this section (or, in the case
21 of noncompliance in the operation of a program
22 or activity, that no further payments to the
23 State will be made with respect to the program
24 or activity) until the Secretary is satisfied that

1 there is no longer any failure to comply or that
2 the noncompliance will be promptly corrected.

3 “(B) OTHER SANCTIONS.—In the case of a
4 finding of noncompliance made pursuant to
5 subparagraph (A), the Secretary may, in addi-
6 tion to, or in lieu of, imposing the sanctions de-
7 scribed in subparagraph (A), impose other ap-
8 propriate sanctions, including recoupment of
9 money improperly expended for purposes pro-
10 hibited or not authorized by this section and
11 disqualification from the receipt of financial as-
12 sistance under this section.

13 “(C) NOTICE.—The notice required under
14 subparagraph (A) shall include a specific identi-
15 fication of any additional sanction being im-
16 posed under subparagraph (B).

17 “(3) ISSUANCE OF REGULATIONS.—The Sec-
18 retary shall establish by regulation procedures for—

19 “(A) receiving, processing, and determin-
20 ing the validity of complaints concerning any
21 failure of a State to comply with the State plan
22 or any requirement of this section; and

23 “(B) imposing sanctions under this sec-
24 tion.

1 “(4) INCOME AND ELIGIBILITY VERIFICATION
2 SYSTEM.—The Secretary may withhold not more
3 than 5 percent of the amount allotted to a State
4 under subsection (1)(2) if the State does not use an
5 income and eligibility verification system established
6 under section 1137 of the Social Security Act (42
7 U.S.C. 1320b-7).

8 “(i) PAYMENTS.—

9 “(1) IN GENERAL.—For each fiscal year, the
10 Secretary shall pay to a State that has an applica-
11 tion approved by the Secretary under subsection
12 (d)(4) an amount that is equal to the allotment of
13 the State under subsection (1)(2) for the fiscal year.

14 “(2) METHOD OF PAYMENT.—The Secretary
15 shall make payments to a State for a fiscal year
16 under this section by issuing 1 or more letters of
17 credit for the fiscal year, with necessary adjustments
18 on account of overpayments or underpayments, as
19 determined by the Secretary.

20 “(3) SPENDING OF FUNDS BY STATE.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), payments to a State from an
23 allotment under subsection (1)(2) for a fiscal
24 year may be expended by the State only in the
25 fiscal year.

1 “(B) CARRYOVER.—The State may reserve
2 up to 10 percent of an allotment under sub-
3 section (1)(2) for a fiscal year to provide assist-
4 ance under this section in subsequent fiscal
5 years, except that the reserved funds may not
6 exceed 30 percent of the total allotment re-
7 ceived under this section for a fiscal year.

8 “(4) FOOD ASSISTANCE AND ADMINISTRATIVE
9 EXPENDITURES.—In each fiscal year, of the Federal
10 funds expended by a State under this section—

11 “(A) not less than 80 percent shall be for
12 food assistance; and

13 “(B) not more than 6 percent shall be for
14 administrative expenses.

15 “(5) PROVISION OF FOOD ASSISTANCE.—A
16 State may provide food assistance under this section
17 in any manner determined appropriate by the State
18 to provide food assistance to needy individuals and
19 families in the State, such as electronic benefits
20 transfer limited to food purchases, coupons limited
21 to food purchases, or direct provision of commod-
22 ities.

23 “(6) DEFINITION OF FOOD ASSISTANCE.—In
24 this section, the term ‘food assistance’ means assist-

1 ance that may be used only to obtain food, as de-
2 fined in section 3(g).

3 “(j) AUDITS.—

4 “(1) REQUIREMENT.—After the close of each
5 fiscal year, a State shall arrange for an audit of the
6 expenditures of the State during the program period
7 from amounts received under this section.

8 “(2) INDEPENDENT AUDITOR.—An audit under
9 this section shall be conducted by an entity that is
10 independent of any agency administering activities
11 that receive assistance under this section and be in
12 accordance with generally accepted auditing prin-
13 ciples.

14 “(3) PAYMENT ACCURACY.—Each annual audit
15 under this section shall include an audit of payment
16 accuracy under this section that shall be based on a
17 statistically valid sample of the caseload in the
18 State.

19 “(4) SUBMISSION.—Not later than 30 days
20 after the completion of an audit under this section,
21 the State shall submit a copy of the audit to the leg-
22 islature of the State and to the Secretary.

23 “(5) REPAYMENT OF AMOUNTS.—Each State
24 shall repay to the United States any amounts deter-
25 mined through an audit under this section to have

1 not been expended in accordance with this section or
2 to have not been expended in accordance with the
3 State plan, or the Secretary may offset the amounts
4 against any other amount paid to the State under
5 this section.

6 “(k) NONDISCRIMINATION.—

7 “(1) IN GENERAL.—The Secretary shall not
8 provide financial assistance for any program,
9 project, or activity under this section if any person
10 with responsibilities for the operation of the pro-
11 gram, project, or activity discriminates with respect
12 to the program, project, or activity because of race,
13 religion, color, national origin, sex, or disability.

14 “(2) ENFORCEMENT.—The powers, remedies,
15 and procedures set forth in title VI of the Civil
16 Rights Act of 1964 (42 U.S.C. 2000d et seq.) may
17 be used by the Secretary to enforce paragraph (1).

18 “(l) ALLOTMENTS.—

19 “(1) DEFINITION OF STATE.—In this section,
20 the term ‘State’ means each of the 50 States, the
21 District of Columbia, Guam, and the Virgin Islands
22 of the United States.

23 “(2) STATE ALLOTMENT.—

24 “(A) IN GENERAL.—Except as provided in
25 subparagraph (B), from the amounts made

1 available under section 18 of this Act for each
2 fiscal year, the Secretary shall allot to each
3 State participating in the program established
4 under this section an amount that is equal to
5 the sum of—

6 “(i) the greater of, as determined by
7 the Secretary—

8 “(I) the total dollar value of all
9 benefits issued under the food stamp
10 program established under this Act by
11 the State during fiscal year 1994; or

12 “(II) the average per fiscal year
13 of the total dollar value of all benefits
14 issued under the food stamp program
15 by the State during each of fiscal
16 years 1992 through 1994; and

17 “(ii) the greater of, as determined by
18 the Secretary—

19 “(I) the total amount received by
20 the State for administrative costs and
21 the employment and training program
22 under subsections (a) and (h), respec-
23 tively, of section 16 of this Act for fis-
24 cal year 1994; or

1 “(II) the average per fiscal year
2 of the total amount received by the
3 State for administrative costs and the
4 employment and training program
5 under subsections (a) and (h), respec-
6 tively, of section 16 of this Act for
7 each of fiscal years 1992 through
8 1994.

9 “(B) INSUFFICIENT FUNDS.—If the Sec-
10 retary finds that the total amount of allotments
11 to which States would otherwise be entitled for
12 a fiscal year under subparagraph (A) will ex-
13 ceed the amount of funds that will be made
14 available to provide the allotments for the fiscal
15 year, the Secretary shall reduce the allotments
16 made to States under this subsection, on a pro
17 rata basis, to the extent necessary to allot
18 under this subsection a total amount that is
19 equal to the funds that will be made available.”.

20 (b) RESEARCH ON OPTIONAL STATE FOOD ASSIST-
21 ANCE BLOCK GRANT.—Section 17 of the Food Stamp Act
22 of 1977 (7 U.S.C. 2026) (as amended by section 339 and
23 342(c)(2)) is further amended by adding at the end the
24 following:

1 “(m) RESEARCH ON OPTIONAL STATE FOOD ASSIST-
2 ANCE BLOCK GRANT.—The Secretary may conduct re-
3 search on the effects and costs of a State program carried
4 out under section 25.”.

5 **SEC. 344. EFFECTIVE DATE.**

6 Except as otherwise provided in this subtitle, this
7 subtitle and the amendments made by this subtitle shall
8 become effective on October 1, 1995.

9 **Subtitle B—Anti-Fraud and**
10 **Trafficking**

11 **SEC. 351. EXPANDED DEFINITION OF COUPON.**

12 Section 3(d) of the Food Stamp Act of 1977 (7
13 U.S.C. 2012(d)) is amended by striking “or type of certifi-
14 cate” and inserting “type of certificate, authorization
15 card, cash or check issued as a coupon, or access device,
16 including an electronic benefits transfer card or a personal
17 identification number.”.

18 **SEC. 352. DOUBLED PENALTIES FOR VIOLATING FOOD**
19 **STAMP PROGRAM REQUIREMENTS.**

20 Section 6(b)(1) of the Food Stamp Act of 1977 (7
21 U.S.C. 2015(b)(1)) is amended—

22 (1) in clause (i), by striking “six months upon”
23 and inserting “1 year on”; and

24 (2) in clause (ii), by striking “1 year upon” and
25 inserting “2 years on”.

1 **SEC. 353. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**
2 **RIODS.**

3 Section 9(a) of the Food Stamp Act of 1977 (7
4 U.S.C. 2018(a)) is amended by adding at the end the fol-
5 lowing:

6 “(3) AUTHORIZATION PERIODS.—The Secretary
7 is authorized to issue regulations establishing spe-
8 cific time periods during which authorization to ac-
9 cept and redeem coupons under the food stamp pro-
10 gram shall be valid.”.

11 **SEC. 354. SPECIFIC PERIOD FOR PROHIBITING PARTICIPA-**
12 **TION OF STORES BASED ON LACK OF BUSI-**
13 **NESS INTEGRITY.**

14 Section 9(a) of the Food Stamp Act of 1977 (7
15 U.S.C. 2018(a)) (as amended by section 353) is further
16 amended by adding at the end the following:

17 “(4) PERIODS FOR PARTICIPATION OF STORES
18 AND CONCERNS.—The Secretary may issue regula-
19 tions establishing specific time periods during which
20 a retail food store or wholesale food concern that has
21 an application for approval to accept and redeem
22 coupons denied, or that has an approval withdrawn,
23 on the basis of business integrity and reputation
24 cannot submit a new application for approval. The
25 periods shall reflect the severity of business integrity

1 lation may not submit a new application for 6 months
2 after the date of the denial.”.

3 **SEC. 357. BASES FOR SUSPENSIONS AND DISQUALIFICA-**
4 **TIONS.**

5 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
6 2021) is amended—

7 (1) by striking the section heading;

8 (2) by striking “SEC. 12 (a) Any” and inserting
9 the following:

10 **“SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION**
11 **OF RETAIL FOOD STORES AND WHOLESALE**
12 **FOOD CONCERNS.**

13 “(a) DISQUALIFICATION.—

14 “(1) IN GENERAL.—Any”; and

15 (3) in subsection (a), by adding at the end the
16 following:

17 “(2) BASIS.—Regulations issued pursuant to
18 this Act shall provide criteria for the finding of a
19 violation, and the suspension or disqualification of a
20 retail food store or wholesale food concern, on the
21 basis of evidence that may include facts established
22 through on-site investigations, inconsistent redemp-
23 tion data, or evidence obtained through transaction
24 reports under electronic benefits transfer systems.”.

1 **SEC. 358. DISQUALIFICATION OF STORES PENDING JUDI-**
2 **CIAL AND ADMINISTRATIVE REVIEW.**

3 (a) **AUTHORITY.**—Section 12(a) of the Food Stamp
4 Act of 1977 (7 U.S.C. 2021(a)) (as amended by section
5 357) is further amended by adding at the end the follow-
6 ing:

7 “(3) **DISQUALIFICATION PENDING REVIEW.**—
8 The regulations may establish criteria under which
9 the authorization of a retail food store or wholesale
10 food concern to accept and redeem coupons may be
11 suspended at the time the store or concern is ini-
12 tially found to have committed a violation of a re-
13 quirement of the food stamp program that would re-
14 sult in a permanent disqualification. The suspension
15 may coincide with the period of a review under sec-
16 tion 14. The Secretary shall not be liable for the
17 value of any sales lost during a suspension or dis-
18 qualification period.”.

19 (b) **REVIEW.**—Section 14(a) of the Act (7 U.S.C.
20 2023(a)) is amended—

21 (1) in the first sentence, by striking “disquali-
22 fied or subjected” and inserting “suspended, dis-
23 qualified, or subjected”;

24 (2) in the fifth sentence, by inserting before the
25 period at the end the following: “, except that, in the
26 case of the suspension of a retail food store or

1 wholesale food concern under section 12(a)(3), the
2 suspension shall remain in effect pending any judi-
3 cial or administrative review of the proposed dis-
4 qualification action, and the period of suspension
5 shall be considered a part of any period of disquali-
6 fication that is imposed”; and

7 (3) by striking the last sentence.

8 **SEC. 359. DISQUALIFICATION OF RETAILERS WHO ARE DIS-**
9 **QUALIFIED UNDER THE WIC PROGRAM.**

10 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
11 2021) is amended by adding at the end the following:

12 “(g) DISQUALIFICATION OF RETAILERS WHO ARE
13 DISQUALIFIED UNDER THE WIC PROGRAM.—

14 “(1) IN GENERAL.—The Secretary shall issue
15 regulations providing criteria for the disqualification
16 of an approved retail food store and a wholesale food
17 concern that is disqualified from accepting benefits
18 under the special supplemental nutrition program
19 for women, infants, and children established under
20 section 17 of the Child Nutrition Act of 1966 (7
21 U.S.C. 1786).

22 “(2) TERMS.—A disqualification under para-
23 graph (1)—

1 “(A) shall be for the same period as the
2 disqualification from the program referred to in
3 paragraph (1);

4 “(B) may begin at a later date than the
5 disqualification from the program referred to in
6 paragraph (1); and

7 “(C) notwithstanding section 14, shall not
8 be subject to judicial or administrative review.”.

9 **SEC. 360. PERMANENT DEBARMENT OF RETAILERS WHO IN-**
10 **TENTIONALLY SUBMIT FALSIFIED APPLICA-**
11 **TIONS.**

12 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
13 2021) (as amended by section 359) is further amended
14 by adding at the end the following:

15 “(h) FALSIFIED APPLICATIONS.—

16 “(1) IN GENERAL.—The Secretary shall issue
17 regulations providing for the permanent disqualifica-
18 tion of a retail food store, or wholesale food concern,
19 that knowingly submits an application for approval
20 to accept and redeem coupons that contains false in-
21 formation about a substantive matter that was, or
22 could have been, a basis for approving the applica-
23 tion.

24 “(2) REVIEW.—A disqualification under para-
25 graph (1) shall be subject to judicial and administra-

1 be used, in any manner or part, to commit,
2 or to facilitate the commission of the viola-
3 tion.

4 “(B) SENTENCE.—In imposing a sentence
5 on a person under subparagraph (A), a court
6 shall order that the person forfeit to the United
7 States all property described in this subsection.

8 “(C) PROCEDURES.—Any food stamp ben-
9 efits or property subject to forfeiture under this
10 subsection, any seizure or disposition of the
11 benefits or property, and any administrative or
12 judicial proceeding relating to the benefits or
13 property, shall be governed by subsections (b),
14 (c), (e), and (g) through (p) of section 413 of
15 the Comprehensive Drug Abuse Prevention and
16 Control Act of 1970 (21 U.S.C. 853), if not in-
17 consistent with this subsection.

18 “(3) EXCLUDED PROPERTY.—This subsection
19 shall not apply to property referred to in subsection
20 (g).”.

21 **SEC. 362. EFFECTIVE DATE.**

22 This subtitle and the amendments made by this sub-
23 title shall become effective on October 1, 1995.

1 **TITLE IV—CHILD NUTRITION**
2 **PROGRAMS**
3 **Subtitle A—Reimbursement Rates**

4 **SEC. 401. TERMINATION OF ADDITIONAL PAYMENT FOR**
5 **LUNCHES SERVED IN HIGH FREE AND RE-**
6 **DUCEED PRICE PARTICIPATION SCHOOLS.**

7 (a) IN GENERAL.—Section 4(b)(2) of the National
8 School Lunch Act (42 U.S.C. 1753(b)(2)) is amended by
9 striking “except that” and all that follows through “2
10 cents more”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall become effective on July 1, 1996.

13 **SEC. 402. VALUE OF FOOD ASSISTANCE.**

14 (a) IN GENERAL.—Section 6(e)(1) of the National
15 School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by
16 striking subparagraph (B) and inserting the following:

17 “(B) ADJUSTMENTS.—

18 “(i) IN GENERAL.—The value of food
19 assistance for each meal shall be adjusted
20 each July 1 by the annual percentage
21 change in a 3-month average value of the
22 Price Index for Foods Used in Schools and
23 Institutions for March, April, and May
24 each year.

1 “(ii) ADJUSTMENTS.—Except as oth-
2 erwise provided in this subparagraph, in
3 the case of each school year, the Secretary
4 shall—

5 “(I) base the adjustment made
6 under clause (i) on the amount of the
7 unrounded adjustment for the preced-
8 ing school year;

9 “(II) adjust the resulting amount
10 in accordance with clause (i); and

11 “(III) round the result to the
12 nearest lower cent increment.

13 “(iii) ADJUSTMENT ON JANUARY 1,
14 1996.—On January 1, 1996, the Secretary
15 shall adjust the value of food assistance for
16 the remainder of the school year by round-
17 ing the previously established value of food
18 assistance to the nearest lower cent incre-
19 ment.

20 “(iv) ADJUSTMENT FOR 1996–97
21 SCHOOL YEAR.—In the case of the school
22 year beginning July 1, 1996, the value of
23 food assistance shall be the same as the
24 value of food assistance in effect on June
25 30, 1996.

1 “(v) ADJUSTMENT FOR 1997–98
2 SCHOOL YEAR.—In the case of the school
3 year beginning July 1, 1997, the Secretary
4 shall—

5 “(I) base the adjustment made
6 under clause (i) on the amount of the
7 unrounded adjustment for the value of
8 food assistance for the school year be-
9 ginning July 1, 1995;

10 “(II) adjust the resulting amount
11 to reflect the annual percentage
12 change in a 3-month average value of
13 the Price Index for Foods Used in
14 Schools and Institutions for March,
15 April, and May for the most recent
16 12-month period for which the data
17 are available; and

18 “(III) round the result to the
19 nearest lower cent increment.”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 subsection (a) shall become effective on January 1, 1996.

22 **SEC. 403. LUNCHES, BREAKFASTS, AND SUPPLEMENTS.**

23 (a) IN GENERAL.—Section 11(a)(3)(B) of the Na-
24 tional School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is
25 amended—

1 (1) by designating the second and third sen-
2 tences as subparagraphs (C) and (D), respectively;
3 and

4 (2) by striking subparagraph (D) (as so des-
5 ignated) and inserting the following:

6 “(D) ROUNDING.—Except as otherwise
7 provided in this paragraph, in the case of each
8 school year, the Secretary shall—

9 “(i) base the adjustment made under
10 this paragraph on the amount of the
11 unrounded adjustment for the preceding
12 school year;

13 “(ii) adjust the resulting amount in
14 accordance with subparagraphs (B) and
15 (C); and

16 “(iii) round the result to the nearest
17 lower cent increment.

18 “(E) ADJUSTMENT ON JANUARY 1, 1996.—
19 On January 1, 1996, the Secretary shall adjust
20 the rates and factor for the remainder of the
21 school year by rounding the previously estab-
22 lished rates and factor to the nearest lower cent
23 increment.

24 “(F) ADJUSTMENT FOR 24-MONTH PERIOD
25 BEGINNING JULY 1, 1996.—In the case of the

1 24-month period beginning July 1, 1996, the
2 national average payment rates for paid
3 lunches, paid breakfasts, and paid supplements
4 shall be the same as the national average pay-
5 ment rate for paid lunches, paid breakfasts, and
6 paid supplements, respectively, for the school
7 year beginning July 1, 1995, rounded to the
8 nearest lower cent increment.

9 “(G) ADJUSTMENT FOR SCHOOL YEAR BE-
10 GINNING JULY 1, 1998.—In the case of the
11 school year beginning July 1, 1998, the Sec-
12 retary shall—

13 “(i) base the adjustments made under
14 this paragraph for—

15 “(I) paid lunches and paid break-
16 fasts on the amount of the unrounded
17 adjustment for paid lunches for the
18 school year beginning July 1, 1995;
19 and

20 “(II) paid supplements on the
21 amount of the unrounded adjustment
22 for paid supplements for the school
23 year beginning July 1, 1995;

24 “(ii) adjust each resulting amount in
25 accordance with subparagraph (C); and

1 “(iii) round each result to the nearest
2 lower cent increment.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 subsection (a) shall become effective on January 1, 1996.

5 **SEC. 404. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
6 **DREN.**

7 (a) **IN GENERAL.**—Section 13(b) of the National
8 School Lunch Act (42 U.S.C. 1761(b)) is amended—

9 (1) by striking “(b)(1)” and all that follows
10 through the end of paragraph (1) and inserting the
11 following:

12 “(b) **SERVICE INSTITUTIONS.**—

13 “(1) **PAYMENTS.**—

14 “(A) **IN GENERAL.**—Except as otherwise
15 provided in this paragraph, payments to service
16 institutions shall equal the full cost of food
17 service operations (which cost shall include the
18 costs of obtaining, preparing, and serving food,
19 but shall not include administrative costs).

20 “(B) **MAXIMUM AMOUNTS.**—Subject to
21 subparagraph (C), payments to any institution
22 under subparagraph (A) shall not exceed—

23 “(i) \$2 for each lunch and supper
24 served;

1 “(ii) \$1.20 for each breakfast served;

2 and

3 “(iii) 50 cents for each meal supple-
4 ment served.

5 “(C) ADJUSTMENTS.—Amounts specified
6 in subparagraph (B) shall be adjusted each
7 January 1 to the nearest lower cent increment
8 in accordance with the changes for the 12-
9 month period ending the preceding November
10 30 in the series for food away from home of the
11 Consumer Price Index for All Urban Consum-
12 ers published by the Bureau of Labor Statistics
13 of the Department of Labor. Each adjustment
14 shall be based on the unrounded adjustment for
15 the prior 12-month period.”;

16 (2) in the second sentence of paragraph (3), by
17 striking “levels determined” and all that follows
18 through “this subsection” and inserting “level deter-
19 mined by the Secretary”; and

20 (3) by striking paragraph (4).

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall become effective on January 1, 1996.

1 **SEC. 405. SPECIAL MILK PROGRAM.**

2 (a) IN GENERAL.—Section 3(a) of the Child Nutri-
3 tion Act of 1966 (42 U.S.C. 1772(a)) is amended by strik-
4 ing paragraph (8) and inserting the following:

5 “(8) ADJUSTMENTS.—

6 “(A) IN GENERAL.—Except as otherwise
7 provided in this paragraph, in the case of each
8 school year, the Secretary shall—

9 “(i) base the adjustment made under
10 paragraph (7) on the amount of the
11 unrounded adjustment for the preceding
12 school year;

13 “(ii) adjust the resulting amount in
14 accordance with paragraph (7); and

15 “(iii) round the result to the nearest
16 lower cent increment.

17 “(B) ADJUSTMENT ON JANUARY 1, 1996.—

18 On January 1, 1996, the Secretary shall adjust
19 the minimum rate for the remainder of the
20 school year by rounding the previously estab-
21 lished minimum rate to the nearest lower cent
22 increment.

23 “(C) ADJUSTMENT FOR 1996–97 SCHOOL
24 YEAR.—In the case of the school year beginning
25 July 1, 1996, the minimum rate shall be the

1 same as the minimum rate in effect on June
2 30, 1996.

3 “(D) ADJUSTMENT FOR 1997–98 SCHOOL
4 YEAR.—In the case of the school year beginning
5 July 1, 1997, the Secretary shall—

6 “(i) base the adjustment made under
7 paragraph (7) on the amount of the
8 unrounded adjustment for the minimum
9 rate for the school year beginning July 1,
10 1995;

11 “(ii) adjust the resulting amount to
12 reflect changes in the Producer Price
13 Index for Fresh Processed Milk published
14 by the Bureau of Labor Statistics of the
15 Department of Labor for the most recent
16 12-month period for which the data are
17 available; and

18 “(iii) round the result to the nearest
19 lower cent increment.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 subsection (a) shall become effective on January 1, 1996.

22 **SEC. 406. FREE AND REDUCED PRICE BREAKFASTS.**

23 (a) IN GENERAL.—Section 4(b) of the Child Nutri-
24 tion Act of 1966 (42 U.S.C. 1773(b)) is amended—

1 (1) in the second sentence of paragraph (1)(B),
2 by striking “, adjusted to the nearest one-fourth
3 cent” and inserting “(as adjusted pursuant to sec-
4 tion 11(a) of the National School Lunch Act (42
5 U.S.C. 1759a(a))”; and

6 (2) in paragraph (2)(B)(ii)—

7 (A) by striking “nearest one-fourth cent”
8 and inserting “nearest lower cent increment for
9 the applicable school year”; and

10 (B) by inserting before the period at the
11 end the following: “, and the adjustment re-
12 quired by this clause shall be based on the
13 unrounded adjustment for the preceding school
14 year”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall become effective on July 1, 1996.

17 **SEC. 407. CONFORMING REIMBURSEMENT FOR PAID**
18 **BREAKFASTS AND LUNCHES.**

19 (a) IN GENERAL.—The last sentence of section
20 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C.
21 1773(b)(1)(B)) is amended by striking “8.25 cents” and
22 all that follows through “Act)” and inserting “the same
23 as the national average lunch payment for paid meals es-
24 tablished under section 4(b) of the National School Lunch
25 Act (42 U.S.C. 1753(b))”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall become effective on January 1, 1996.

3 **Subtitle B—Grant Programs**

4 **SEC. 411. SCHOOL BREAKFAST STARTUP GRANTS.**

5 Section 4 of the Child Nutrition Act of 1966 (42
6 U.S.C. 1773) is amended by striking subsection (g).

7 **SEC. 412. NUTRITION EDUCATION AND TRAINING PRO-** 8 **GRAMS.**

9 Section 19(i)(2)(A) of the Child Nutrition Act of
10 1966 (42 U.S.C. 1788(i)(2)(A)) is amended by striking
11 “\$10,000,000” and inserting “\$7,000,000”.

12 **SEC. 413. EFFECTIVE DATE.**

13 The amendments made by this subtitle shall become
14 effective on October 1, 1996.

15 **Subtitle C—Other Amendments**

16 **SEC. 421. FREE AND REDUCED PRICE POLICY STATEMENT.**

17 (a) SCHOOL LUNCH PROGRAM.—Section 9(b)(2) of
18 the National School Lunch Act (42 U.S.C. 1758(b)(2))
19 is amended by adding at the end the following:

20 “(D) FREE AND REDUCED PRICE POLICY
21 STATEMENT.—After the initial submission, a
22 school shall not be required to submit a free
23 and reduced price policy statement to a State
24 educational agency under this Act unless there
25 is a substantive change in the free and reduced

1 price policy of the school. A routine change in
2 the policy of a school, such as an annual adjust-
3 ment of the income eligibility guidelines for free
4 and reduced price meals, shall not be sufficient
5 cause for requiring the school to submit a policy
6 statement.”.

7 (b) SCHOOL BREAKFAST PROGRAM.—Section 4(b)(1)
8 of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1))
9 is amended by adding at the end the following:

10 “(E) FREE AND REDUCED PRICE POLICY
11 STATEMENT.—After the initial submission, a
12 school shall not be required to submit a free
13 and reduced price policy statement to a State
14 educational agency under this Act unless there
15 is a substantive change in the free and reduced
16 price policy of the school. A routine change in
17 the policy of a school, such as an annual adjust-
18 ment of the income eligibility guidelines for free
19 and reduced price meals, shall not be sufficient
20 cause for requiring the school to submit a policy
21 statement.”.

1 **SEC. 422. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
2 **DREN.**

3 (a) PERMITTING OFFER VERSUS SERVE.—Section
4 13(f) of the National School Lunch Act (42 U.S.C.
5 1761(f)) is amended—

6 (1) by striking “(f) Service” and inserting the
7 following:

8 “(f) NUTRITIONAL STANDARDS.—

9 “(1) IN GENERAL.—Service”; and

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

11 “(2) OFFER VERSUS SERVE.—A school food au-
12 thority participating as a service institution may
13 permit a child attending a site on school premises
14 operated directly by the authority to refuse not more
15 than 1 item of a meal that the child does not intend
16 to consume. A refusal of an offered food item shall
17 not affect the amount of payments made under this
18 section to a school for the meal.”.

19 (b) REMOVING MANDATORY NOTICE TO INSTITU-
20 TIONS.—Section 13(n)(2) of the Act is amended by strik-
21 ing “and its plans and schedule” and inserting “except
22 that the Secretary may not require a State to submit a
23 plan or schedule”.

24 **SEC. 423. CHILD AND ADULT CARE FOOD PROGRAM.**

25 (a) PAYMENTS TO SPONSOR EMPLOYEES.—Para-
26 graph (2) of the last sentence of section 17(a) of the Na-

1 tional School Lunch Act (42 U.S.C. 1766(a)) is amend-
2 ed—

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

5 (2) by striking the period at the end of sub-
6 paragraph (C) and inserting “; and”; and

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

8 “(D) in the case of a family or group day
9 care home sponsoring organization that employs
10 more than 1 employee, the organization does
11 not base payments to an employee of the orga-
12 nization on the number of family or group day
13 care homes recruited, managed, or monitored.”.

14 (b) IMPROVED TARGETING OF DAY CARE HOME RE-
15 IMBURSEMENTS.—

16 (1) RESTRUCTURED DAY CARE HOME REIM-
17 BURSEMENTS.—Section 17(f)(3) of the Act is
18 amended by striking “(3)(A) Institutions” and all
19 that follows through the end of subparagraph (A)
20 and inserting the following:

21 “(3) REIMBURSEMENT OF FAMILY OR GROUP
22 DAY CARE HOME SPONSORING ORGANIZATIONS.—

23 “(A) REIMBURSEMENT FACTOR.—

24 “(i) IN GENERAL.—An institution
25 that participates in the program under this

1 section as a family or group day care home
2 sponsoring organization shall be provided,
3 for payment to a home sponsored by the
4 organization, reimbursement factors in ac-
5 cordance with this subparagraph for the
6 cost of obtaining and preparing food and
7 prescribed labor costs involved in providing
8 meals under this section.

9 “(ii) TIER I FAMILY OR GROUP DAY
10 CARE HOMES.—

11 “(I) DEFINITION.—In this para-
12 graph, the term ‘tier I family or group
13 day care home’ means—

14 “(aa) a family or group day
15 care home that is located in a ge-
16 ographic area, as defined by the
17 Secretary based on census data,
18 in which at least 50 percent of
19 the children residing in the area
20 are members of households whose
21 incomes meet the income eligi-
22 bility guidelines for free or re-
23 duced price meals under section
24 9;

1 “(bb) a family or group day
2 care home that is located in an
3 area served by a school enrolling
4 elementary students in which at
5 least 50 percent of the total num-
6 ber of children enrolled are cer-
7 tified eligible to receive free or
8 reduced price school meals under
9 this Act or the Child Nutrition
10 Act of 1966 (42 U.S.C. 1771 et
11 seq.); or

12 “(cc) a family or group day
13 care home that is operated by a
14 provider whose household meets
15 the income eligibility guidelines
16 for free or reduced price meals
17 under section 9 and whose in-
18 come is verified by the sponsor-
19 ing organization of the home
20 under regulations established by
21 the Secretary.

22 “(II) REIMBURSEMENT.—Except
23 as provided in subclause (III), a tier
24 I family or group day care home shall
25 be provided reimbursement factors

1 under this clause without a require-
2 ment for documentation of the costs
3 described in clause (i), except that re-
4 imbursement shall not be provided
5 under this subclause for meals or sup-
6 plements served to the children of a
7 person acting as a family or group
8 day care home provider unless the
9 children meet the income eligibility
10 guidelines for free or reduced price
11 meals under section 9.

12 “(III) FACTORS.—Except as pro-
13 vided in subclause (IV), the reim-
14 bursement factors applied to a home
15 referred to in subclause (II) shall be
16 the factors in effect on the date of en-
17 actment of this subclause.

18 “(IV) ADJUSTMENTS.—The re-
19 imbursement factors under this sub-
20 paragraph shall be adjusted on Au-
21 gust 1, 1996, July 1, 1997, and each
22 July 1 thereafter, to reflect changes in
23 the Consumer Price Index for food at
24 home for the most recent 12-month
25 period for which the data are avail-

1 able. The reimbursement factors
2 under this subparagraph shall be
3 rounded to the nearest lower cent in-
4 crement and based on the unrounded
5 adjustment in effect on June 30 of
6 the preceding school year.

7 “(iii) TIER II FAMILY OR GROUP DAY
8 CARE HOMES.—

9 “(I) IN GENERAL.—

10 “(aa) FACTORS.—Except as
11 provided in subclause (II), with
12 respect to meals or supplements
13 served under this clause by a
14 family or group day care home
15 that does not meet the criteria
16 set forth in clause (ii)(I), the re-
17 imbursement factors shall be \$1
18 for lunches and suppers, 30 cents
19 for breakfasts, and 15 cents for
20 supplements.

21 “(bb) ADJUSTMENTS.—The
22 factors shall be adjusted on July
23 1, 1997, and each July 1 there-
24 after, to reflect changes in the
25 Consumer Price Index for food at

1 home for the most recent 12-
2 month period for which the data
3 are available. The reimbursement
4 factors under this item shall be
5 rounded down to the nearest
6 lower cent increment and based
7 on the unrounded adjustment for
8 the preceding 12-month period.

9 “(cc) REIMBURSEMENT.—A
10 family or group day care home
11 shall be provided reimbursement
12 factors under this subclause with-
13 out a requirement for docu-
14 mentation of the costs described
15 in clause (i), except that reim-
16 bursement shall not be provided
17 under this subclause for meals or
18 supplements served to the chil-
19 dren of a person acting as a fam-
20 ily or group day care home pro-
21 vider unless the children meet the
22 income eligibility guidelines for
23 free or reduced price meals under
24 section 9.

1 “(II) OTHER FACTORS.—A fam-
2 ily or group day care home that does
3 not meet the criteria set forth in
4 clause (ii)(I) may elect to be provided
5 reimbursement factors determined in
6 accordance with the following require-
7 ments:

8 “(aa) CHILDREN ELIGIBLE
9 FOR FREE OR REDUCED PRICE
10 MEALS.—In the case of meals or
11 supplements served under this
12 subsection to children who are
13 members of households whose in-
14 comes meet the income eligibility
15 guidelines for free or reduced
16 price meals under section 9, the
17 family or group day care home
18 shall be provided reimbursement
19 factors set by the Secretary in
20 accordance with clause (ii)(III).

21 “(bb) INELIGIBLE CHIL-
22 DREN.—In the case of meals or
23 supplements served under this
24 subsection to children who are
25 members of households whose in-

1 comes do not meet the income
2 eligibility guidelines, the family
3 or group day care home shall be
4 provided reimbursement factors
5 in accordance with subclause (I).

6 “(III) INFORMATION AND DE-
7 TERMINATIONS.—

8 “(aa) IN GENERAL.—If a
9 family or group day care home
10 elects to claim the factors de-
11 scribed in subclause (II), the
12 family or group day care home
13 sponsoring organization serving
14 the home shall collect the nec-
15 essary income information, as de-
16 termined by the Secretary, from
17 any parent or other caretaker to
18 make the determinations speci-
19 fied in subclause (II) and shall
20 make the determinations in ac-
21 cordance with rules prescribed by
22 the Secretary.

23 “(bb) CATEGORICAL ELIGI-
24 BILITY.—In making a determina-
25 tion under item (aa), a family or

1 group day care home sponsoring
2 organization may consider a child
3 participating in or subsidized
4 under, or a child with a parent
5 participating in or subsidized
6 under, a federally or State sup-
7 ported child care or other benefit
8 program with an income eligi-
9 bility limit that does not exceed
10 the eligibility standard for free or
11 reduced price meals under section
12 9 to be a child who is a member
13 of a household whose income
14 meets the income eligibility
15 guidelines under section 9.

16 “(cc) FACTORS FOR CHIL-
17 DREN ONLY.—A family or group
18 day care home may elect to re-
19 ceive the reimbursement factors
20 prescribed under clause (ii)(III)
21 solely for the children participat-
22 ing in a program referred to in
23 item (bb) if the home elects not
24 to have income statements col-

1 lected from parents or other care-
2 takers.

3 “(IV) SIMPLIFIED MEAL COUNT-
4 ING AND REPORTING PROCEDURES.—

5 The Secretary shall prescribe sim-
6 plified meal counting and reporting
7 procedures for use by a family or
8 group day care home that elects to
9 claim the factors under subclause (II)
10 and by a family or group day care
11 home sponsoring organization that
12 sponsors the home. The procedures
13 the Secretary prescribes may include
14 1 or more of the following:

15 “(aa) Setting an annual per-
16 centage for each home of the
17 number of meals served that are
18 to be reimbursed in accordance
19 with the reimbursement factors
20 prescribed under clause (ii)(III)
21 and an annual percentage of the
22 number of meals served that are
23 to be reimbursed in accordance
24 with the reimbursement factors
25 prescribed under subclause (I),

1 based on the family income of
2 children enrolled in the home in a
3 specified month or other period.

4 “(bb) Placing a home into 1
5 of 2 or more reimbursement cat-
6 egories annually based on the
7 percentage of children in the
8 home whose households have in-
9 comes that meet the income eligi-
10 bility guidelines under section 9,
11 with each such reimbursement
12 category carrying a set of reim-
13 bursement factors such as the
14 factors prescribed under clause
15 (ii)(III) or subclause (I) or fac-
16 tors established within the range
17 of factors prescribed under clause
18 (ii)(III) and subclause (I).

19 “(cc) Such other simplified
20 procedures as the Secretary may
21 prescribe.

22 “(V) MINIMUM VERIFICATION
23 REQUIREMENTS.—The Secretary may
24 establish any necessary minimum ver-
25 ification requirements.”

1 (2) GRANTS TO STATES TO PROVIDE ASSIST-
2 ANCE TO FAMILY OR GROUP DAY CARE HOMES.—
3 Section 17(f)(3) of the Act is amended by adding at
4 the end the following:

5 “(D) GRANTS TO STATES TO PROVIDE AS-
6 SISTANCE TO FAMILY OR GROUP DAY CARE
7 HOMES.—

8 “(i) IN GENERAL.—

9 “(I) RESERVATION.—From
10 amounts made available to carry out
11 this section, the Secretary shall re-
12 serve \$5,000,000 of the amount made
13 available for fiscal year 1996.

14 “(II) PURPOSE.—The Secretary
15 shall use the funds made available
16 under subclause (I) to provide grants
17 to States for the purpose of provid-
18 ing—

19 “(aa) assistance, including
20 grants, to family and day care
21 home sponsoring organizations
22 and other appropriate organiza-
23 tions, in securing and providing
24 training, materials, automated
25 data processing assistance, and

1 other assistance for the staff of
2 the sponsoring organizations; and

3 “(bb) training and other as-
4 sistance to family and group day
5 care homes in the implementation
6 of the amendments to subpara-
7 graph (A) made by section
8 423(b)(1) of the Work Oppor-
9 tunity Act of 1995.

10 “(ii) ALLOCATION.—The Secretary
11 shall allocate from the funds reserved
12 under clause (i)(I)—

13 “(I) \$30,000 in base funding to
14 each State; and

15 “(II) any remaining amount
16 among the States, based on the num-
17 ber of family day care homes partici-
18 pating in the program in a State dur-
19 ing fiscal year 1994 as a percentage
20 of the number of all family day care
21 homes participating in the program
22 during fiscal year 1994.

23 “(iii) RETENTION OF FUNDS.—Of the
24 amount of funds made available to a State
25 for fiscal year 1996 under clause (i), the

1 State may retain not to exceed 30 percent
2 of the amount to carry out this subpara-
3 graph.

4 “(iv) ADDITIONAL PAYMENTS.—Any
5 payments received under this subpara-
6 graph shall be in addition to payments
7 that a State receives under subparagraph
8 (A) (as amended by section 423(b)(1) of
9 the Work Opportunity Act of 1995).”.

10 (3) PROVISION OF DATA.—Section 17(f)(3) of
11 the Act (as amended by paragraph (2)) is further
12 amended by adding at the end the following:

13 “(E) PROVISION OF DATA TO FAMILY OR
14 GROUP DAY CARE HOME SPONSORING ORGANI-
15 ZATIONS.—

16 “(i) CENSUS DATA.—The Secretary
17 shall provide to each State agency admin-
18 istering a child and adult care food pro-
19 gram under this section data from the
20 most recent decennial census survey or
21 other appropriate census survey for which
22 the data are available showing which areas
23 in the State meet the requirements of sub-
24 paragraph (A)(ii)(I)(aa). The State agency
25 shall provide the data to family or group

1 day care home sponsoring organizations lo-
2 cated in the State.

3 “(ii) SCHOOL DATA.—

4 “(I) IN GENERAL.—A State
5 agency administering the school lunch
6 program under this Act or the school
7 breakfast program under the Child
8 Nutrition Act of 1966 (42 U.S.C.
9 1771 et seq.) shall provide to ap-
10 proved family or group day care home
11 sponsoring organizations a list of
12 schools serving elementary school chil-
13 dren in the State in which not less
14 than ½ of the children enrolled are
15 certified to receive free or reduced
16 price meals. The State agency shall
17 collect the data necessary to create
18 the list annually and provide the list
19 on a timely basis to any approved
20 family or group day care home spon-
21 soring organization that requests the
22 list.

23 “(II) USE OF DATA FROM PRE-
24 CEDING SCHOOL YEAR.—In determin-
25 ing for a fiscal year or other annual

1 period whether a home qualifies as a
2 tier I family or group day care home
3 under subparagraph (A)(ii)(I), the
4 State agency administering the pro-
5 gram under this section, and a family
6 or group day care home sponsoring
7 organization, shall use the most cur-
8 rent available data at the time of the
9 determination.

10 “(iii) DURATION OF DETERMINA-
11 TION.—For purposes of this section, a de-
12 termination that a family or group day
13 care home is located in an area that quali-
14 fies the home as a tier I family or group
15 day care home (as the term is defined in
16 subparagraph (A)(ii)(I)), shall be in effect
17 for 3 years (unless the determination is
18 made on the basis of census data, in which
19 case the determination shall remain in ef-
20 fect until more recent census data are
21 available) unless the State agency deter-
22 mines that the area in which the home is
23 located no longer qualifies the home as a
24 tier I family or group day care home.”.

1 (4) CONFORMING AMENDMENTS.—Section 17(c)
2 of the Act is amended by inserting “except as pro-
3 vided in subsection (f)(3),” after “For purposes of
4 this section,” each place it appears in paragraphs
5 (1), (2), and (3).

6 (c) DISALLOWING MEAL CLAIMS.—The fourth sen-
7 tence of section 17(f)(4) of the Act is amended by insert-
8 ing “(including institutions that are not family or group
9 day care home sponsoring organizations)” after “institu-
10 tions”.

11 (d) ELIMINATION OF STATE PAPERWORK AND OUT-
12 REACH BURDEN.—Section 17 of the Act is amended by
13 striking subsection (k) and inserting the following:

14 “(k) TRAINING AND TECHNICAL ASSISTANCE.—A
15 State participating in the program established under this
16 section shall provide sufficient training, technical assist-
17 ance, and monitoring to facilitate effective operation of the
18 program. The Secretary shall assist the State in develop-
19 ing plans to fulfill the requirements of this subsection.”.

20 (e) EFFECTIVE DATE.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (2), the amendments made by this section
23 shall become effective on the date of enactment of
24 this Act.

1 (2) IMPROVED TARGETING OF DAY CARE HOME
2 REIMBURSEMENTS.—The amendments made by
3 paragraphs (1), (3), and (4) of subsection (b) shall
4 become effective on August 1, 1996.

5 (3) REGULATIONS.—

6 (A) INTERIM REGULATIONS.—Not later
7 than February 1, 1996, the Secretary shall
8 issue interim regulations to implement—

9 (i) the amendments made by para-
10 graphs (1), (3), and (4) of subsection (b);
11 and

12 (ii) section 17(f)(3)(C) of the National
13 School Lunch Act (42 U.S.C.
14 1766(f)(3)(C)).

15 (B) FINAL REGULATIONS.—Not later than
16 August 1, 1996, the Secretary shall issue final
17 regulations to implement the provisions of law
18 referred to in subparagraph (A).

19 (f) STUDY OF IMPACT OF AMENDMENTS ON PRO-
20 GRAM PARTICIPATION AND FAMILY DAY CARE LICENS-
21 ING.—

22 (1) IN GENERAL.—The Secretary of Agri-
23 culture, in conjunction with the Secretary of Health
24 and Human Services, shall study the impact of the
25 amendments made by this section on—

1 (A) the number of family day care homes
2 participating in the child and adult care food
3 program established under section 17 of the
4 National School Lunch Act (42 U.S.C. 1766);

5 (B) the number of day care home sponsor-
6 ing organizations participating in the program;

7 (C) the number of day care homes that are
8 licensed, certified, registered, or approved by
9 each State in accordance with regulations is-
10 sued by the Secretary;

11 (D) the rate of growth of the numbers re-
12 ferred to in subparagraphs (A) through (C);

13 (E) the nutritional adequacy and quality of
14 meals served in family day care homes that—

15 (i) received reimbursement under the
16 program prior to the amendments made by
17 this section but do not receive reimburse-
18 ment after the amendments made by this
19 section; or

20 (ii) received full reimbursement under
21 the program prior to the amendments
22 made by this section but do not receive full
23 reimbursement after the amendments
24 made by this section; and

1 (F) the proportion of low-income children
2 participating in the program prior to the
3 amendments made by this section and the pro-
4 portion of low-income children participating in
5 the program after the amendments made by
6 this section.

7 (2) REQUIRED DATA.—Each State agency par-
8 ticipating in the child and adult care food program
9 under section 17 of the National School Lunch Act
10 (42 U.S.C. 1766) shall submit to the Secretary data
11 on—

12 (A) the number of family day care homes
13 participating in the program on July 31, 1996,
14 and July 31, 1997;

15 (B) the number of family day care homes
16 licensed, certified, registered, or approved for
17 service on July 31, 1996, and July 31, 1997;
18 and

19 (C) such other data as the Secretary may
20 require to carry out this subsection.

21 (3) SUBMISSION OF REPORT.—Not later than 2
22 years after the effective date of section 423 of this
23 Act, the Secretary shall submit the study required
24 under this subsection to the Committee on Economic
25 and Educational Opportunities of the House of Rep-

1 “(B) makes recommendations concerning
2 the elimination of any requirement described in
3 subparagraph (A) because the contribution of
4 the requirement to program effectiveness is not
5 sufficient to warrant the paperwork burden that
6 is placed on agencies and schools referred to in
7 subsection (a); and

8 “(C) provides a justification for reporting
9 requirements described in paragraph (1) that
10 are required solely by regulation.”.

11 **Subtitle D—Reauthorization**

12 **SEC. 431. COMMODITY DISTRIBUTION PROGRAM; COMMOD-** 13 **ITY SUPPLEMENTAL FOOD PROGRAM.**

14 (a) REAUTHORIZATION.—The first sentence of sec-
15 tion 4(a) of the Agriculture and Consumer Protection Act
16 of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is
17 amended by striking “1995” and inserting “2002”.

18 (b) ADMINISTRATIVE FUNDING.—Section 5(a)(2) of
19 the Act (Public Law 93–86; 7 U.S.C. 612c note) is amend-
20 ed by striking “1995” and inserting “2002”.

21 **SEC. 432. EMERGENCY FOOD ASSISTANCE PROGRAM.**

22 (a) REAUTHORIZATION.—The first sentence of sec-
23 tion 204(a)(1) of the Emergency Food Assistance Act of
24 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended
25 by striking “1995” and inserting “2002”.

1 (b) PROGRAM TERMINATION.—Section 212 of the
2 Act (Public Law 98–8; 7 U.S.C. 612c note) is amended
3 by striking “1995” and inserting “2002”.

4 (c) REQUIRED PURCHASES OF COMMODITIES.—Sec-
5 tion 214 of the Act (Public Law 98–8; 7 U.S.C. 612c note)
6 is amended—

7 (1) in the first sentence of subsection (a), by
8 striking “1995” and inserting “2002”; and

9 (2) in subsection (e), by striking “1995” each
10 place it appears and inserting “2002”.

11 (d) EXTENSION.—Section 13962 of the Omnibus
12 Budget Reconciliation Act of 1993 (Public Law 103–66;
13 107 Stat. 680) is amended by striking “1994, 1995, and
14 1996” each place it appears and inserting “1994 through
15 2002”.

16 **SEC. 433. SOUP KITCHENS PROGRAM.**

17 Section 110 of the Hunger Prevention Act of 1988
18 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

19 (1) in the first sentence of subsection (a), by
20 striking “1995” and inserting “2002”; and

21 (2) in subsection (c)(2)—

22 (A) in the paragraph heading, by striking
23 “1995” and inserting “2002”; and

24 (B) by striking “1995” each place it ap-
25 pears and inserting “2002”.

1 **SEC. 434. NATIONAL COMMODITY PROCESSING.**

2 The first sentence of section 1114(a)(2)(A) of the Ag-
3 riculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A))
4 is amended by striking “1995” and inserting “2002”.

5 **SEC. 435. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

6 Section 5(d)(2) of the Agriculture and
7 Consumer Protection Act of 1973 (Public Law 93–
8 86; 7 U.S.C. 612c note) is amended by striking
9 “1995” and inserting “2002”.

10 **TITLE V—NONCITIZENS**

11 **SEC. 501. STATE OPTION TO PROHIBIT ASSISTANCE FOR**
12 **CERTAIN ALIENS.**

13 (a) IN GENERAL.—A State may, at its option, pro-
14 hibit the use of any Federal funds received for the provi-
15 sion of assistance under any means-tested public assist-
16 ance program for any individual who is a noncitizen of
17 the United States.

18 (b) EXCEPTIONS.—Subsection (a) shall not apply
19 to—

20 (1) any individual who is described in subclause
21 (II), (III), or (IV) of section 1614(a)(1)(B)(i) of the
22 Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i));
23 and

24 (2) any program described in section 502(f)(2).

1 **SEC. 502. DEEMED INCOME REQUIREMENT FOR FEDERAL**
2 **AND FEDERALLY FUNDED PROGRAMS.**

3 (a) DEEMING REQUIREMENT FOR FEDERAL AND
4 FEDERALLY FUNDED PROGRAMS.—Subject to subsection
5 (d), for purposes of determining the eligibility of an indi-
6 vidual (whether a citizen or national of the United States
7 or an alien) for assistance and the amount of assistance,
8 under any Federal program of assistance provided or
9 funded, in whole or in part, by the Federal Government
10 for which eligibility is based on need, the income and re-
11 sources described in subsection (b) shall, notwithstanding
12 any other provision of law, be deemed to be the income
13 and resources of such individual.

14 (b) DEEMED INCOME AND RESOURCES.—The income
15 and resources described in this subsection include the fol-
16 lowing:

17 (1) The income and resources of any person
18 who, as a sponsor of such individual's entry into the
19 United States, or in order to enable such individual
20 lawfully to remain in the United States, executed an
21 affidavit of support or similar agreement with re-
22 spect to such individual.

23 (2) The income and resources of the sponsor's
24 spouse.

25 (c) LENGTH OF DEEMING PERIOD.—The require-
26 ment of subsection (a) shall apply for the period for which

1 the sponsor has agreed, in such affidavit or agreement,
2 to provide support for such individual, or for a period of
3 5 years beginning on the date such individual was first
4 lawfully in the United States after the execution of such
5 affidavit or agreement, whichever period is longer.

6 (d) LIMITATION ON MEASUREMENT OF DEEMED IN-
7 COME AND RESOURCES.—

8 (1) IN GENERAL.—If a determination described
9 in paragraph (2) is made, the amount of income and
10 resources of the sponsor or the sponsor's spouse
11 which shall be attributed to the sponsored individual
12 shall not exceed the amount actually provided, for a
13 period beginning on the date of such determination
14 and lasting 12 months or, if the address of the spon-
15 sor is unknown to the sponsored individual on the
16 date of such determination, for 12 months after the
17 address becomes known to the sponsored individual
18 or to the agency (which shall inform such individual
19 within 7 days).

20 (2) DETERMINATION.—The determination de-
21 scribed in this paragraph is a determination by an
22 agency that a sponsored individual would, in the ab-
23 sence of the assistance provided by the agency, be
24 unable to obtain food and shelter, taking into ac-
25 count the individual's own income, plus any cash,

1 food, housing, or other assistance provided by other
2 individuals, including the sponsor.

3 (e) DEEMING AUTHORITY TO STATE AND LOCAL
4 AGENCIES.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of law, but subject to an exception equiva-
7 lent to that in subsection (d), the State or local gov-
8 ernment may, for purposes of determining the eligi-
9 bility of an individual (whether a citizen or national
10 of the United States or an alien) for assistance, and
11 the amount of assistance, under any State or local
12 program of assistance for which eligibility is based
13 on need, or any need-based program of assistance
14 administered by a State or local government other
15 than a program described in subsection (a), require
16 that the income and resources described in para-
17 graph (2) be deemed to be the income and resources
18 of such individual.

19 (2) DEEMED INCOME AND RESOURCES.—The
20 income and resources described in this paragraph in-
21 clude the following:

22 (A) The income and resources of any per-
23 son who, as a sponsor of such individual's entry
24 into the United States, or in order to enable
25 such individual lawfully to remain in the United

1 States, executed an affidavit of support or simi-
2 lar agreement with respect to such individual.

3 (B) The income and resources of the spon-
4 sor's spouse.

5 (3) LENGTH OF DEEMED INCOME PERIOD.—

6 Subject to an exception equivalent to subsection (d),
7 a State or local government may impose a require-
8 ment described in paragraph (1) for the period for
9 which the sponsor has agreed, in such affidavit or
10 agreement, to provide support for such individual, or
11 for a period of 5 years beginning on the date such
12 individual was first lawfully in the United States
13 after the execution of such affidavit or agreement,
14 whichever period is longer.

15 (f) APPLICABILITY OF SECTION.—

16 (1) INDIVIDUALS.—The provisions of this sec-
17 tion shall not apply to the eligibility of any individ-
18 ual who is described in subclause (II), (III), or (IV)
19 of section 1614(a)(1)(B)(i) of the Social Security
20 Act (42 U.S.C. 1382c(a)(1)(B)(i)).

21 (2) PROGRAMS.—The provisions of this section
22 shall not apply to eligibility for—

23 (A) emergency medical services under title
24 XIX of the Social Security Act (42 U.S.C. 1396
25 et seq.);

1 (B) short-term emergency disaster relief;

2 (C) assistance or benefits under the Na-
3 tional School Lunch Act;

4 (D) assistance or benefits under the Child
5 Nutrition Act of 1966;

6 (E) public health assistance for immuniza-
7 tions with respect to immunizable diseases and
8 for testing and treatment for communicable dis-
9 eases if the Secretary of Health and Human
10 Services determines that such testing and treat-
11 ment is necessary;

12 (F) the Head Start program (42 U.S.C.
13 9801); and

14 (G) programs specified by the Attorney
15 General, in the Attorney General's sole and
16 unreviewable discretion after consultation with
17 appropriate Federal agencies and departments,
18 which (i) deliver services at the community
19 level, including through public or private non-
20 profit agencies; (ii) do not condition the provi-
21 sion of assistance, the amount of assistance
22 provided, or the cost of assistance provided on
23 the individual recipient's income or resources;
24 and (iii) are necessary for the protection of life,
25 safety, or public health.

1 (g) CONFORMING AMENDMENTS.—

2 (1) Section 1621 of the Social Security Act (42
3 U.S.C. 1382j) is repealed.

4 (2) Section 1614(f)(3) of such Act (42 U.S.C.
5 1382c(f)(3)) is amended by striking “section 1621”
6 and inserting “section 502 of the Work Opportunity
7 Act of 1995”.

8 **SEC. 503. REQUIREMENTS FOR SPONSOR’S AFFIDAVIT OF**
9 **SUPPORT.**

10 (a) ENFORCEABILITY.—No affidavit of support may
11 be relied upon by the Attorney General or by any consular
12 officer to establish that an alien is not excludable as a
13 public charge under section 212(a)(4) of the Immigration
14 and Nationality Act unless such affidavit is executed as
15 a contract—

16 (1) which is legally enforceable against the
17 sponsor by the sponsored individual, by the Federal
18 Government, and by any State, district, territory, or
19 possession of the United States (or any subdivision
20 of such State, district, territory, or possession of the
21 United States) which provides any benefit under a
22 program described in subsection (d)(2), but not later
23 than 10 years after the sponsored individual last re-
24 ceives any such benefit;

1 (2) in which the sponsor agrees to financially
2 support the sponsored individual, so that he or she
3 will not become a public charge, until the sponsored
4 individual has worked in the United States for 40
5 qualifying quarters; and

6 (3) in which the sponsor agrees to submit to
7 the jurisdiction of any Federal or State court for the
8 purpose of actions brought under subsection (d)(4).

9 (b) FORMS.—Not later than 90 days after the date
10 of the enactment of this Act, the Secretary of State, the
11 Attorney General, and the Secretary of Health and
12 Human Services shall jointly formulate the affidavit of
13 support described in this section.

14 (c) NOTIFICATION OF CHANGE OF ADDRESS.—

15 (1) IN GENERAL.—The sponsor shall notify the
16 Attorney General and the State, district, territory,
17 or possession in which the sponsored individual is
18 currently resident within 30 days of any change of
19 address of the sponsor during the period specified in
20 subsection (a)(1).

21 (2) PENALTY.—Any person subject to the re-
22 quirement of paragraph (1) who fails to satisfy such
23 requirement shall be subject to a civil penalty of—

24 (A) not less than \$250 or more than
25 \$2,000, or

1 (B) if such failure occurs with knowledge
2 that the sponsored individual has received any
3 benefit described in section 241(a)(5)(C) of the
4 Immigration and Nationality Act, not less than
5 \$2,000 or more than \$5,000.

6 (d) REIMBURSEMENT OF GOVERNMENT EX-
7 PENSES.—

8 (1) IN GENERAL.—Upon notification that a
9 sponsored individual has received any benefit under
10 a program described in paragraph (2), the appro-
11 priate Federal, State, or local official shall request
12 reimbursement by the sponsor in the amount of such
13 assistance.

14 (2) PROGRAMS DESCRIBED.—The programs de-
15 scribed in this paragraph include the following:

16 (A) Assistance under a State program
17 funded under part A of title IV of the Social
18 Security Act.

19 (B) The medicaid program under title XIX
20 of the Social Security Act.

21 (C) The food stamp program under the
22 Food Stamp Act of 1977.

23 (D) The supplemental security income pro-
24 gram under title XVI of the Social Security
25 Act.

1 (E) Any State general assistance program.

2 (F) Any other program of assistance fund-
3 ed, in whole or in part, by the Federal Govern-
4 ment or any State or local government entity,
5 for which eligibility for benefits is based on
6 need, except the programs specified in section
7 502(f)(2).

8 (3) REGULATIONS.—The Commissioner of So-
9 cial Security shall prescribe such regulations as may
10 be necessary to carry out paragraph (1). Such regu-
11 lations shall provide for notification to the sponsor
12 by certified mail to the sponsor's last known ad-
13 dress.

14 (4) REIMBURSEMENT.—If within 45 days after
15 requesting reimbursement, the appropriate Federal,
16 State, or local agency has not received a response
17 from the sponsor indicating a willingness to com-
18 mence payments, an action may be brought against
19 the sponsor pursuant to the affidavit of support.

20 (5) ACTION IN CASE OF FAILURE.—If the spon-
21 sor fails to abide by the repayment terms established
22 by such agency, the agency may, within 60 days of
23 such failure, bring an action against the sponsor
24 pursuant to the affidavit of support.

1 (6) STATUTE OF LIMITATIONS.—No cause of
2 action may be brought under this subsection later
3 than 10 years after the sponsored individual last re-
4 ceived any benefit under a program described in
5 paragraph (2).

6 (e) JURISDICTION.—For purposes of this section, no
7 State court shall decline for lack of jurisdiction to hear
8 any action brought against a sponsor for reimbursement
9 of the cost of any benefit under a program described in
10 subsection (d)(2) if the sponsored individual received pub-
11 lic assistance while residing in the State.

12 (f) DEFINITIONS.—For the purposes of this section—

13 (1) the term “sponsor” means an individual
14 who—

15 (A) is a United States citizen or national
16 or an alien who is lawfully admitted to the
17 United States for permanent residence;

18 (B) is 18 years of age or over;

19 (C) is domiciled in any of the several
20 States of the United States, the District of Co-
21 lumbia, or any territory or possession of the
22 United States; and

23 (D) demonstrates the means to maintain
24 an annual income equal to at least 200 percent
25 of the poverty line for the individual and the in-

1 dividual’s family (including the sponsored indi-
2 vidual), through evidence that shall include a
3 copy of the individual’s Federal income tax re-
4 turns for his or her most recent two taxable
5 years and a written statement, executed under
6 oath or as permitted under penalty of perjury
7 under section 1746 of title 28, United States
8 Code, that the copies are true copies of such re-
9 turns;

10 (2) the term “poverty line” has the same mean-
11 ing given such term in section 673(2) of the Com-
12 munity Services Block Grant Act (42 U.S.C.
13 9902(2)); and

14 (3) the term “qualifying quarter” means a
15 three-month period in which the sponsored individ-
16 ual has—

17 (A) earned at least the minimum necessary
18 for the period to count as one of the 40 cal-
19 endar quarters required to qualify for social se-
20 curity retirement benefits;

21 (B) not received need-based public assist-
22 ance; and

23 (C) had income tax liability for the tax
24 year of which the period was part.

1 **SEC. 504. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI**
2 **BENEFITS.**

3 (a) IN GENERAL.—Paragraph (1) of section 1614(a)
4 of the Social Security Act (42 U.S.C. 1382c(a)) is amend-
5 ed—

6 (1) in subparagraph (B)(i), by striking “either”
7 and all that follows through “, or” and inserting
8 “(I) a citizen; (II) a noncitizen who is granted asy-
9 lum under section 208 of the Immigration and Na-
10 tionality Act or whose deportation has been withheld
11 under section 243(h) of such Act for a period of not
12 more than 5 years after the date of arrival into the
13 United States; (III) a noncitizen who is admitted to
14 the United States as a refugee under section 207 of
15 such Act for not more than such 5-year period; (IV)
16 a noncitizen, lawfully present in any State (or any
17 territory or possession of the United States), who is
18 a veteran (as defined in section 101 of title 38,
19 United States Code) with a discharge characterized
20 as an honorable discharge and not on account of
21 alienage or who is the spouse or unmarried depend-
22 ent child of such veteran; or (V) a noncitizen who
23 has worked sufficient calendar quarters of coverage
24 to be a fully insured individual for benefits under
25 title II, or”;

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

3 “For purposes of subparagraph (B)(i)(IV), the determina-
4 tion of whether a noncitizen is lawfully present in the
5 United States shall be made in accordance with regula-
6 tions of the Attorney General. A noncitizen shall not be
7 considered to be lawfully present in the United States for
8 purposes of this title merely because the noncitizen may
9 be considered to be permanently residing in the United
10 States under color of law for purposes of any particular
11 program.”.

12 (b) EFFECTIVE DATE.—

13 (1) IN GENERAL.—Except as provided in para-
14 graph (2), the amendments made by subsection (a)
15 shall apply to applicants for benefits for months be-
16 ginning on or after the date of the enactment of this
17 Act, without regard to whether regulations have
18 been issued to implement such amendments.

19 (2) APPLICATION TO CURRENT RECIPIENTS.—

20 (A) APPLICATION AND NOTICE.—Notwith-
21 standing any other provision of law, in the case
22 of an individual who is receiving supplemental
23 security income benefits under title XVI of the
24 Social Security Act as of the date of the enact-
25 ment of this Act and whose eligibility for such

1 benefits would terminate by reason of the
2 amendments made by subsection (a), such
3 amendments shall apply with respect to the
4 benefits of such individual for months beginning
5 on or after January 1, 1997, and the Commis-
6 sioner of Social Security shall so notify the indi-
7 vidual not later than 90 days after the date of
8 the enactment of this Act.

9 (B) REAPPLICATION.—

10 (i) IN GENERAL.—Not later than 120
11 days after the date of the enactment of
12 this Act, each individual notified pursuant
13 to subparagraph (A) who desires to re-
14 apply for benefits under title XVI of the
15 Social Security Act shall reapply to the
16 Commissioner of Social Security.

17 (ii) DETERMINATION OF ELIGI-
18 BILITY.—Not later than 1 year after the
19 date of the enactment of this Act, the
20 Commissioner of Social Security shall de-
21 termine the eligibility of each individual
22 who reapplies for benefits under clause (i)
23 pursuant to the procedures of such title
24 XVI.

1 **SEC. 505. TREATMENT OF NONCITIZENS.**

2 (a) IN GENERAL.—Notwithstanding any other provi-
3 sion of law, a noncitizen who has entered into the United
4 States on or after the date of the enactment of this Act
5 shall not, during the 5-year period beginning on the date
6 of such noncitizen’s entry into the United States, be eligi-
7 ble to receive any benefits under any program of assist-
8 ance provided, or funded, in whole or in part, by the Fed-
9 eral Government, for which eligibility for benefits is based
10 on need.

11 (b) EXCEPTIONS.—Subsection (a) shall not apply
12 to—

13 (1) any individual who is described in subclause
14 (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i)
15 of the Social Security Act (42 U.S.C.
16 1382c(a)(1)(B)(i)); and

17 (2) any program described in section 502(f)(2);
18 and

19 (3) payments for foster care and adoption as-
20 sistance under part E of title IV of the Social Secu-
21 rity Act for a child who would, in the absence of this
22 section, be eligible to have such payments made on
23 the child’s behalf under such part, but only if the
24 foster or adoptive parent or parents of such child are
25 not noncitizens described in subsection (a).

1 **SEC. 506. INFORMATION REPORTING.**

2 (a) TITLE IV OF THE SOCIAL SECURITY ACT.—Sec-
3 tion 405 of the Social Security Act, as added by section
4 101(b), is amended by adding at the end the following new
5 subsection:

6 “(g) STATE REQUIRED TO PROVIDE CERTAIN IN-
7 FORMATION.—Each State to which a grant is made under
8 section 403 shall, at least 4 times annually and upon re-
9 quest of the Immigration and Naturalization Service, fur-
10 nish the Immigration and Naturalization Service with the
11 name and address of, and other identifying information
12 on, any individual who the State knows is unlawfully in
13 the United States.”.

14 (b) SSI.—Section 1631(e) of such Act (42 U.S.C.
15 1383(e)) is amended—

16 (1) by redesignating the paragraphs (6) and (7)
17 inserted by sections 206(d)(2) and 206(f)(1) of the
18 Social Security Independence and Programs Im-
19 provement Act of 1994 (Public Law 103–296; 108
20 Stat. 1514, 1515) as paragraphs (7) and (8), re-
21 spectively; and

22 (2) by adding at the end the following new
23 paragraph:

24 “(9) Notwithstanding any other provision of
25 law, the Commissioner shall, at least 4 times annu-
26 ally and upon request of the Immigration and Natu-

1 realization Service (hereafter in this paragraph re-
2 ferred to as the ‘Service’), furnish the Service with
3 the name and address of, and other identifying in-
4 formation on, any individual who the Commissioner
5 knows is unlawfully in the United States, and shall
6 ensure that each agreement entered into under sec-
7 tion 1616(a) with a State provides that the State
8 shall furnish such information at such times with re-
9 spect to any individual who the State knows is un-
10 lawfully in the United States.”.

11 (c) HOUSING PROGRAMS.—Title I of the United
12 States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as
13 amended by section 1003, is further amended by adding
14 at the end the following new section:

15 **“SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCE-**
16 **MENT AND OTHER AGENCIES.**

17 “(a) NOTICE TO IMMIGRATION AND NATURALIZA-
18 TION SERVICE OF ILLEGAL ALIENS.—Notwithstanding
19 any other provision of law, the Secretary shall, at least
20 4 times annually and upon request of the Immigration and
21 Naturalization Service (hereafter in this subsection re-
22 ferred to as the ‘Service’), furnish the Service with the
23 name and address of, and other identifying information
24 on, any individual who the Secretary knows is unlawfully
25 in the United States, and shall ensure that each contract

1 for assistance entered into under section 6 or 8 of this
2 Act with a public housing agency provides that the public
3 housing agency shall furnish such information at such
4 times with respect to any individual who the public hous-
5 ing agency knows is unlawfully in the United States.”.

6 **SEC. 507. PROHIBITION ON PAYMENT OF FEDERAL BENE-**
7 **FITS TO CERTAIN PERSONS.**

8 (a) IN GENERAL.—Notwithstanding any other provi-
9 sion of law and except as provided in subsection (b), Fed-
10 eral benefits shall not be paid or provided to any person
11 who is not a person lawfully present within the United
12 States.

13 (b) EXCEPTIONS.—Subsection (a) shall not apply
14 with respect to the following benefits:

15 (1) Emergency medical services under title XIX
16 of the Social Security Act.

17 (2) Short-term emergency disaster relief.

18 (3) Assistance or benefits under the National
19 School Lunch Act.

20 (4) Assistance or benefits under the Child Nu-
21 trition Act of 1966.

22 (5) Public health assistance for immunizations
23 and, if the Secretary of Health and Human Services
24 determines that it is necessary to prevent the spread

1 of a serious communicable disease, for testing and
2 treatment of such disease.

3 (c) DEFINITIONS.—For purposes of this section:

4 (1) FEDERAL BENEFIT.—The term “Federal
5 benefit” means—

6 (A) the issuance of any grant, contract,
7 loan, professional license, or commercial license
8 provided by an agency of the United States or
9 by appropriated funds of the United States; and

10 (B) any retirement, welfare, Social Secu-
11 rity, health, disability, public housing, post-sec-
12 ondary education, food stamps, unemployment
13 benefit, or any other similar benefit for which
14 payments or assistance are provided by an
15 agency of the United States or by appropriated
16 funds of the United States.

17 (2) PERSON LAWFULLY PRESENT WITHIN THE
18 UNITED STATES.—The term “person lawfully
19 present within the United States” means a person
20 who, at the time the person applies for, receives, or
21 attempts to receive a Federal benefit, is a United
22 States citizen, a permanent resident alien, an alien
23 whose deportation has been withheld under section
24 243(h) of the Immigration and Nationality Act (8
25 U.S.C. 1253(h)), an asylee, a refugee, a parolee who

1 has been paroled for a period of at least 1 year, a
2 national, or a national of the United States for pur-
3 poses of the immigration laws of the United States
4 (as defined in section 101(a)(17) of the Immigration
5 and Nationality Act (8 U.S.C. 1101(a)(17)).

6 (d) STATE OBLIGATION.—Notwithstanding any other
7 provision of law, a State that administers a program that
8 provides a Federal benefit (described in section 507(c)(1))
9 or provides State benefits pursuant to such a program
10 shall not be required to provide such benefit to a person
11 who is not a person lawfully present within the United
12 States (as defined in section 507(c)(2)) through a State
13 agency or with appropriated funds of such State.

14 (e) VERIFICATION OF ELIGIBILITY.—(1) IN GEN-
15 ERAL.—Not later than 18 months after the date of the
16 enactment of this Act, the Attorney General of the United
17 States, after consultation with the Secretary of Health and
18 Human Services, shall promulgate regulations requiring
19 verification that a person applying for a Federal benefit,
20 including a benefit described in section 507(b), is a person
21 lawfully present within the United States and is eligible
22 to receive such benefit. Such regulations shall, to the ex-
23 tent feasible, require that information requested and ex-
24 changed be similar in form and manner to information re-

1 requested and exchanged under section 1137 of the Social
2 Security Act.

3 (2) STATE COMPLIANCE.—Not later than 24 months
4 after the date the regulations described in paragraph (1)
5 are adopted, a State that administers a program that pro-
6 vides a Federal benefit described in such paragraph shall
7 have in effect a verification system that complies with the
8 regulations.

9 (3) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated such sums as may be
11 necessary to carry out the purpose of this section.

12 (f) SEVERABILITY.—If any provision of this title or
13 the application of such provision to any person or cir-
14 cumstance is held to be unconstitutional, the remainder
15 of this title and the application of the provisions of such
16 to any person or circumstance shall not be affected there-
17 by.

18 **TITLE VI—CHILD CARE**

19 **SEC. 601. SHORT TITLE.**

20 This title may be cited as the “Child Care and Devel-
21 opment Block Grant Amendments Act of 1995”.

1 **SEC. 602. AMENDMENTS TO THE CHILD CARE AND DEVEL-**
2 **OPMENT BLOCK GRANT ACT OF 1990.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
4 658B of the Child Care and Development Block Grant Act
5 of 1990 (42 U.S.C. 9858) is amended to read as follows:

6 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this subchapter \$1,000,000,000 for fiscal year 1996, and
9 such sums as may be necessary for each of the fiscal years
10 1997 through 2000.”.

11 (b) LEAD AGENCY.—Section 658D(b) of the Child
12 Care and Development Block Grant Act of 1990 (42
13 U.S.C. 9858b(b)) is amended—

14 (1) in paragraph (1)—

15 (A) in subparagraph (A), by striking
16 “State” and inserting “governmental or non-
17 governmental”; and

18 (B) in subparagraph (C), by inserting
19 “with sufficient time and Statewide distribution
20 of the notice of such hearing,” after “hearing in
21 the State”; and

22 (2) in paragraph (2), by striking the second
23 sentence.

24 (c) APPLICATION AND PLAN.—Section 658E of the
25 Child Care and Development Block Grant Act of 1990 (42
26 U.S.C. 9858c) is amended—

1 (1) in subsection (b), by striking “imple-
2 mented—” and all that follows through “plans.” and
3 inserting “implemented during a 2-year period.”;
4 and

5 (2) in subsection (c)—

6 (A) in paragraph (2)—

7 (i) in subparagraph (A)—

8 (I) in clause (iii) by striking the
9 semicolon and inserting a period; and

10 (II) by striking “except” and all
11 that follows through “1992.”; and

12 (ii) in subparagraph (E)—

13 (I) by striking clause (ii) and in-
14 serting the following new clause:

15 “(ii) the State will implement mecha-
16 nisms to ensure that appropriate payment
17 mechanisms exist so that proper payments
18 under this subchapter will be made to pro-
19 viders within the State and to permit the
20 State to furnish information to such pro-
21 viders.”; and

22 (II) by adding at the end thereof
23 the following new sentence: “In lieu of
24 any licensing and regulatory require-
25 ments applicable under State and

1 local law, the Secretary, in consulta-
2 tion with Indian tribes and tribal or-
3 ganizations, shall develop minimum
4 child care standards (that appro-
5 priately reflect tribal needs and avail-
6 able resources) that shall be applica-
7 ble to Indian tribes and tribal organi-
8 zation receiving assistance under this
9 subchapter.”; and
10 (iii) by striking subparagraphs (H)
11 and (I);
12 (B) in paragraph (3)—
13 (i) in subparagraph (C)—
14 (I) in the subparagraph heading,
15 by striking “AND TO INCREASE” and
16 all that follows through “CARE SERV-
17 ICES”;
18 (II) by striking “25 percent” and
19 inserting “15 percent”; and
20 (III) by striking “and to provide
21 before-” and all that follows through
22 “658H”); and
23 (ii) by adding at the end thereof the
24 following new subparagraph:

1 “(D) LIMITATION ON ADMINISTRATIVE
2 COSTS.—Not more than 5 percent of the aggre-
3 gate amount of payments received under this
4 subchapter by a State in each fiscal year may
5 be expended for administrative costs, not in-
6 cluding direct service costs, incurred by such
7 State to carry out all its functions and duties
8 under this subchapter.”; and

9 (C) by adding at the end thereof the fol-
10 lowing new paragraph:

11 “(6) SERVICES FOR THE WORKING POOR.—The
12 State plan shall described the manner in which serv-
13 ices will be provided to the working poor.”.

14 (d) CLARIFICATION OF ELIGIBLE CHILD.—Section
15 658P(4)(B) of the Child care and Development Block
16 Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended
17 by striking “75 percent” and inserting “100 percent”.

18 (e) QUALITY.—Section 658G of the Child Care and
19 Development Block Grant Act of 1990 (42 U.S.C. 9858e)
20 is amended—

21 (1) in the matter preceding paragraph (1)—

22 (A) by striking “A State” and inserting
23 “(a) IN GENERAL.—A State”;

24 (B) by striking “not less than 20 percent
25 of”; and

1 (C) by striking “one or more of the follow-
2 ing” and inserting “carrying out the resource
3 and referral activities described in subsection
4 (b), and for one or more of the activities de-
5 scribed in subsection (c).”;

6 (2) in paragraph (1), by inserting before the pe-
7 riod the following: “, including providing comprehen-
8 sive consumer education to parents and the public,
9 referrals that honor parental choice, and activities
10 designed to improve the quality and availability of
11 child care”;

12 (3) by striking “(1) RESOURCE AND REFERRAL
13 PROGRAMS.—Operating” and inserting the follow-
14 ing:

15 “(b) RESOURCE AND REFERRAL PROGRAMS.—The
16 activities described in this subsection are operating”;

17 (4) by redesignating paragraphs (2) through
18 (5) as paragraphs (1) through (4), respectively;

19 (5) by inserting before paragraph (1) (as so re-
20 designated) the following:

21 “(c) OTHER ACTIVITIES.—The activities described in
22 this section are the following:”; and

23 (6) by adding at the end thereof the following:

1 “(5) BEFORE- AND AFTER-SCHOOL ACTIVI-
2 TIES.—Increasing the availability of before- and
3 after-school care.

4 “(6) INFANT CARE.—Increasing the availability
5 of child care for infants under the age of 18 months.

6 “(7) NONTRADITIONAL WORK HOURS.—Increas-
7 ing the availability of child care between the hours
8 of 5:00 p.m. and 8:00 a.m.

9 “(d) NONDISCRIMINATION.—With respect to child
10 care providers that comply with applicable State law but
11 which are otherwise not required to be licensed by the
12 State, the State, in carrying out this section, may not dis-
13 criminate against such a provider if such provider desires
14 to participate in resource and referral activities carried out
15 under subsection (b).”.

16 (f) REPEAL.—Section 658H of the Child Care and
17 Development Block Grant Act of 1990 (42 U.S.C. 9858f)
18 is repealed.

19 (g) ENFORCEMENT.—Section 658I(b)(2) of the Child
20 Care and Development Block Grant Act of 1990 (42
21 U.S.C. 9858g(b)(2)) is amended—

22 (1) in the matter following clause (ii) of sub-
23 paragraph (A), by striking “finding and that” and
24 all that follows through the period and inserting
25 “finding and may impose additional program re-

1 requirements on the State, including a requirement
2 that the State reimburse the Secretary for any funds
3 that were improperly expended for purposes prohib-
4 ited or not authorized by this subchapter, that the
5 Secretary deduct from the administrative portion of
6 the State allotment for the following fiscal year an
7 amount that is less than or equal to any improperly
8 expended funds, or a combination of such options.”;
9 and

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

11 (h) REPORTS.—Section 658K of the Child Care and
12 Development Block Grant Act of 1990 (42 U.S.C. 9858i)
13 is amended—

14 (1) in the section heading, by striking “AN-
15 NUAL REPORT” and inserting “REPORTS”; and

16 (2) in subsection (a)—

17 (A) in the subsection heading, by striking
18 “ANNUAL REPORT” and inserting “REPORTS”;

19 (B) by striking “December 31, 1992, and
20 annually thereafter” and inserting “December
21 31, 1996, and every 2 years thereafter”;

22 (C) in paragraph (2)—

23 (i) in subparagraph (A), by inserting
24 before the semicolon “and the types of

1 child care programs under which such as-
2 sistance is provided”;

3 (ii) by striking subparagraph (B); and

4 (iii) by redesignating subparagraphs
5 (C) and (D) as subparagraphs (B) and
6 (C), respectively;

7 (D) by striking paragraph (4);

8 (E) by redesignating paragraphs (5) and
9 (6) as paragraphs (4) and (5), respectively;

10 (F) in paragraph (4), as so redesignated,
11 by striking “and” at the end thereof;

12 (G) in paragraph (5), as so redesignated,
13 by adding “and” at the end thereof; and

14 (H) by inserting after paragraph (5), as so
15 redesignated, the following new paragraph:

16 “(6) describing the extent and manner to which
17 the resource and referral activities are being carried
18 out by the State;”.

19 (i) REPORT BY SECRETARY.—Section 658L of the
20 Child Care and Development Block Grant Act of 1990 (42
21 U.S.C. 9858j) is amended—

22 (1) by striking “1993” and inserting “1997”;

23 (2) by striking “annually” and inserting “bi-an-
24 nually”; and

1 (3) by striking “Education and Labor” and in-
2 serting “Economic and Educational Opportunities”.

3 (j) ALLOTMENTS.—Section 6580 of the Child Care
4 and Development Block Grant Act of 1990 (42 U.S.C.
5 9858m) is amended—

6 (1) in subsection (c), by adding at the end
7 thereof the following new paragraph:

8 “(6) CONSTRUCTION OR RENOVATION OF FA-
9 CILITIES.—

10 “(A) REQUEST FOR USE OF FUNDS.—An
11 Indian tribe or tribal organization may submit
12 to the Secretary a request to use amounts pro-
13 vided under this subsection for construction or
14 renovation purposes.

15 “(B) DETERMINATION.—With respect to a
16 request submitted under subparagraph (A), and
17 except as provided in subparagraph (C), upon a
18 determination by the Secretary that adequate
19 facilities are not otherwise available to an In-
20 dian tribe or tribal organization to enable such
21 tribe or organization to carry out child care
22 programs in accordance with this subchapter,
23 and that the lack of such facilities will inhibit
24 the operation of such programs in the future,
25 the Secretary may permit the tribe or organiza-

1 tion to use assistance provided under this sub-
2 section to make payments for the construction
3 or renovation of facilities that will be used to
4 carry out such programs.

5 “(C) LIMITATION.—The Secretary may not
6 permit an Indian tribe or tribal organization to
7 use amounts provided under this subsection for
8 construction or renovation if such use will re-
9 sult in a decrease in the level of child care serv-
10 ices provided by the tribe or organization as
11 compared to the level of such services provided
12 by the tribe or organization in the fiscal year
13 preceding the year for which the determination
14 under subparagraph (A) is being made.

15 “(D) UNIFORM PROCEDURES.—The Sec-
16 retary shall develop and implement uniform
17 procedures for the solicitation and consideration
18 of requests under this paragraph.”; and

19 (2) in subsection (e)—

20 (A) in paragraph (1), by striking “Any”
21 and inserting “Except as provided in paragraph
22 (4), any”; and

23 (B) by adding at the end thereof the fol-
24 lowing new paragraph:

1 “(4) INDIAN TRIBES OR TRIBAL ORGANIZA-
2 TIONS.—Any portion of a grant or contract made to
3 an Indian tribe or tribal organization under sub-
4 section (c) that the Secretary determines is not
5 being used in a manner consistent with the provision
6 of this subchapter in the period for which the grant
7 or contract is made available, shall be reallocated by
8 the Secretary to other tribes or organization that
9 have submitted applications under subsection (c) in
10 proportion to the original allocations to such tribes
11 or organization.”.

12 (k) DEFINITIONS.—Section 658P of the Child Care
13 and Development Block Grant Act of 1990 (42 U.S.C.
14 9858n) is amended—

15 (1) in paragraph (2), in the first sentence by
16 inserting “or as a deposit for child care services if
17 such a deposit is required of other children being
18 cared for by the provider” after “child care serv-
19 ices”; and

20 (2) in paragraph (5)(B)—

21 (A) by inserting “great grandchild, sibling
22 (if the provider lives in a separate residence),”
23 after “grandchild,”;

24 (B) by striking “is registered and”; and

1 (C) by striking “State” and inserting “ap-
2 plicable”.

3 (l) APPLICATION OF SUBCHAPTER.—The Child Care
4 and Development Block Grant Act of 1990 (42 U.S.C.
5 9858 et seq.) is amended by adding at the end thereof
6 the following new section:

7 **“SEC. 658T. APPLICATION TO OTHER PROGRAMS.**

8 “Notwithstanding any other provision of law, a State
9 that uses funding for child care services under any Federal
10 program shall ensure that activities carried out using such
11 funds meet the requirements, standards, and criteria of
12 this subchapter, except for the quality set-aside provisions
13 of section 658G, and the regulations promulgated under
14 this subchapter. Such sums shall be administered through
15 a uniform State plan. To the maximum extent practicable,
16 amounts provided to a State under such programs shall
17 be transferred to the lead agency and integrated into the
18 program established under this subchapter by the State.”.

19 **SEC. 603. REPEALS AND TECHNICAL AND CONFORMING**
20 **AMENDMENTS.**

21 (a) STATE DEPENDENT CARE DEVELOPMENT
22 GRANTS ACT.—The State Dependent Care Development
23 Grants Act (42 U.S.C. 9871 et seq.) is repealed.

24 (b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
25 ASSISTANCE ACT OF 1985.—The Child Development As-

1 sociate Scholarship Assistance Act of 1985 (42 U.S.C.
2 10901 et seq.) is repealed.

3 (c) ADDITIONAL CONFORMING AMENDMENTS.—

4 (1) RECOMMENDED LEGISLATION.—After con-
5 sultation with the appropriate committees of the
6 Congress and the Director of the Office of Manage-
7 ment and Budget, the Secretary of Health and
8 Human Services shall prepare and submit to the
9 Congress a legislative proposal in the form of an im-
10 plementing bill containing technical and conforming
11 amendments to reflect the amendments and repeals
12 made by this title.

13 (2) SUBMISSION TO CONGRESS.—Not later than
14 6 months after the date of enactment of this title,
15 the Secretary of Health and Human Services shall
16 submit the implementing bill referred to under para-
17 graph (1).

18 **TITLE VII—PROTECTION OF** 19 **BATTERED INDIVIDUALS**

20 **SEC. 701. EXEMPTION OF BATTERED INDIVIDUALS FROM**
21 **CERTAIN REQUIREMENTS.**

22 (a) IN GENERAL.—Notwithstanding any other provi-
23 sion of, or amendment made by, this Act, the applicable
24 administering authority of any specified provision may ex-
25 empt from (or modify) the application of such provision

1 to any individual who was battered or subjected to extreme
2 cruelty if the physical, mental, or emotional well-being of
3 the individual would be endangered by the application of
4 such provision to such individual. The applicable admin-
5 istering authority may take into consideration the family
6 circumstances and the counseling and other supportive
7 service needs of the individual.

8 (b) SPECIFIED PROVISIONS.—For purposes of this
9 section, the term “specified provision” means any require-
10 ment, limitation, or penalty under any of the following:

11 (1) Sections 404, 405 (a) and (b), 406 (b), (c),
12 and (d), 414(d), 453(c), 469A, and 1614(a)(1) of
13 the Social Security Act.

14 (2) Sections 5(i) and 6 (d), (j), and (n) of the
15 Food Stamp Act of 1977.

16 (3) Sections 501(a) and 502 of this Act.

17 (c) DEFINITIONS AND SPECIAL RULES.—For pur-
18 poses of this section—

19 (1) BATTERED OR SUBJECTED TO EXTREME
20 CRUELTY.—The term “battered or subjected to ex-
21 treme cruelty” includes, but is not limited to—

22 (A) physical acts resulting in, or threaten-
23 ing to result in, physical injury;

24 (B) sexual abuse, sexual activity involving
25 a dependent child, forcing the caretaker relative

1 of a dependent child to engage in nonconsensual
2 sexual acts or activities, or threats of or at-
3 tempts at physical or sexual abuse;

4 (C) mental abuse; and

5 (D) neglect or deprivation of medical care.

6 (2) CALCULATION OF PARTICIPATION RATES.—

7 An individual exempted from the work requirements
8 under section 404 of the Social Security Act by rea-
9 son of subsection (a) shall not be included for pur-
10 poses of calculating the State’s participation rate
11 under such section.

12 **TITLE VIII—ADOPTION** 13 **EXPENSES**

14 **SEC. 801. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.**

15 (a) IN GENERAL.—Subpart C of part IV of sub-
16 chapter A of chapter 1 of the Internal Revenue Code of
17 1986 (relating to refundable credits) is amended by redес-
18 ignating section 35 as section 36 and by inserting after
19 section 34 the following new section:

20 **“SEC. 35. ADOPTION EXPENSES.**

21 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
22 dividual, there shall be allowed as a credit against the tax
23 imposed by this subtitle for the taxable year the amount
24 of the qualified adoption expenses paid or incurred by the
25 taxpayer during such taxable year.

1 “(b) LIMITATIONS.—

2 “(1) DOLLAR LIMITATION.—The aggregate
3 amount of qualified adoption expenses which may be
4 taken into account under subsection (a) with respect
5 to the adoption of a child shall not exceed \$5,000.

6 “(2) INCOME LIMITATION.—The amount allow-
7 able as a credit under subsection (a) for any taxable
8 year shall be reduced (but not below zero) by an
9 amount which bears the same ratio to the amount
10 so allowable (determined without regard to this
11 paragraph but with regard to paragraph (1)) as—

12 “(A) the amount (if any) by which the tax-
13 payer’s adjusted gross income exceeds \$60,000,
14 bears to

15 “(B) \$40,000.

16 “(3) DENIAL OF DOUBLE BENEFIT.—

17 “(A) IN GENERAL.—No credit shall be al-
18 lowed under subsection (a) for any expense for
19 which a deduction or credit is allowable under
20 any other provision of this chapter.

21 “(B) GRANTS.—No credit shall be allowed
22 under subsection (a) for any expense to the ex-
23 tent that funds for such expense are received
24 under any Federal, State, or local program.

1 “(c) QUALIFIED ADOPTION EXPENSES.—For pur-
2 poses of this section, the term ‘qualified adoption ex-
3 penses’ means reasonable and necessary adoption fees,
4 court costs, attorney fees, and other expenses which are
5 directly related to the legal and finalized adoption of a
6 child by the taxpayer and which are not incurred in viola-
7 tion of State or Federal law or in carrying out any surro-
8 gate parenting arrangement. The term ‘qualified adoption
9 expenses’ shall not include any expenses in connection
10 with the adoption by an individual of a child who is the
11 child of such individual’s spouse.

12 “(d) MARRIED COUPLES MUST FILE JOINT RE-
13 TURNS.—Rules similar to the rules of paragraphs (2), (3),
14 and (4) of section 21(e) shall apply for purposes of this
15 section.”

16 (b) CONFORMING AMENDMENTS.—

17 (1) Paragraph (2) of section 1324(b) of title
18 31, United States Code, is amended by inserting be-
19 fore the period “, or from section 35 of such Code”.

20 (2) The table of sections for subpart C of part
21 IV of subchapter A of chapter 1 of the Internal Rev-
22 enue Code of 1986 is amended by striking the last
23 item and inserting the following:

“Sec. 35. Adoption expenses.

“Sec. 36. Overpayments of tax.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1995.

4 **SEC. 802. EXCLUSION OF ADOPTION ASSISTANCE.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 is amended
7 by redesignating section 137 as section 138 and by insert-
8 ing after section 136 the following new section:

9 **“SEC. 137. ADOPTION ASSISTANCE.**

10 “(a) IN GENERAL.—Gross income of an employee
11 does not include employee adoption assistance benefits, or
12 military adoption assistance benefits, received by the em-
13 ployee with respect to the employee’s adoption of a child.

14 “(b) DEFINITIONS.—For purposes of this section—

15 “(1) EMPLOYEE ADOPTION ASSISTANCE BENE-
16 FITS.—The term ‘employee adoption assistance ben-
17 efits’ means payment by an employer of qualified
18 adoption expenses with respect to an employee’s
19 adoption of a child, or reimbursement by the em-
20 ployer of such qualified adoption expenses paid or
21 incurred by the employee in the taxable year.

22 “(2) EMPLOYER AND EMPLOYEE.—The terms
23 ‘employer’ and ‘employee’ have the respective mean-
24 ings given such terms by section 127(c).

1 “(3) MILITARY ADOPTION ASSISTANCE BENE-
2 FITS.—The term ‘military adoption assistance bene-
3 fits’ means benefits provided under section 1052 of
4 title 10, United States Code, or section 514 of title
5 14, United States Code.

6 “(4) QUALIFIED ADOPTION EXPENSES.—

7 “(A) IN GENERAL.—The term ‘qualified
8 adoption expenses’ means reasonable and nec-
9 essary adoption fees, court costs, attorney fees,
10 and other expenses—

11 “(i) which are directly related to, and
12 the principal purpose of which is for, the
13 legal and finalized adoption of an eligible
14 child by the taxpayer, and

15 “(ii) which are not incurred in viola-
16 tion of State or Federal law or in carrying
17 out any surrogate parenting arrangement.

18 “(B) ELIGIBLE CHILD.—The term ‘eligible
19 child’ means any individual—

20 “(i) who has not attained age 18 as of
21 the time of the adoption, or

22 “(ii) who is physically or mentally in-
23 capable of caring for himself.

24 “(c) COORDINATION WITH OTHER PROVISIONS.—

25 The Secretary shall issue regulations to coordinate the ap-

1 plication of this section with the application of any other
 2 provision of this title which allows a credit or deduction
 3 with respect to qualified adoption expenses.”

4 (b) CLERICAL AMENDMENT.—The table of sections
 5 for part III of subchapter B of chapter 1 of such Code
 6 is amended by striking the item relating to section 137
 7 and inserting the following new items:

“Sec. 137. Adoption assistance.

“Sec. 138. Cross references to other Acts.”

8 (c) EFFECTIVE DATE.—The amendments made this
 9 section shall apply to taxable years beginning after De-
 10 cember 31, 1995.

11 **SEC. 803. WITHDRAWAL FROM IRA FOR ADOPTION EX-**
 12 **PENSES.**

13 (a) IN GENERAL.—Subsection (d) of section 408 of the
 14 Internal Revenue Code of 1986 is amended by adding at
 15 the end the following new paragraph:

16 “(8) QUALIFIED ADOPTION EXPENSES.—

17 “(A) IN GENERAL.—Any amount which is
 18 paid or distributed out of an individual retire-
 19 ment plan of the taxpayer, and which would
 20 (but for this paragraph) be includible in gross
 21 income, shall be excluded from gross income to
 22 the extent that—

23 “(i) such amount exceeds the sum
 24 of—

1 “(I) the amount excludable under
2 section 137, and

3 “(II) any amount allowable as a
4 credit under this title with respect to
5 qualified adoption expenses; and

6 “(ii) such amount does not exceed the
7 qualified adoption expenses paid or in-
8 curred by the taxpayer during the taxable
9 year.

10 “(B) QUALIFIED ADOPTION EXPENSES.—
11 For purposes of this paragraph, the term
12 ‘qualified adoption expenses’ has the meaning
13 given such term by section 137, except that
14 such term shall not include any expense in con-
15 nection with the adoption by an individual of a
16 child who is the child of such individual’s
17 spouse.”

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to taxable years beginning after
20 December 31, 1995.

21 **TITLE IX—CHILD SUPPORT**

22 **SEC. 900. REFERENCE TO SOCIAL SECURITY ACT.**

23 Except as otherwise specifically provided, whenever in
24 this title an amendment is expressed in terms of an
25 amendment to or repeal of a section or other provision,

1 the reference shall be considered to be made to that sec-
2 tion or other provision of the Social Security Act.

3 **Subtitle A—Eligibility for Services;**
4 **Distribution of Payments**

5 **SEC. 901. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
6 **ENFORCEMENT SERVICES.**

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

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

11 “(4) provide that the State will—

12 “(A) provide services relating to the estab-
13 lishment of paternity or the establishment,
14 modification, or enforcement of child support
15 obligations, as appropriate, under the plan with
16 respect to—

17 “(i) each child for whom (I) assist-
18 ance is provided under the State program
19 funded under part A of this title, (II) ben-
20 efits or services are provided under the
21 State program funded under part E of this
22 title, or (III) medical assistance is provided
23 under the State plan approved under title
24 XIX, unless the State agency administer-
25 ing the plan determines (in accordance

1 with paragraph (29)) that it is against the
2 best interests of the child to do so; and

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

6 “(B) enforce any support obligation estab-
7 lished with respect to—

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

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

12 (2) in paragraph (6)—

13 (A) by striking “provide that” and insert-
14 ing “provide that—”;

15 (B) by striking subparagraph (A) and in-
16 serting the following new subparagraph:

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

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

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

1 (i) by indenting the subparagraph in
2 the same manner as, and aligning the left
3 margin of the subparagraph with the left
4 margin of, the matter inserted by subpara-
5 graph (B) of this paragraph; and

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

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

10 (b) CONTINUATION OF SERVICES FOR FAMILIES
11 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
12 PROGRAM FUNDED UNDER PART A.—Section 454 (42
13 U.S.C. 654) is amended—

14 (1) by striking “and” at the end of paragraph
15 (23);

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

18 (3) by adding after paragraph (24) the follow-
19 ing new paragraph:

20 “(25) provide that when a family with respect
21 to which services are provided under the plan ceases
22 to receive assistance under the State program fund-
23 ed under part A, the State shall provide appropriate
24 notice to the family and continue to provide such
25 services, subject to the same conditions and on the

1 same basis as in the case of individuals to whom
2 services are furnished under this section, except that
3 an application or other request to continue services
4 shall not be required of such a family and paragraph
5 (6)(B) shall not apply to the family.”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) Section 452(b) (42 U.S.C. 652(b)) is
8 amended by striking “454(6)” and inserting
9 “454(4)”.

10 (2) Section 452(g)(2)(A) (42 U.S.C.
11 652(g)(2)(A)) is amended by striking “454(6)” each
12 place it appears and inserting “454(4)(A)(ii)”.

13 (3) Section 466(a)(3)(B) (42 U.S.C.
14 666(a)(3)(B)) is amended by striking “in the case of
15 overdue support which a State has agreed to collect
16 under section 454(6)” and inserting “in any other
17 case”.

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

21 **SEC. 902. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
22 **TIONS.**

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

1 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

2 “(a) IN GENERAL.—An amount collected on behalf
3 of a family as support by a State pursuant to a plan ap-
4 proved under this part shall be distributed as follows:

5 “(1) FAMILIES RECEIVING ASSISTANCE.—In the
6 case of a family receiving assistance from the State,
7 the State shall—

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

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

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

15 “(A) CURRENT SUPPORT PAYMENTS.—The
16 State shall, with regard to amounts collected
17 which represent amounts owed for the current
18 month, distribute the amounts so collected to
19 the family.

20 “(B) PAYMENT OF ARREARAGES.—The
21 State shall, with regard to amounts collected
22 which exceed amounts owed for the current
23 month, distribute the amounts so collected as
24 follows:

25 “(i) DISTRIBUTION TO THE FAMILY
26 TO SATISFY ARREARAGES THAT ACCRUED

1 AFTER THE FAMILY RECEIVED ASSIST-
2 ANCE.—The State shall distribute the
3 amount so collected to the family to the ex-
4 tent necessary to satisfy any support ar-
5 rearages with respect to the family that ac-
6 crued after the family stopped receiving as-
7 sistance from the State.

8 “(ii) DISTRIBUTION TO THE FAMILY
9 TO SATISFY ARREARAGES THAT ACCRUED
10 BEFORE OR WHILE THE FAMILY RECEIVED
11 ASSISTANCE TO THE EXTENT PAYMENTS
12 EXCEED ASSISTANCE RECEIVED.—In the
13 case of arrearages of support obligations
14 with respect to the family that were as-
15 signed to the State making or receiving the
16 collection, as a condition of receiving as-
17 sistance from the State, and which accrued
18 before or while the family received such as-
19 sistance, the State may retain all or a part
20 of the State share and if the State does so
21 retain, shall retain and pay to the Federal
22 Government the Federal share of amounts
23 so collected, to the extent the amount so
24 retained does not exceed the amount of as-

1 sistance provided to the family by the
2 State.

3 “(iii) DISTRIBUTION OF THE REMAIN-
4 DER TO THE FAMILY.—To the extent that
5 neither clause (i) nor clause (ii) applies to
6 the amount so collected, the State shall
7 distribute the amount to the family.

8 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-
9 ANCE.—In the case of any other family, the State
10 shall distribute the amount so collected to the fam-
11 ily.

12 “(4) FAMILIES UNDER CERTAIN AGREE-
13 MENTS.—In the case of a family receiving assistance
14 from an Indian tribe, distribute the amount so col-
15 lected pursuant to an agreement entered into pursu-
16 ant to a State plan under section 454(32).

17 “(b) TRANSITION RULE.—Any rights to support obli-
18 gations which were assigned to a State as a condition of
19 receiving assistance from the State under part A before
20 the effective date of the Work Opportunity Act of 1995
21 shall remain assigned after such date.

22 “(c) DEFINITIONS.—As used in subsection (a):

23 “(1) ASSISTANCE.—The term ‘assistance from
24 the State’ means—

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

5 “(B) benefits under the State plan ap-
6 proved under part E of this title.

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

11 “(A) the greatest Federal medical assist-
12 ance percentage in effect for the State for fiscal
13 year 1995 or any succeeding fiscal year; or

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

21 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
22 AGE.—The term ‘Federal medical assistance per-
23 centage’ means—

24 “(A) the Federal medical assistance per-
25 centage (as defined in section 1905(b)) in the

1 case of any State for which subparagraph (B)
2 does not apply; or

3 “(B) the Federal medical assistance per-
4 centage (as defined in section 1118), in the case
5 of Puerto Rico, the Virgin Islands, Guam, and
6 American Samoa.

7 “(4) FEDERAL REIMBURSEMENT PERCENT-
8 AGE.—The term ‘Federal reimbursement percentage’
9 means, with respect to a fiscal year—

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

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

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

17 (b) CONFORMING AMENDMENT.—Section 464(a)(1)
18 (42 U.S.C. 664(a)(1)) is amended by striking “section
19 457(b)(4) or (d)(3)” and inserting “section 457”.

20 (c) CLERICAL AMENDMENTS.—Section 454 (42
21 U.S.C. 654) is amended—

22 (1) in paragraph (11)—

23 (A) by striking “(11)” and inserting
24 “(11)(A)”; and

1 (B) by inserting after the semicolon “and”;

2 and

3 (2) by redesignating paragraph (12) as sub-
4 paragraph (B) of paragraph (11).

5 (d) EFFECTIVE DATE.—

6 (1) GENERAL RULE.—Except as provided in
7 paragraphs (2) and (3), the amendment made by
8 subsection (a) shall become effective on October 1,
9 1999.

10 (2) EARLIER EFFECTIVE DATE FOR RULES RE-
11 LATING TO DISTRIBUTION OF SUPPORT COLLECTED
12 FOR FAMILIES RECEIVING ASSISTANCE.—Section
13 457(a)(1) of the Social Security Act, as added by
14 the amendment made by subsection (a), shall be-
15 come effective on October 1, 1995.

16 (3) SPECIAL RULE.—A State may elect to have
17 the amendment made by subsection (a) become ef-
18 fective on a date earlier than October 1, 1999, which
19 date shall coincide with the operation of the single
20 statewide automated data processing and informa-
21 tion retrieval system required by section 454A of the
22 Social Security Act (as added by section 944(a)(2))
23 and the State disbursement unit required by section
24 454B of the Social Security Act (as added by section
25 912(b)), and the existence of State requirements for

1 assignment of support as a condition of eligibility for
2 assistance under part A of the Social Security Act
3 (as added by title I).

4 (4) CLERICAL AMENDMENTS.—The amend-
5 ments made by subsection (b) shall become effective
6 on October 1, 1995.

7 **SEC. 903. RIGHTS TO NOTIFICATION AND HEARINGS.**

8 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
9 amended by section 902(b), is amended by inserting after
10 paragraph (11) the following new paragraph:

11 “(12) establish procedures to provide that—

12 “(A) individuals who are applying for or
13 receiving services under this part, or are parties
14 to cases in which services are being provided
15 under this part—

16 “(i) receive notice of all proceedings in
17 which support obligations might be estab-
18 lished or modified; and

19 “(ii) receive a copy of any order estab-
20 lishing or modifying a child support obliga-
21 tion, or (in the case of a petition for modi-
22 fication) a notice of determination that
23 there should be no change in the amount
24 of the child support award, within 14 days

1 after issuance of such order or determina-
2 tion; and

3 “(B) individuals applying for or receiving
4 services under this part have access to a fair
5 hearing or other formal complaint procedure
6 that meets standards established by the Sec-
7 retary and ensures prompt consideration and
8 resolution of complaints (but the resort to such
9 procedure shall not stay the enforcement of any
10 support order);”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall become effective on October 1, 1997.

13 **SEC. 904. PRIVACY SAFEGUARDS.**

14 (a) STATE PLAN REQUIREMENT.—Section 454 (42
15 U.S.C. 654), as amended by section 901(b), is amended—

16 (1) by striking “and” at the end of paragraph
17 (24);

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

20 (3) by adding after paragraph (25) the follow-
21 ing new paragraph:

22 “(26) will have in effect safeguards, applicable
23 to all confidential information handled by the State
24 agency, that are designed to protect the privacy
25 rights of the parties, including—

1 “(A) safeguards against unauthorized use
2 or disclosure of information relating to proceed-
3 ings or actions to establish paternity, or to es-
4 tablish or enforce support;

5 “(B) prohibitions against the release of in-
6 formation on the whereabouts of 1 party to an-
7 other party against whom a protective order
8 with respect to the former party has been en-
9 tered; and

10 “(C) prohibitions against the release of in-
11 formation on the whereabouts of 1 party to an-
12 other party if the State has reason to believe
13 that the release of the information may result
14 in physical or emotional harm to the former
15 party.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1997.

18 **Subtitle B—Locate and Case** 19 **Tracking**

20 **SEC. 911. STATE CASE REGISTRY.**

21 Section 454A, as added by section 944(a)(2), is
22 amended by adding at the end the following new sub-
23 sections:

24 “(e) STATE CASE REGISTRY.—

1 “(1) CONTENTS.—The automated system re-
2 quired by this section shall include a registry (which
3 shall be known as the ‘State case registry’) that con-
4 tains records with respect to—

5 “(A) each case in which services are being
6 provided by the State agency under the State
7 plan approved under this part; and

8 “(B) each support order established or
9 modified in the State on or after October 1,
10 1998.

11 “(2) LINKING OF LOCAL REGISTRIES.—The
12 State case registry may be established by linking
13 local case registries of support orders through an
14 automated information network, subject to this sec-
15 tion.

16 “(3) USE OF STANDARDIZED DATA ELE-
17 MENTS.—Such records shall use standardized data
18 elements for both parents (such as names, social se-
19 curity numbers and other uniform identification
20 numbers, dates of birth, and case identification
21 numbers), and contain such other information (such
22 as on-case status) as the Secretary may require.

23 “(4) PAYMENT RECORDS.—Each case record in
24 the State case registry with respect to which services
25 are being provided under the State plan approved

1 under this part and with respect to which a support
2 order has been established shall include a record
3 of—

4 “(A) the amount of monthly (or other peri-
5 odic) support owed under the order, and other
6 amounts (including arrearages, interest or late
7 payment penalties, and fees) due or overdue
8 under the order;

9 “(B) any amount described in subpara-
10 graph (A) that has been collected;

11 “(C) the distribution of such collected
12 amounts;

13 “(D) the birth date of any child for whom
14 the order requires the provision of support; and

15 “(E) the amount of any lien imposed with
16 respect to the order pursuant to section
17 466(a)(4).

18 “(5) UPDATING AND MONITORING.—The State
19 agency operating the automated system required by
20 this section shall promptly establish and maintain,
21 and regularly monitor, case records in the State case
22 registry with respect to which services are being pro-
23 vided under the State plan approved under this part,
24 on the basis of—

1 “(A) information on administrative actions
2 and administrative and judicial proceedings and
3 orders relating to paternity and support;

4 “(B) information obtained from compari-
5 son with Federal, State, or local sources of in-
6 formation;

7 “(C) information on support collections
8 and distributions; and

9 “(D) any other relevant information.

10 “(f) INFORMATION COMPARISONS AND OTHER DIS-
11 CLOSURES OF INFORMATION.—The State shall use the
12 automated system required by this section to extract infor-
13 mation from (at such times, and in such standardized for-
14 mat or formats, as may be required by the Secretary), to
15 share and compare information with, and to receive infor-
16 mation from, other data bases and information compari-
17 son services, in order to obtain (or provide) information
18 necessary to enable the State agency (or the Secretary or
19 other State or Federal agencies) to carry out this part,
20 subject to section 6103 of the Internal Revenue Code of
21 1986. Such information comparison activities shall include
22 the following:

23 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
24 PORT ORDERS.—Furnishing to the Federal Case
25 Registry of Child Support Orders established under

1 section 453(h) (and update as necessary, with infor-
2 mation including notice of expiration of orders) the
3 minimum amount of information on child support
4 cases recorded in the State case registry that is nec-
5 essary to operate the registry (as specified by the
6 Secretary in regulations).

7 “(2) FEDERAL PARENT LOCATOR SERVICE.—
8 Exchanging information with the Federal Parent
9 Locator Service for the purposes specified in section
10 453.

11 “(3) TEMPORARY FAMILY ASSISTANCE AND
12 MEDICAID AGENCIES.—Exchanging information with
13 State agencies (of the State and of other States) ad-
14 ministering programs funded under part A, pro-
15 grams operated under State plans under title XIX,
16 and other programs designated by the Secretary, as
17 necessary to perform State agency responsibilities
18 under this part and under such programs.

19 “(4) INTRASTATE AND INTERSTATE INFORMA-
20 TION COMPARISONS.—Exchanging information with
21 other agencies of the State, agencies of other States,
22 and interstate information networks, as necessary
23 and appropriate to carry out (or assist other States
24 to carry out) the purposes of this part.”.

1 **SEC. 912. COLLECTION AND DISBURSEMENT OF SUPPORT**
2 **PAYMENTS.**

3 (a) STATE PLAN REQUIREMENT.—Section 454 (42
4 U.S.C. 654), as amended by sections 901(b) and 904(a),
5 is amended—

6 (1) by striking “and” at the end of paragraph
7 (25);

8 (2) by striking the period at the end of para-
9 graph (26) and inserting “; and”; and

10 (3) by adding after paragraph (26) the follow-
11 ing new paragraph:

12 “(27) provide that, on and after October 1,
13 1998, the State agency will—

14 “(A) operate a State disbursement unit in
15 accordance with section 454B; and

16 “(B) have sufficient State staff (consisting
17 of State employees), and (at State option) pri-
18 vate or governmental contractors reporting di-
19 rectly to the State agency, to—

20 “(i) provide automated monitoring
21 and enforcement of support collections
22 through the unit (including carrying out
23 the automated data processing responsibil-
24 ities described in section 454A(g)); and

25 “(ii) take the actions described in sec-
26 tion 466(c)(1) in appropriate cases.”.

1 (b) ESTABLISHMENT OF STATE DISBURSEMENT
2 UNIT.—Part D of title IV (42 U.S.C. 651–669), as
3 amended by section 944(a)(2), is amended by inserting
4 after section 454A the following new section:

5 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
6 **PORT PAYMENTS.**

7 “(a) STATE DISBURSEMENT UNIT.—

8 “(1) IN GENERAL.—In order for a State to
9 meet the requirements of this section, the State
10 agency must establish and operate a unit (which
11 shall be known as the ‘State disbursement unit’) for
12 the collection and disbursement of payments under
13 support orders in all cases being enforced by the
14 State pursuant to section 454(4).

15 “(2) OPERATION.—The State disbursement
16 unit shall be operated—

17 “(A) directly by the State agency (or 2 or
18 more State agencies under a regional coopera-
19 tive agreement), or (to the extent appropriate)
20 by a contractor responsible directly to the State
21 agency; and

22 “(B) in coordination with the automated
23 system established by the State pursuant to
24 section 454A.

1 “(3) LINKING OF LOCAL DISBURSEMENT
2 UNITS.—The State disbursement unit may be estab-
3 lished by linking local disbursement units through
4 an automated information network, subject to this
5 section. The Secretary must agree that the system
6 will not cost more nor take more time to establish
7 or operate than a centralized system. In addition,
8 employers shall be given 1 location to which income
9 withholding is sent.

10 “(b) REQUIRED PROCEDURES.—The State disburse-
11 ment unit shall use automated procedures, electronic pro-
12 cesses, and computer-driven technology to the maximum
13 extent feasible, efficient, and economical, for the collection
14 and disbursement of support payments, including proce-
15 dures—

16 “(1) for receipt of payments from parents, em-
17 ployers, and other States, and for disbursements to
18 custodial parents and other obligees, the State agen-
19 cy, and the agencies of other States;

20 “(2) for accurate identification of payments;

21 “(3) to ensure prompt disbursement of the cus-
22 todial parent’s share of any payment; and

23 “(4) to furnish to any parent, upon request,
24 timely information on the current status of support

1 payments under an order requiring payments to be
2 made by or to the parent.

3 “(c) TIMING OF DISBURSEMENTS.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), the State disbursement unit shall distrib-
6 ute all amounts payable under section 457(a) within
7 2 business days after receipt from the employer or
8 other source of periodic income, if sufficient infor-
9 mation identifying the payee is provided.

10 “(2) PERMISSIVE RETENTION OF ARREAR-
11 AGES.—The State disbursement unit may delay the
12 distribution of collections toward arrearages until
13 the resolution of any timely appeal with respect to
14 such arrearages.

15 “(d) BUSINESS DAY DEFINED.—As used in this sec-
16 tion, the term ‘business day’ means a day on which State
17 offices are open for regular business.”.

18 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
19 added by section 944(a)(2) and as amended by section
20 911, is amended by adding at the end the following new
21 subsection:

22 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
23 PAYMENTS.—

24 “(1) IN GENERAL.—The State shall use the
25 automated system required by this section, to the

1 maximum extent feasible, to assist and facilitate the
2 collection and disbursement of support payments
3 through the State disbursement unit operated under
4 section 454B, through the performance of functions,
5 including, at a minimum—

6 “(A) transmission of orders and notices to
7 employers (and other debtors) for the withhold-
8 ing of wages and other income—

9 “(i) within 2 business days after re-
10 ceipt from a court, another State, an em-
11 ployer, the Federal Parent Locator Service,
12 or another source recognized by the State
13 of notice of, and the income source subject
14 to, such withholding; and

15 “(ii) using uniform formats prescribed
16 by the Secretary;

17 “(B) ongoing monitoring to promptly iden-
18 tify failures to make timely payment of support;
19 and

20 “(C) automatic use of enforcement proce-
21 dures (including procedures authorized pursu-
22 ant to section 466(c)) where payments are not
23 timely made.

24 “(2) BUSINESS DAY DEFINED.—As used in
25 paragraph (1), the term ‘business day’ means a day

1 on which State offices are open for regular busi-
2 ness.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall become effective on October 1, 1998.

5 **SEC. 913. STATE DIRECTORY OF NEW HIRES.**

6 (a) STATE PLAN REQUIREMENT.—Section 454 (42
7 U.S.C. 654), as amended by sections 901(b), 904(a) and
8 912(a), is amended—

9 (1) by striking “and” at the end of paragraph
10 (26);

11 (2) by striking the period at the end of para-
12 graph (27) and inserting “; and”; and

13 (3) by adding after paragraph (27) the follow-
14 ing new paragraph:

15 “(28) provide that, on and after October 1,
16 1997, the State will operate a State Directory of
17 New Hires in accordance with section 453A.”.

18 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
19 title IV (42 U.S.C. 651–669) is amended by inserting
20 after section 453 the following new section:

21 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

22 “(a) ESTABLISHMENT.—

23 “(1) IN GENERAL.—Not later than October 1,
24 1997, each State shall establish an automated direc-
25 tory (to be known as the ‘State Directory of New

1 Hires’) which shall contain information supplied in
2 accordance with subsection (b) by employers on each
3 newly hired employee.

4 “(2) DEFINITIONS.—As used in this section:

5 “(A) EMPLOYEE.—The term ‘employee’—

6 “(i) means an individual who is an
7 employee within the meaning of chapter 24
8 of the Internal Revenue Code of 1986; and

9 “(ii) does not include an employee of
10 a Federal or State agency performing in-
11 telligence or counterintelligence functions,
12 if the head of such agency has determined
13 that reporting pursuant to paragraph (1)
14 with respect to the employee could endan-
15 ger the safety of the employee or com-
16 promise an ongoing investigation or intel-
17 ligence mission.

18 “(B) EMPLOYER.—The term ‘employer’ in-
19 cludes—

20 “(i) any governmental entity, and

21 “(ii) any labor organization.

22 “(C) LABOR ORGANIZATION.—The term
23 ‘labor organization’ shall have the meaning
24 given such term in section 2(5) of the National
25 Labor Relations Act, and includes any entity

1 (also known as a ‘hiring hall’) which is used by
2 the organization and an employer to carry out
3 requirements described in section 8(f)(3) of
4 such Act of an agreement between the organiza-
5 tion and the employer.

6 “(b) EMPLOYER INFORMATION.—

7 “(1) REPORTING REQUIREMENT.—

8 “(A) IN GENERAL.—Except as provided in
9 subparagraphs (B) and (C), each employer shall
10 furnish to the Directory of New Hires of the
11 State in which a newly hired employee works, a
12 report that contains the name, address, and so-
13 cial security number of the employee, and the
14 name of, and identifying number assigned
15 under section 6109 of the Internal Revenue
16 Code of 1986 to, the employer.

17 “(B) MULTISTATE EMPLOYERS.—An em-
18 ployer that has employees who are employed in
19 2 or more States and that transmits reports
20 magnetically or electronically may comply with
21 subparagraph (A) by designating 1 State in
22 which such employer has employees to which it
23 will transmit the report described in subpara-
24 graph (A), and transmitting such report to such
25 State. Any employer that transmits reports pur-

1 suant to this subparagraph shall notify the Sec-
2 retary in writing as to which State such em-
3 ployer designates for the purpose of sending re-
4 ports.

5 “(C) FEDERAL GOVERNMENT EMPLOY-
6 ERS.—Any department, agency, or instrumen-
7 tality of the United States shall comply with
8 subparagraph (A) by transmitting the report
9 described in subparagraph (A) to the National
10 Directory of New Hires established pursuant to
11 section 453.

12 “(2) TIMING OF REPORT.—The report required
13 by paragraph (1) with respect to an employee shall
14 be made not later than the later of—

15 “(A) 30 days after the date the employer
16 hires the employee; or

17 “(B) in the case of an employer that re-
18 ports by magnetic or electronic means, the 1st
19 business day of the week following the date on
20 which the employee 1st receives wages or other
21 compensation from the employer.

22 “(c) REPORTING FORMAT AND METHOD.—Each re-
23 port required by subsection (b) shall be made on a
24 W-4 form and may be transmitted by 1st class mail, mag-
25 netically, or electronically.

1 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
2 EMPLOYERS.—The State shall have the option to set a
3 State civil money penalty which shall be less than—

4 “(1) \$25; or

5 “(2) \$500 if, under State law, the failure is the
6 result of a conspiracy between the employer and the
7 employee to not supply the required report or to
8 supply a false or incomplete report.

9 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-
10 mation shall be entered into the data base maintained by
11 the State Directory of New Hires within 5 business days
12 of receipt from an employer pursuant to subsection (b).

13 “(f) INFORMATION COMPARISONS.—

14 “(1) IN GENERAL.—Not later than October 1,
15 1998, an agency designated by the State shall, di-
16 rectly or by contract, conduct automated compari-
17 sons of the social security numbers reported by em-
18 ployers pursuant to subsection (b) and the social se-
19 curity numbers appearing in the records of the State
20 case registry for cases being enforced under the
21 State plan.

22 “(2) NOTICE OF MATCH.—When an information
23 comparison conducted under paragraph (1) reveals a
24 match with respect to the social security number of
25 an individual required to provide support under a

1 support order, the State Directory of New Hires
2 shall provide the agency administering the State
3 plan approved under this part of the appropriate
4 State with the name, address, and social security
5 number of the employee to whom the social security
6 number is assigned, and the name of, and identify-
7 ing number assigned under section 6109 of the In-
8 ternal Revenue Code of 1986 to, the employer.

9 “(g) TRANSMISSION OF INFORMATION.—

10 “(1) TRANSMISSION OF WAGE WITHHOLDING
11 NOTICES TO EMPLOYERS.—Within 2 business days
12 after the date information regarding a newly hired
13 employee is entered into the State Directory of New
14 Hires, the State agency enforcing the employee’s
15 child support obligation shall transmit a notice to
16 the employer of the employee directing the employer
17 to withhold from the wages of the employee an
18 amount equal to the monthly (or other periodic)
19 child support obligation of the employee, unless the
20 employee’s wages are not subject to withholding pur-
21 suant to section 466(b)(3).

22 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
23 TORY OF NEW HIRES.—

24 “(A) NEW HIRE INFORMATION.—Within 2
25 business days after the date information re-

1 garding a newly hired employee is entered into
2 the State Directory of New Hires, the State Di-
3 rectory of New Hires shall furnish the informa-
4 tion to the National Directory of New Hires.

5 “(B) WAGE AND UNEMPLOYMENT COM-
6 PENSATION INFORMATION.—The State Direc-
7 tory of New Hires shall, on a quarterly basis,
8 furnish to the National Directory of New Hires
9 extracts of the reports required under section
10 303(a)(6) to be made to the Secretary of Labor
11 concerning the wages and unemployment com-
12 pensation paid to individuals, by such dates, in
13 such format, and containing such information
14 as the Secretary of Health and Human Services
15 shall specify in regulations.

16 “(3) BUSINESS DAY DEFINED.—As used in this
17 subsection, the term ‘business day’ means a day on
18 which State offices are open for regular business.

19 “(h) OTHER USES OF NEW HIRE INFORMATION.—

20 “(1) LOCATION OF CHILD SUPPORT OBLI-
21 GORS.—The agency administering the State plan ap-
22 proved under this part shall use information received
23 pursuant to subsection (f)(2) to locate individuals
24 for purposes of establishing paternity and establish-

1 ing, modifying, and enforcing child support obliga-
2 tions.

3 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
4 TAIN PROGRAMS.—A State agency responsible for
5 administering a program specified in section 1137(b)
6 shall have access to information reported by employ-
7 ers pursuant to subsection (b) of this section for
8 purposes of verifying eligibility for the program.

9 “(3) ADMINISTRATION OF EMPLOYMENT SECUR-
10 ITY AND WORKERS’ COMPENSATION.—State agen-
11 cies operating employment security and workers’
12 compensation programs shall have access to informa-
13 tion reported by employers pursuant to subsection
14 (b) for the purposes of administering such pro-
15 grams.”.

16 (c) QUARTERLY WAGE REPORTING.—Section
17 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

18 (1) by inserting “(including State and local gov-
19 ernmental entities)” after “employers”; and

20 (2) by inserting “, and except that no report
21 shall be filed with respect to an employee of a State
22 agency performing intelligence or counterintelligence
23 functions, if the head of such agency has determined
24 that filing such a report could endanger the safety

1 of the employee or compromise an ongoing investiga-
2 tion or intelligence mission” after “paragraph (2)”.

3 **SEC. 914. AMENDMENTS CONCERNING INCOME WITHHOLD-**
4 **ING.**

5 (a) MANDATORY INCOME WITHHOLDING.—

6 (1) IN GENERAL.—Section 466(a)(1) (42
7 U.S.C. 666(a)(1)) is amended to read as follows:

8 “(1)(A) Procedures described in subsection (b)
9 for the withholding from income of amounts payable
10 as support in cases subject to enforcement under the
11 State plan.

12 “(B) Procedures under which the wages of a
13 person with a support obligation imposed by a sup-
14 port order issued (or modified) in the State before
15 October 1, 1996, if not otherwise subject to with-
16 holding under subsection (b), shall become subject to
17 withholding as provided in subsection (b) if arrear-
18 ages occur, without the need for a judicial or admin-
19 istrative hearing.”.

20 (2) CONFORMING AMENDMENTS.—

21 (A) Section 466(b) (42 U.S.C. 666(b)) is
22 amended in the matter preceding paragraph
23 (1), by striking “subsection (a)(1)” and insert-
24 ing “subsection (a)(1)(A)”.

1 (B) Section 466(b)(4) (42 U.S.C.
2 666(b)(4)) is amended to read as follows:

3 “(4)(A) Such withholding must be carried out
4 in full compliance with all procedural due process re-
5 quirements of the State, and the State must send
6 notice to each absent parent to whom paragraph (1)
7 applies—

8 “(i) that the withholding has commenced;
9 and

10 “(ii) of the procedures to follow if the ab-
11 sent parent desires to contest such withholding
12 on the grounds that the withholding or the
13 amount withheld is improper due to a mistake
14 of fact.

15 “(B) The notice under subparagraph (A) shall
16 include the information provided to the employer
17 under paragraph (6)(A).”.

18 (C) Section 466(b)(5) (42 U.S.C.
19 666(b)(5)) is amended by striking all that fol-
20 lows “administered by” and inserting “the
21 State through the State disbursement unit es-
22 tablished pursuant to section 454B, in accord-
23 ance with the requirements of section 454B.”.

24 (D) Section 466(b)(6)(A) (42 U.S.C.
25 666(b)(6)(A)) is amended—

1 (i) in clause (i), by striking “to the
2 appropriate agency” and all that follows
3 and inserting “to the State disbursement
4 unit within 2 business days after the date
5 the amount would (but for this subsection)
6 have been paid or credited to the employee,
7 for distribution in accordance with this
8 part.”;

9 (ii) in clause (ii), by inserting “be in
10 a standard format prescribed by the Sec-
11 retary, and” after “shall”; and

12 (iii) by adding at the end the follow-
13 ing new clause:

14 “(iii) As used in this subparagraph, the term
15 ‘business day’ means a day on which State offices
16 are open for regular business.”.

17 (E) Section 466(b)(6)(D) (42 U.S.C.
18 666(b)(6)(D)) is amended by striking “any em-
19 ployer” and all that follows and inserting “any
20 employer who—

21 “(i) discharges from employment, refuses
22 to employ, or takes disciplinary action against
23 any absent parent subject to wage withholding
24 required by this subsection because of the exist-
25 ence of such withholding and the obligations or

1 additional obligations which it imposes upon the
2 employer; or

3 “(ii) fails to withhold support from wages,
4 or to pay such amounts to the State disburse-
5 ment unit in accordance with this subsection.”.

6 (F) Section 466(b) (42 U.S.C. 666(b)) is
7 amended by adding at the end the following
8 new paragraph:

9 “(11) Procedures under which the agency ad-
10 ministering the State plan approved under this part
11 may execute a withholding order through electronic
12 means and without advance notice to the obligor.”.

13 (b) CONFORMING AMENDMENT.—Section 466(c) (42
14 U.S.C. 666(c)) is repealed.

15 **SEC. 915. LOCATOR INFORMATION FROM INTERSTATE NET-**
16 **WORKS.**

17 Section 466(a) (42 U.S.C. 666(a)) is amended by
18 adding at the end the following new paragraph:

19 “(12) Procedures to ensure that all Federal and
20 State agencies conducting activities under this part
21 have access to any system used by the State to lo-
22 cate an individual for purposes relating to motor ve-
23 hicles or law enforcement.”.

1 **SEC. 916. EXPANSION OF THE FEDERAL PARENT LOCATOR**
2 **SERVICE.**

3 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
4 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
5 amended—

6 (1) in subsection (a), by striking all that follows
7 “subsection (c))” and inserting “, for the purpose of
8 establishing parentage, establishing, setting the
9 amount of, modifying, or enforcing child support ob-
10 ligations, or enforcing child visitation orders—

11 “(1) information on, or facilitating the discov-
12 ery of, the location of any individual—

13 “(A) who is under an obligation to pay
14 child support or provide child visitation rights;

15 “(B) against whom such an obligation is
16 sought;

17 “(C) to whom such an obligation is owed,
18 including the individual’s social security number (or
19 numbers), most recent address, and the name, ad-
20 dress, and employer identification number of the in-
21 dividual’s employer;

22 “(2) information on the individual’s wages (or
23 other income) from, and benefits of, employment (in-
24 cluding rights to or enrollment in group health care
25 coverage); and

1 “(3) information on the type, status, location,
2 and amount of any assets of, or debts owed by or
3 to, any such individual.”; and

4 (2) in subsection (b), in the matter preceding
5 paragraph (1), by striking “social security” and all
6 that follows through “absent parent” and inserting
7 “information described in subsection (a)”.

8 (b) AUTHORIZED PERSON FOR INFORMATION RE-
9 GARDING VISITATION RIGHTS.—Section 453(c) (42
10 U.S.C. 653(c)) is amended—

11 (1) in paragraph (1), by striking “support” and
12 inserting “support or to seek to enforce orders pro-
13 viding child visitation rights”;

14 (2) in paragraph (2), by striking “, or any
15 agent of such court; and” and inserting “or to issue
16 an order against a resident parent for visitation
17 rights, or any agent of such court;”;

18 (3) by striking the period at the end of para-
19 graph (3) and inserting “; and”; and

20 (4) by adding at the end the following new
21 paragraph:

22 “(4) the absent parent, only with regard to a
23 court order against a resident parent for child visita-
24 tion rights.”.

1 (c) REIMBURSEMENT FOR INFORMATION FROM FED-
2 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
3 653(e)(2)) is amended in the 4th sentence by inserting
4 “in an amount which the Secretary determines to be rea-
5 sonable payment for the information exchange (which
6 amount shall not include payment for the costs of obtain-
7 ing, compiling, or maintaining the information)” before
8 the period.

9 (d) REIMBURSEMENT FOR REPORTS BY STATE
10 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
11 adding at the end the following new subsection:

12 “(g) The Secretary may reimburse Federal and State
13 agencies for the costs incurred by such entities in furnish-
14 ing information requested by the Secretary under this sec-
15 tion in an amount which the Secretary determines to be
16 reasonable payment for the information exchange (which
17 amount shall not include payment for the costs of obtain-
18 ing, compiling, or maintaining the information).”.

19 (e) TECHNICAL AMENDMENTS.—

20 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
21 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
22 653(b), 663(a), 663(e), and 663(f)) are each amend-
23 ed by inserting “Federal” before “Parent” each
24 place such term appears.

1 (2) Section 453 (42 U.S.C. 653) is amended in
2 the heading by adding “FEDERAL” before “PAR-
3 ENT”.

4 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
5 653), as amended by subsection (d) of this section, is
6 amended by adding at the end the following new sub-
7 section:

8 “(h)(1) Not later than October 1, 1998, in order to
9 assist States in administering programs under State plans
10 approved under this part and programs funded under part
11 A, and for the other purposes specified in this section, the
12 Secretary shall establish and maintain in the Federal Par-
13 ent Locator Service an automated registry (which shall be
14 known as the ‘Federal Case Registry of Child Support Or-
15 ders’), which shall contain abstracts of support orders and
16 other information described in paragraph (2) with respect
17 to each case in each State case registry maintained pursu-
18 ant to section 454A(e), as furnished (and regularly up-
19 dated), pursuant to section 454A(f), by State agencies ad-
20 ministering programs under this part.

21 “(2) The information referred to in paragraph (1)
22 with respect to a case shall be such information as the
23 Secretary may specify in regulations (including the names,
24 social security numbers or other uniform identification
25 numbers, and State case identification numbers) to iden-

1 tify the individuals who owe or are owed support (or with
2 respect to or on behalf of whom support obligations are
3 sought to be established), and the State or States which
4 have the case.

5 “(i)(1) In order to assist States in administering pro-
6 grams under State plans approved under this part and
7 programs funded under part A, and for the other purposes
8 specified in this section, the Secretary shall, not later than
9 October 1, 1996, establish and maintain in the Federal
10 Parent Locator Service an automated directory to be
11 known as the National Directory of New Hires, which
12 shall contain the information supplied pursuant to section
13 453A(g)(2).

14 “(2) Information shall be entered into the data base
15 maintained by the National Directory of New Hires within
16 2 business days of receipt pursuant to section 453A(g)(2).

17 “(3) The Secretary of the Treasury shall have access
18 to the information in the National Directory of New Hires
19 for purposes of administering section 32 of the Internal
20 Revenue Code of 1986, or the advance payment of the
21 earned income tax credit under section 3507 of such Code,
22 and verifying a claim with respect to employment in a tax
23 return.

24 “(4) The Secretary shall maintain within the Na-
25 tional Directory of New Hires a list of multistate employ-

1 ers that report information regarding newly hired employ-
2 ees pursuant to section 453A(b)(1)(B), and the State
3 which each such employer has designated to receive such
4 information.

5 “(j)(1)(A) The Secretary shall transmit information
6 on individuals and employers maintained under this sec-
7 tion to the Social Security Administration to the extent
8 necessary for verification in accordance with subparagraph
9 (B).

10 “(B) The Social Security Administration shall verify
11 the accuracy of, correct, or supply to the extent possible,
12 and report to the Secretary, the following information sup-
13 plied by the Secretary pursuant to subparagraph (A):

14 “(i) The name, social security number, and
15 birth date of each such individual.

16 “(ii) The employer identification number of
17 each such employer.

18 “(2) For the purpose of locating individuals in a pa-
19 ternity establishment case or a case involving the estab-
20 lishment, modification, or enforcement of a support order,
21 the Secretary shall—

22 “(A) compare information in the National Di-
23 rectory of New Hires against information in the sup-
24 port case abstracts in the Federal Case Registry of

1 Child Support Orders not less often than every 2
2 business days; and

3 “(B) within 2 such days after such a compari-
4 son reveals a match with respect to an individual, re-
5 port the information to the State agency responsible
6 for the case.

7 “(3) To the extent and with the frequency that the
8 Secretary determines to be effective in assisting States to
9 carry out their responsibilities under programs operated
10 under this part and programs funded under part A, the
11 Secretary shall—

12 “(A) compare the information in each compo-
13 nent of the Federal Parent Locator Service main-
14 tained under this section against the information in
15 each other such component (other than the compari-
16 son required by paragraph (2)), and report instances
17 in which such a comparison reveals a match with re-
18 spect to an individual to State agencies operating
19 such programs; and

20 “(B) disclose information in such registries to
21 such State agencies.

22 “(4) The National Directory of New Hires shall pro-
23 vide the Commissioner of Social Security with all informa-
24 tion in the National Directory, which shall be used to de-
25 termine the accuracy of payments under the supplemental

1 security income program under title XVI and in connec-
2 tion with benefits under title II.

3 “(5) The Secretary may provide access to information
4 reported by employers pursuant to section 453A(b) for re-
5 search purposes found by the Secretary to be likely to con-
6 tribute to achieving the purposes of part A or this part,
7 but without personal identifiers.

8 “(k)(1) The Secretary shall reimburse the Commis-
9 sioner of Social Security, at a rate negotiated between the
10 Secretary and the Commissioner, for the costs incurred
11 by the Commissioner in performing the verification serv-
12 ices described in subsection (j).

13 “(2) The Secretary shall reimburse costs incurred by
14 State directories of new hires in furnishing information
15 as required by subsection (j)(3), at rates which the Sec-
16 retary determines to be reasonable (which rates shall not
17 include payment for the costs of obtaining, compiling, or
18 maintaining such information).

19 “(3) A State or Federal agency that receives informa-
20 tion from the Secretary pursuant to this section shall re-
21 imburse the Secretary for costs incurred by the Secretary
22 in furnishing the information, at rates which the Secretary
23 determines to be reasonable (which rates shall include pay-
24 ment for the costs of obtaining, verifying, maintaining,
25 and comparing the information).

1 “(l) Information in the Federal Parent Locator Serv-
2 ice, and information resulting from comparisons using
3 such information, shall not be used or disclosed except as
4 expressly provided in this section, subject to section 6103
5 of the Internal Revenue Code of 1986.

6 “(m) The Secretary shall establish and implement
7 safeguards with respect to the entities established under
8 this section designed to—

9 “(1) ensure the accuracy and completeness of
10 information in the Federal Parent Locator Service;
11 and

12 “(2) restrict access to confidential information
13 in the Federal Parent Locator Service to authorized
14 persons, and restrict use of such information to au-
15 thorized purposes.

16 “(n) Each department, agency, and instrumentality
17 of the United States shall on a quarterly basis report to
18 the Federal Parent Locator Service the name and social
19 security number of each employee and the wages paid to
20 the employee during the previous quarter, except that no
21 report shall be filed with respect to an employee of a de-
22 partment, agency, or instrumentality performing intel-
23 ligence or counterintelligence functions, if the head of such
24 department, agency, or instrumentality has determined
25 that filing such a report could endanger the safety of the

1 employee or compromise an ongoing investigation or intel-
2 ligence mission.”.

3 (f) CONFORMING AMENDMENTS.—

4 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
5 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
6 654(8)(B)) is amended to read as follows:

7 “(B) the Federal Parent Locator Service
8 established under section 453;”.

9 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
10 Section 3304(a)(16) of the Internal Revenue Code of
11 1986 is amended—

12 (A) by striking “Secretary of Health, Edu-
13 cation, and Welfare” each place such term ap-
14 pears and inserting “Secretary of Health and
15 Human Services”;

16 (B) in subparagraph (B), by striking
17 “such information” and all that follows and in-
18 serting “information furnished under subpara-
19 graph (A) or (B) is used only for the purposes
20 authorized under such subparagraph;”;

21 (C) by striking “and” at the end of sub-
22 paragraph (A);

23 (D) by redesignating subparagraph (B) as
24 subparagraph (C); and

1 (E) by inserting after subparagraph (A)
2 the following new subparagraph:

3 “(B) wage and unemployment compensa-
4 tion information contained in the records of
5 such agency shall be furnished to the Secretary
6 of Health and Human Services (in accordance
7 with regulations promulgated by such Sec-
8 retary) as necessary for the purposes of the Na-
9 tional Directory of New Hires established under
10 section 453(i) of the Social Security Act, and”.

11 (3) TO STATE GRANT PROGRAM UNDER TITLE
12 III OF THE SOCIAL SECURITY ACT.—Subsection (h)
13 of section 303 (42 U.S.C. 503) is amended to read
14 as follows:

15 “(h)(1) The State agency charged with the adminis-
16 tration of the State law shall, on a reimbursable basis—

17 “(A) disclose quarterly, to the Secretary of
18 Health and Human Services wage and claim infor-
19 mation, as required pursuant to section 453(i)(1),
20 contained in the records of such agency;

21 “(B) ensure that information provided pursuant
22 to subparagraph (A) meets such standards relating
23 to correctness and verification as the Secretary of
24 Health and Human Services, with the concurrence
25 of the Secretary of Labor, may find necessary; and

1 “(C) establish such safeguards as the Secretary
2 of Labor determines are necessary to insure that in-
3 formation disclosed under subparagraph (A) is used
4 only for purposes of section 453(i)(1) in carrying out
5 the child support enforcement program under title
6 IV.

7 “(2) Whenever the Secretary of Labor, after reason-
8 able notice and opportunity for hearing to the State agen-
9 cy charged with the administration of the State law, finds
10 that there is a failure to comply substantially with the re-
11 quirements of paragraph (1), the Secretary of Labor shall
12 notify such State agency that further payments will not
13 be made to the State until the Secretary of Labor is satis-
14 fied that there is no longer any such failure. Until the
15 Secretary of Labor is so satisfied, the Secretary shall
16 make no future certification to the Secretary of the Treas-
17 ury with respect to the State.

18 “(3) For purposes of this subsection—

19 “(A) the term ‘wage information’ means infor-
20 mation regarding wages paid to an individual, the
21 social security account number of such individual,
22 and the name, address, State, and the Federal em-
23 ployer identification number of the employer paying
24 such wages to such individual; and

1 “(B) the term ‘claim information’ means infor-
2 mation regarding whether an individual is receiving,
3 has received, or has made application for, unemploy-
4 ment compensation, the amount of any such com-
5 pensation being received (or to be received by such
6 individual), and the individual’s current (or most re-
7 cent) home address.”.

8 **SEC. 917. COLLECTION AND USE OF SOCIAL SECURITY**
9 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
10 **FORCEMENT.**

11 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
12 U.S.C. 666(a)), as amended by section 915, is amended
13 by adding at the end the following new paragraph:

14 “(13) Procedures requiring that the social secu-
15 rity number of—

16 “(A) any applicant for a professional li-
17 cense, commercial driver’s license, occupational
18 license, or marriage license be recorded on the
19 application;

20 “(B) any individual who is subject to a di-
21 vorce decree, support order, or paternity deter-
22 mination or acknowledgment be placed in the
23 records relating to the matter; and

1 “(C) any individual who has died be placed
2 in the records relating to the death and be re-
3 corded on the death certificate.

4 For purposes of subparagraph (A), if a State allows
5 the use of a number other than the social security
6 number, the State shall so advise any applicants.”.

7 (b) CONFORMING AMENDMENTS.—Section
8 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
9 section 321(a)(9) of the Social Security Independence and
10 Program Improvements Act of 1994, is amended—

11 (1) in clause (i), by striking “may require” and
12 inserting “shall require”;

13 (2) in clause (ii), by inserting after the 1st sen-
14 tence the following: “In the administration of any
15 law involving the issuance of a marriage certificate
16 or license, each State shall require each party named
17 in the certificate or license to furnish to the State
18 (or political subdivision thereof), or any State agen-
19 cy having administrative responsibility for the law
20 involved, the social security number of the party.”;

21 (3) in clause (ii), by inserting “or marriage cer-
22 tificate” after “Such numbers shall not be recorded
23 on the birth certificate”.

24 (4) in clause (vi), by striking “may” and insert-
25 ing “shall”; and

1 (5) by adding at the end the following new
2 clauses:

3 “(x) An agency of a State (or a politi-
4 cal subdivision thereof) charged with the
5 administration of any law concerning the
6 issuance or renewal of a license, certificate,
7 permit, or other authorization to engage in
8 a profession, an occupation, or a commer-
9 cial activity shall require all applicants for
10 issuance or renewal of the license, certifi-
11 cate, permit, or other authorization to pro-
12 vide the applicant’s social security number
13 to the agency for the purpose of admin-
14 istering such laws, and for the purpose of
15 responding to requests for information
16 from an agency operating pursuant to part
17 D of title IV.

18 “(xi) All divorce decrees, support or-
19 ders, and paternity determinations issued,
20 and all paternity acknowledgments made,
21 in each State shall include the social secu-
22 rity number of each party to the decree,
23 order, determination, or acknowledgement
24 in the records relating to the matter, for
25 the purpose of responding to requests for

1 information from an agency operating pur-
2 suant to part D of title IV.”.

3 **Subtitle C—Streamlining and**
4 **Uniformity of Procedures**

5 **SEC. 921. ADOPTION OF UNIFORM STATE LAWS.**

6 Section 466 (42 U.S.C. 666) is amended by adding
7 at the end the following new subsection:

8 “(f)(1) In order to satisfy section 454(20)(A) on or
9 after January 1, 1997, each State must have in effect the
10 Uniform Interstate Family Support Act, as approved by
11 the National Conference of Commissioners on Uniform
12 State Laws in August 1992 (with the modifications and
13 additions specified in this subsection), and the procedures
14 required to implement such Act.

15 “(2) The State law enacted pursuant to paragraph
16 (1) may be applied to any case involving an order which
17 is established or modified in a State and which is sought
18 to be modified or enforced in another State.

19 “(3) The State law enacted pursuant to paragraph
20 (1) of this subsection shall contain the following provision
21 in lieu of section 611(a)(1) of the Uniform Interstate
22 Family Support Act:

23 “(1) the following requirements are met:

24 “(i) the child, the individual obligee, and
25 the obligor—

1 “(I) do not reside in the issuing
2 State; and

3 “(II) either reside in this State or
4 are subject to the jurisdiction of this State
5 pursuant to section 201; and

6 “(ii) in any case where another State is
7 exercising or seeks to exercise jurisdiction to
8 modify the order, the conditions of section 204
9 are met to the same extent as required for pro-
10 ceedings to establish orders; or’.

11 “(4) The State law enacted pursuant to paragraph
12 (1) shall provide that, in any proceeding subject to the
13 law, process may be served (and proved) upon persons in
14 the State by any means acceptable in any State which is
15 the initiating or responding State in the proceeding.”.

16 **SEC. 922. IMPROVEMENTS TO FULL FAITH AND CREDIT**
17 **FOR CHILD SUPPORT ORDERS.**

18 Section 1738B of title 28, United States Code, is
19 amended—

20 (1) in subsection (a)(2), by striking “subsection
21 (e)” and inserting “subsections (e), (f), and (i)”;

22 (2) in subsection (b), by inserting after the 2nd
23 undesignated paragraph the following:

24 “‘child’s home State’ means the State in which
25 a child lived with a parent or a person acting as par-

1 ent for at least 6 consecutive months immediately
2 preceding the time of filing of a petition or com-
3 parable pleading for support and, if a child is less
4 than 6 months old, the State in which the child lived
5 from birth with any of them. A period of temporary
6 absence of any of them is counted as part of the 6-
7 month period.”;

8 (3) in subsection (c), by inserting “by a court
9 of a State” before “is made”;

10 (4) in subsection (c)(1), by inserting “and sub-
11 sections (e), (f), and (g)” after “located”;

12 (5) in subsection (d)—

13 (A) by inserting “individual” before “con-
14 testant”; and

15 (B) by striking “subsection (e)” and in-
16 serting “subsections (e) and (f)”;

17 (6) in subsection (e), by striking “make a modi-
18 fication of a child support order with respect to a
19 child that is made” and inserting “modify a child
20 support order issued”;

21 (7) in subsection (e)(1), by inserting “pursuant
22 to subsection (i)” before the semicolon;

23 (8) in subsection (e)(2)—

24 (A) by inserting “individual” before “con-
25 testant” each place such term appears; and

1 (B) by striking “to that court’s making the
2 modification and assuming” and inserting “with
3 the State of continuing, exclusive jurisdiction
4 for a court of another State to modify the order
5 and assume”;

6 (9) by redesignating subsections (f) and (g) as
7 subsections (g) and (h), respectively;

8 (10) by inserting after subsection (e) the follow-
9 ing new subsection:

10 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

11 If 1 or more child support orders have been issued in this
12 or another State with regard to an obligor and a child,
13 a court shall apply the following rules in determining
14 which order to recognize for purposes of continuing, exclu-
15 sive jurisdiction and enforcement:

16 “(1) If only 1 court has issued a child support
17 order, the order of that court must be recognized.

18 “(2) If 2 or more courts have issued child sup-
19 port orders for the same obligor and child, and only
20 1 of the courts would have continuing, exclusive ju-
21 risdiction under this section, the order of that court
22 must be recognized.

23 “(3) If 2 or more courts have issued child sup-
24 port orders for the same obligor and child, and more
25 than 1 of the courts would have continuing, exclusive

1 jurisdiction under this section, an order issued by a
2 court in the current home State of the child must
3 be recognized, but if an order has not been issued
4 in the current home State of the child, the order
5 most recently issued must be recognized.

6 “(4) If 2 or more courts have issued child sup-
7 port orders for the same obligor and child, and none
8 of the courts would have continuing, exclusive juris-
9 diction under this section, a court may issue a child
10 support order, which must be recognized.

11 “(5) The court that has issued an order recog-
12 nized under this subsection is the court having con-
13 tinuing, exclusive jurisdiction.”;

14 (11) in subsection (g) (as so redesignated)—

15 (A) by striking “PRIOR” and inserting
16 “MODIFIED”; and

17 (B) by striking “subsection (e)” and in-
18 serting “subsections (e) and (f)”;

19 (12) in subsection (h) (as so redesignated)—

20 (A) in paragraph (2), by inserting “includ-
21 ing the duration of current payments and other
22 obligations of support” before the comma; and

23 (B) in paragraph (3), by inserting “arrear
24 under” after “enforce”; and

1 (13) by adding at the end the following new
2 subsection:

3 “(i) **REGISTRATION FOR MODIFICATION.**—If there is
4 no individual contestant or child residing in the issuing
5 State, the party or support enforcement agency seeking
6 to modify, or to modify and enforce, a child support order
7 issued in another State shall register that order in a State
8 with jurisdiction over the nonmovant for the purpose of
9 modification.”.

10 **SEC. 923. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
11 **CASES.**

12 Section 466(a) (42 U.S.C. 666(a)), as amended by
13 sections 915 and 917(a), is amended by adding at the end
14 the following new paragraph:

15 “(14) Procedures under which—

16 “(A)(i) the State shall respond within 5
17 business days to a request made by another
18 State to enforce a support order; and

19 “(ii) the term ‘business day’ means a day
20 on which State offices are open for regular
21 business;

22 “(B) the State may, by electronic or other
23 means, transmit to another State a request for
24 assistance in a case involving the enforcement
25 of a support order, which request—

1 “(i) shall include such information as
2 will enable the State to which the request
3 is transmitted to compare the information
4 about the case to the information in the
5 data bases of the State; and

6 “(ii) shall constitute a certification by
7 the requesting State—

8 “(I) of the amount of support
9 under the order the payment of which
10 is in arrears; and

11 “(II) that the requesting State
12 has complied with all procedural due
13 process requirements applicable to the
14 case;

15 “(C) if the State provides assistance to an-
16 other State pursuant to this paragraph with re-
17 spect to a case, neither State shall consider the
18 case to be transferred to the caseload of such
19 other State; and

20 “(D) the State shall maintain records of—

21 “(i) the number of such requests for
22 assistance received by the State;

23 “(ii) the number of cases for which
24 the State collected support in response to
25 such a request; and

1 “(iii) the amount of such collected
2 support.”.

3 **SEC. 924. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

4 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
5 652(a)) is amended—

6 (1) by striking “and” at the end of paragraph
7 (9);

8 (2) by striking the period at the end of para-
9 graph (10) and inserting “; and”; and

10 (3) by adding at the end the following new
11 paragraph:

12 “(11) not later than 60 days after the date of
13 the enactment of the Work Opportunity Act of 1995,
14 establish an advisory committee, which shall include
15 State directors of programs under this part, and not
16 later than June 30, 1996, after consultation with
17 the advisory committee, promulgate forms to be used
18 by States in interstate cases for—

19 “(A) collection of child support through in-
20 come withholding;

21 “(B) imposition of liens; and

22 “(C) administrative subpoenas.”.

23 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
24 654(9)) is amended—

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

3 (2) by inserting “and” at the end of subpara-
4 graph (D); and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(E) no later than October 1, 1996, in
8 using the forms promulgated pursuant to sec-
9 tion 452(a)(11) for income withholding, imposi-
10 tion of liens, and issuance of administrative
11 subpoenas in interstate child support cases;”.

12 **SEC. 925. STATE LAWS PROVIDING EXPEDITED PROCE-**
13 **DURES.**

14 (a) STATE LAW REQUIREMENTS.—Section 466 (42
15 U.S.C. 666), as amended by section 914, is amended—

16 (1) in subsection (a)(2), by striking the 1st sen-
17 tence and inserting the following: “Expedited admin-
18 istrative and judicial procedures (including the pro-
19 cedures specified in subsection (c)) for establishing
20 paternity and for establishing, modifying, and en-
21 forcing support obligations.”; and

22 (2) by inserting after subsection (b) the follow-
23 ing new subsection:

24 “(c) The procedures specified in this subsection are
25 the following:

1 “(1) Procedures which give the State agency
2 the authority to take the following actions relating
3 to establishment or enforcement of support orders,
4 without the necessity of obtaining an order from any
5 other judicial or administrative tribunal, and to rec-
6 ognize and enforce the authority of State agencies of
7 other States) to take the following actions:

8 “(A) To order genetic testing for the pur-
9 pose of paternity establishment as provided in
10 section 466(a)(5).

11 “(B) To subpoena any financial or other
12 information needed to establish, modify, or en-
13 force a support order, and to impose penalties
14 for failure to respond to such a subpoena.

15 “(C) To require all entities in the State
16 (including for-profit, nonprofit, and govern-
17 mental employers) to provide promptly, in re-
18 sponse to a request by the State agency of that
19 or any other State administering a program
20 under this part, information on the employ-
21 ment, compensation, and benefits of any indi-
22 vidual employed by such entity as an employee
23 or contractor, and to sanction failure to respond
24 to any such request.

1 “(D) To obtain access, subject to safe-
2 guards on privacy and information security, to
3 the following records (including automated ac-
4 cess, in the case of records maintained in auto-
5 mated data bases):

6 “(i) Records of other State and local
7 government agencies, including—

8 “(I) vital statistics (including
9 records of marriage, birth, and di-
10 vorce);

11 “(II) State and local tax and rev-
12 enue records (including information
13 on residence address, employer, in-
14 come and assets);

15 “(III) records concerning real
16 and titled personal property;

17 “(IV) records of occupational and
18 professional licenses, and records con-
19 cerning the ownership and control of
20 corporations, partnerships, and other
21 business entities;

22 “(V) employment security
23 records;

24 “(VI) records of agencies admin-
25 istering public assistance programs;

1 “(VII) records of the motor vehi-
2 cle department; and

3 “(VIII) corrections records.

4 “(ii) Certain records held by private
5 entities, including—

6 “(I) customer records of public
7 utilities and cable television compa-
8 nies; and

9 “(II) information (including in-
10 formation on assets and liabilities) on
11 individuals who owe or are owed sup-
12 port (or against or with respect to
13 whom a support obligation is sought)
14 held by financial institutions (subject
15 to limitations on liability of such enti-
16 ties arising from affording such ac-
17 cess), as provided pursuant to agree-
18 ments described in subsection (a)(18).

19 “(E) In cases where support is subject to
20 an assignment in order to comply with a re-
21 quirement imposed pursuant to part A or sec-
22 tion 1912, or to a requirement to pay through
23 the State disbursement unit established pursu-
24 ant to section 454B, upon providing notice to
25 obligor and obligee, to direct the obligor or

1 other payor to change the payee to the appro-
2 priate government entity.

3 “(F) To order income withholding in ac-
4 cordance with subsections (a)(1) and (b) of sec-
5 tion 466.

6 “(G) In cases in which there is a support
7 arrearage, to secure assets to satisfy the arrear-
8 age by—

9 “(i) intercepting or seizing periodic or
10 lump-sum payments from—

11 “(I) a State or local agency, in-
12 cluding unemployment compensation,
13 workers’ compensation, and other ben-
14 efits; and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;

19 “(iii) attaching public and private re-
20 tirement funds; and

21 “(iv) imposing liens in accordance
22 with subsection (a)(4) and, in appropriate
23 cases, to force sale of property and dis-
24 tribution of proceeds.

1 “(H) For the purpose of securing overdue
2 support, to increase the amount of monthly
3 support payments to include amounts for ar-
4 rearages, subject to such conditions or limita-
5 tions as the State may provide.

6 Such procedures shall be subject to due process safe-
7 guards, including (as appropriate) requirements for
8 notice, opportunity to contest the action, and oppor-
9 tunity for an appeal on the record to an independent
10 administrative or judicial tribunal.

11 “(2) The expedited procedures required under
12 subsection (a)(2) shall include the following rules
13 and authority, applicable with respect to all proceed-
14 ings to establish paternity or to establish, modify, or
15 enforce support orders:

16 “(A) Procedures under which—

17 “(i) each party to any paternity or
18 child support proceeding is required (sub-
19 ject to privacy safeguards) to file with the
20 tribunal and the State case registry upon
21 entry of an order, and to update as appro-
22 priate, information on location and identity
23 of the party, including social security num-
24 ber, residential and mailing addresses, tele-
25 phone number, driver’s license number,

1 and name, address, and name and tele-
2 phone number of employer; and

3 “(ii) in any subsequent child support
4 enforcement action between the parties,
5 upon sufficient showing that diligent effort
6 has been made to ascertain the location of
7 such a party, the tribunal may deem State
8 due process requirements for notice and
9 service of process to be met with respect to
10 the party, upon delivery of written notice
11 to the most recent residential or employer
12 address filed with the tribunal pursuant to
13 clause (i).

14 “(B) Procedures under which—

15 “(i) the State agency and any admin-
16 istrative or judicial tribunal with authority
17 to hear child support and paternity cases
18 exerts statewide jurisdiction over the par-
19 ties; and

20 “(ii) in a State in which orders are is-
21 sued by courts or administrative tribunals,
22 a case may be transferred between local ju-
23 risdictions in the State without need for
24 any additional filing by the petitioner, or

1 service of process upon the respondent, to
 2 retain jurisdiction over the parties.”.

3 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—
 4 Section 454A, as added by section 944(a)(2) and as
 5 amended by sections 911 and 912(c), is amended by add-
 6 ing at the end the following new subsection:

7 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
 8 The automated system required by this section shall be
 9 used, to the maximum extent feasible, to implement the
 10 expedited administrative procedures required by section
 11 466(c).”.

12 **Subtitle D—Paternity**

13 **Establishment**

14 **SEC. 931. STATE LAWS CONCERNING PATERNITY ESTAB-**
 15 **LISHMENT.**

16 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
 17 U.S.C. 666(a)(5)) is amended to read as follows:

18 “(5)(A)(i) Procedures which permit the estab-
 19 lishment of the paternity of a child at any time be-
 20 fore the child attains 21 years of age.

21 “(ii) As of August 16, 1984, clause (i) shall
 22 also apply to a child for whom paternity has not
 23 been established or for whom a paternity action was
 24 brought but dismissed because a statute of limita-

1 tions of less than 21 years was then in effect in the
2 State.

3 “(B)(i) Procedures under which the State is re-
4 quired, in a contested paternity case, unless other-
5 wise barred by State law, to require the child and
6 all other parties (other than individuals found under
7 section 454(29) to have good cause for refusing to
8 cooperate) to submit to genetic tests upon the re-
9 quest of any such party if the request is supported
10 by a sworn statement by the party—

11 “(I) alleging paternity, and setting forth
12 facts establishing a reasonable possibility of the
13 requisite sexual contact between the parties; or

14 “(II) denying paternity, and setting forth
15 facts establishing a reasonable possibility of the
16 nonexistence of sexual contact between the par-
17 ties.

18 “(ii) Procedures which require the State agency
19 in any case in which the agency orders genetic test-
20 ing—

21 “(I) to pay costs of such tests, subject to
22 recoupment (where the State so elects) from the
23 alleged father if paternity is established; and

24 “(II) to obtain additional testing in any
25 case where an original test result is contested,

1 upon request and advance payment by the con-
2 testant.

3 “(C)(i) Procedures for a simple civil process for
4 voluntarily acknowledging paternity under which the
5 State must provide that, before a mother and a pu-
6 tative father can sign an acknowledgment of pater-
7 nity, the mother and the putative father must be
8 given notice, orally and in writing, of the alter-
9 natives to, the legal consequences of, and the rights
10 (including, if 1 parent is a minor, any rights af-
11 forded due to minority status) and responsibilities
12 that arise from, signing the acknowledgment.

13 “(ii) Such procedures must include a hospital-
14 based program for the voluntary acknowledgment of
15 paternity focusing on the period immediately before
16 or after the birth of a child, subject to such good
17 cause and other exceptions as the State shall estab-
18 lish and taking into account the best interests of the
19 child.

20 “(iii)(I) Such procedures must require the State
21 agency responsible for maintaining birth records to
22 offer voluntary paternity establishment services.

23 “(II)(aa) The Secretary shall prescribe regula-
24 tions governing voluntary paternity establishment

1 services offered by hospitals and birth record agen-
2 cies.

3 “(bb) The Secretary shall prescribe regulations
4 specifying the types of other entities that may offer
5 voluntary paternity establishment services, and gov-
6 erning the provision of such services, which shall in-
7 clude a requirement that such an entity must use
8 the same notice provisions used by, use the same
9 materials used by, provide the personnel providing
10 such services with the same training provided by,
11 and evaluate the provision of such services in the
12 same manner as the provision of such services is
13 evaluated by, voluntary paternity establishment pro-
14 grams of hospitals and birth record agencies.

15 “(iv) Such procedures must require the State to
16 develop and use an affidavit for the voluntary ac-
17 knowledgment of paternity which includes the mini-
18 mum requirements of the affidavit developed by the
19 Secretary under section 452(a)(7) for the voluntary
20 acknowledgment of paternity, and to give full faith
21 and credit to such an affidavit signed in any other
22 State according to its procedures.

23 “(D)(i) Procedures under which the name of
24 the father shall be included on the record of birth
25 of the child only—

1 “(I) if the father and mother have signed
2 a voluntary acknowledgment of paternity; or

3 “(II) pursuant to an order issued in a judi-
4 cial or administrative proceeding.

5 Nothing in this clause shall preclude a State agency
6 from obtaining an admission of paternity from the
7 father for submission in a judicial or administrative
8 proceeding, or prohibit an order issued in a judicial
9 or administrative proceeding which bases a legal
10 finding of paternity on an admission of paternity by
11 the father and any other additional showing required
12 by State law.

13 “(ii) Procedures under which—

14 “(I) a voluntary acknowledgment of pater-
15 nity is considered a legal finding of paternity,
16 subject to the right of any signatory to rescind
17 the acknowledgment within 60 days;

18 “(II) after the 60-day period referred to in
19 subclause (I), a signed voluntary acknowledg-
20 ment of paternity may be challenged in court
21 only on the basis of fraud, duress, or material
22 mistake of fact, with the burden of proof upon
23 the challenger, and under which the legal re-
24 sponsibilities (including child support obliga-
25 tions) of any signatory arising from the ac-

1 knowledge may not be suspended during the
2 challenge, except for good cause shown; and

3 “(III) judicial or administrative proceed-
4 ings are not required or permitted to ratify an
5 unchallenged acknowledgment of paternity.

6 “(E) Procedures under which judicial or admin-
7 istrative proceedings are not required or permitted
8 to ratify an unchallenged acknowledgment of pater-
9 nity.

10 “(F) Procedures—

11 “(i) requiring the admission into evidence,
12 for purposes of establishing paternity, of the re-
13 sults of any genetic test that is—

14 “(I) of a type generally acknowledged
15 as reliable by accreditation bodies des-
16 igned by the Secretary; and

17 “(II) performed by a laboratory ap-
18 proved by such an accreditation body;

19 “(ii) requiring an objection to genetic test-
20 ing results to be made in writing not later than
21 a specified number of days before any hearing
22 at which the results may be introduced into evi-
23 dence (or, at State option, not later than a
24 specified number of days after receipt of the re-
25 sults); and

1 “(iii) making the test results admissible as
2 evidence of paternity without the need for foun-
3 dation testimony or other proof of authenticity
4 or accuracy, unless objection is made.

5 “(G) Procedures which create a rebuttable or,
6 at the option of the State, conclusive presumption of
7 paternity upon genetic testing results indicating a
8 threshold probability that the alleged father is the
9 father of the child.

10 “(H) Procedures requiring a default order to be
11 entered in a paternity case upon a showing of service
12 of process on the defendant and any additional
13 showing required by State law.

14 “(I) Procedures providing that the parties to an
15 action to establish paternity are not entitled to a
16 trial by jury.

17 “(J) Procedures which require that a temporary
18 order be issued, upon motion by a party, requiring
19 the provision of child support pending an adminis-
20 trative or judicial determination of parentage, where
21 there is clear and convincing evidence of paternity
22 (on the basis of genetic tests or other evidence).

23 “(K) Procedures under which bills for preg-
24 nancy, childbirth, and genetic testing are admissible
25 as evidence without requiring third-party foundation

1 testimony, and shall constitute prima facie evidence
2 of amounts incurred for such services or for testing
3 on behalf of the child.

4 “(L) Procedures ensuring that the putative fa-
5 ther has a reasonable opportunity to initiate a pater-
6 nity action.

7 “(M) Procedures under which voluntary ac-
8 knowledgments and adjudications of paternity by ju-
9 dicial or administrative processes are filed with the
10 State registry of birth records for comparison with
11 information in the State case registry.”

12 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
13 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
14 amended by inserting “, and develop an affidavit to be
15 used for the voluntary acknowledgment of paternity which
16 shall include the social security number of each parent”
17 before the semicolon.

18 (c) TECHNICAL AMENDMENT.—Section 468 (42
19 U.S.C. 668) is amended by striking “a simple civil process
20 for voluntarily acknowledging paternity and”.

21 **SEC. 932. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
22 **LISHMENT.**

23 Section 454(23) (42 U.S.C. 654(23)) is amended by
24 inserting “and will publicize the availability and encourage
25 the use of procedures for voluntary establishment of pater-

1 nity and child support by means the State deems appro-
2 priate” before the semicolon.

3 **SEC. 933. COOPERATION BY APPLICANTS FOR AND RECIPI-**
4 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

5 Section 454 (42 U.S.C. 654), as amended by sections
6 901(b), 904(a), 912(a), and 913(a), is amended—

7 (1) by striking “and” at the end of paragraph
8 (27);

9 (2) by striking the period at the end of para-
10 graph (28) and inserting “; and”; and

11 (3) by inserting after paragraph (28) the fol-
12 lowing new paragraph:

13 “(29) provide that the State agency responsible
14 for administering the State plan—

15 “(A) shall make the determination (and re-
16 determination at appropriate intervals) as to
17 whether an individual who has applied for or is
18 receiving assistance under the State program
19 funded under part A or the State program
20 under title XIX is cooperating in good faith
21 with the State in establishing the paternity of,
22 or in establishing, modifying, or enforcing a
23 support order for, any child of the individual by
24 providing the State agency with the name of,
25 and such other information as the State agency

1 may require with respect to, the noncustodial
2 parent of the child, subject to such good cause
3 and other exceptions as the State shall establish
4 and taking into account the best interests of the
5 child;

6 “(B) shall require the individual to supply
7 additional necessary information and appear at
8 interviews, hearings, and legal proceedings;

9 “(C) shall require the individual and the
10 child to submit to genetic tests pursuant to ju-
11 dicial or administrative order; and

12 “(D) shall promptly notify the individual
13 and the State agency administering the State
14 program funded under part A and the State
15 agency administering the State program under
16 title XIX of each such determination, and if
17 noncooperation is determined, the basis there-
18 fore.”.

19 **Subtitle E—Program**
20 **Administration and Funding**

21 **SEC. 941. PERFORMANCE-BASED INCENTIVES AND PEN-**
22 **ALTIES.**

23 (a) INCENTIVE PAYMENTS.—

24 (1) IN GENERAL.—Section 458 (42 U.S.C. 658)
25 is amended—

1 (A) in subsection (a), by striking “aid to
2 families” and all through the end period, and
3 inserting “assistance under a program funded
4 under part A, and regardless of the economic
5 circumstances of their parents, the Secretary
6 shall, from the support collected which would
7 otherwise represent the reimbursement to the
8 Federal government under section 457, pay to
9 each State for each fiscal year, on a quarterly
10 basis (as described in subsection (e)) beginning
11 with the quarter commencing October 1, 1999,
12 an incentive payment in an amount determined
13 under subsections (b) and (c).”;

14 (B) by striking subsections (b) and (c) and
15 inserting the following:

16 “(b)(1) Not later than 60 days after the date of the
17 enactment of the Work Opportunity Act of 1995, the Sec-
18 retary shall establish a committee which shall include
19 State directors of programs under this part and which
20 shall develop for the Secretary’s approval a formula for
21 the distribution of incentive payments to the States.

22 “(2) The formula developed and approved under
23 paragraph (1)—

24 “(A) shall result in a percentage of the collec-
25 tions described in subsection (a) being distributed to

1 each State based on the State's comparative per-
2 formance in the following areas and any other areas
3 approved by the Secretary under this subsection:

4 “(i) The IV-D paternity establishment
5 percentage, as defined in section 452(g)(2).

6 “(ii) The percentage of cases with a sup-
7 port order with respect to which services are
8 being provided under the State plan approved
9 under this part.

10 “(iii) The percentage of cases with a sup-
11 port order in which child support is paid with
12 respect to which services are being so provided.

13 “(iv) In cases receiving services under the
14 State plan approved under this part, the
15 amount of child support collected compared to
16 the amount of outstanding child support owed.

17 “(v) The cost-effectiveness of the State
18 program;

19 “(B) shall take into consideration—

20 “(i) the impact that incentives can have on
21 reducing the need to provide public assistance
22 and on permanently removing families from
23 public assistance;

1 “(ii) the need to balance accuracy and fair-
2 ness with simplicity of understanding and data
3 gathering;

4 “(iii) the need to reward performance
5 which improves short- and long-term program
6 outcomes, especially establishing paternity and
7 support orders and encouraging the timely pay-
8 ment of support;

9 “(iv) the Statewide paternity establishment
10 percentage;

11 “(v) baseline data on current performance
12 and projected costs of performance increases to
13 assure that top performing States can actually
14 achieve the top incentive levels with a reason-
15 able resource investment;

16 “(vi) performance outcomes which would
17 warrant an increase in the total incentive pay-
18 ments made to the States; and

19 “(vii) the use or distribution of any portion
20 of the total incentive payments in excess of the
21 total of the payments which may be distributed
22 under subsection (c);

23 “(C) shall be determined so as to distribute to
24 the States total incentive payments equal to the total
25 incentive payments for all States in fiscal year 1994,

1 plus a portion of any increase in the reimbursement
2 to the Federal Government under section 457 from
3 fiscal year 1999 or any other increase based on
4 other performance outcomes approved by the Sec-
5 retary under this subsection;

6 “(D) shall use a definition of the term ‘State’
7 which does not include any area within the jurisdic-
8 tion of an Indian tribal government; and

9 “(E) shall use a definition of the term ‘State-
10 wide paternity establishment percentage’ to mean
11 with respect to a State and a fiscal year—

12 “(i) the total number of children in the
13 State who were born out of wedlock, who have
14 not attained 1 year of age and for whom pater-
15 nity is established or acknowledged during the
16 fiscal year; divided by

17 “(ii) the total number of children born out
18 of wedlock in the State during the fiscal year.

19 “(c) The total amount of the incentives payment
20 made by the Secretary to a State in a fiscal year shall
21 not exceed 90 percent of the total amounts expended by
22 such State during such year for the operation of the plan
23 approved under section 454, less payments to the State
24 pursuant to section 455 for such year.”;

1 (2) in subsection (d), by striking “, and any
2 amounts” through “shall be excluded”.

3 (b) PAYMENTS TO POLITICAL SUBDIVISIONS.—Sec-
4 tion 454(22) (42 U.S.C. 654(22)) is amended by inserting
5 before the semicolon the following: “, but a political sub-
6 division shall not be entitled to receive, and the State may
7 retain, any amount in excess of the amount the political
8 subdivision expends on the State program under this part,
9 less the amount equal to the percentage of that expendi-
10 ture paid by the Secretary under section 455”.

11 (c) CALCULATION OF IV–D PATERNITY ESTABLISH-
12 MENT PERCENTAGE.—

13 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
14 amended—

15 (A) in the matter preceding subparagraph
16 (A) by inserting “its overall performance in
17 child support enforcement is satisfactory (as de-
18 fined in section 458(b) and regulations of the
19 Secretary), and” after “1994,”; and

20 (B) in each of subparagraphs (A) and (B),
21 by striking “75” and inserting “90”.

22 (2) Section 452(g)(2)(A) (42 U.S.C.
23 652(g)(2)(A)) is amended in the matter preceding
24 clause (i)—

1 (A) by striking “paternity establishment
2 percentage” and inserting “IV–D paternity es-
3 tablishment percentage”; and

4 (B) by striking “(or all States, as the case
5 may be)”.

6 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
7 amended—

8 (A) by striking subparagraph (A) and re-
9 designating subparagraphs (B) and (C) as sub-
10 subparagraphs (A) and (B), respectively;

11 (B) in subparagraph (A) (as so redesign-
12 nated), by striking “the percentage of children
13 born out-of-wedlock in a State” and inserting
14 “the percentage of children in a State who are
15 born out of wedlock or for whom support has
16 not been established”; and

17 (C) in subparagraph (B) (as so redesign-
18 nated)—

19 (i) by inserting “and overall perform-
20 ance in child support enforcement” after
21 “paternity establishment percentages”; and

22 (ii) by inserting “and securing sup-
23 port” before the period.

24 (d) EFFECTIVE DATES.—

25 (1) INCENTIVE ADJUSTMENTS.—

1 (A) IN GENERAL.—The amendments made
2 by subsections (a) and (b) shall become effec-
3 tive on the date of the enactment of this Act,
4 except to the extent provided in subparagraph
5 (B).

6 (B) EXCEPTION.—Section 458 of the So-
7 cial Security Act, as in effect before the date of
8 the enactment of this section, shall be effective
9 for purposes of incentive payments to States for
10 fiscal years before fiscal year 2000.

11 (2) PENALTY REDUCTIONS.—The amendments
12 made by subsection (c) shall become effective with
13 respect to calendar quarters beginning on and after
14 the date of the enactment of this Act.

15 **SEC. 942. FEDERAL AND STATE REVIEWS AND AUDITS.**

16 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
17 U.S.C. 654) is amended—

18 (1) in paragraph (14), by striking “(14)” and
19 inserting “(14)(A)”;

20 (2) by redesignating paragraph (15) as sub-
21 paragraph (B) of paragraph (14); and

22 (3) by inserting after paragraph (14) the fol-
23 lowing new paragraph:

24 “(15) provide for—

1 “(A) a process for annual reviews of and
2 reports to the Secretary on the State program
3 operated under the State plan approved under
4 this part, including such information as may be
5 necessary to measure State compliance with
6 Federal requirements for expedited procedures,
7 using such standards and procedures as are re-
8 quired by the Secretary, under which the State
9 agency will determine the extent to which the
10 program is operated in compliance with this
11 part; and

12 “(B) a process of extracting from the auto-
13 mated data processing system required by para-
14 graph (16) and transmitting to the Secretary
15 data and calculations concerning the levels of
16 accomplishment (and rates of improvement)
17 with respect to applicable performance indica-
18 tors (including IV–D paternity establishment
19 percentages and overall performance in child
20 support enforcement) to the extent necessary
21 for purposes of sections 452(g) and 458.”.

22 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
23 U.S.C. 652(a)(4)) is amended to read as follows:

24 “(4)(A) review data and calculations transmit-
25 ted by State agencies pursuant to section

1 454(15)(B) on State program accomplishments with
2 respect to performance indicators for purposes of
3 subsection (g) of this section and section 458;

4 “(B) review annual reports submitted pursuant
5 to section 454(15)(A) and, as appropriate, provide
6 to the State comments, recommendations for addi-
7 tional or alternative corrective actions, and technical
8 assistance; and

9 “(C) conduct audits, in accordance with the
10 Government auditing standards of the Comptroller
11 General of the United States—

12 “(i) at least once every 3 years (or more
13 frequently, in the case of a State which fails to
14 meet the requirements of this part concerning
15 performance standards and reliability of pro-
16 gram data) to assess the completeness, reliabil-
17 ity, and security of the data, and the accuracy
18 of the reporting systems, used in calculating
19 performance indicators under subsection (g) of
20 this section and section 458;

21 “(ii) of the adequacy of financial manage-
22 ment of the State program operated under the
23 State plan approved under this part, including
24 assessments of—

1 “(I) whether Federal and other funds
2 made available to carry out the State pro-
3 gram are being appropriately expended,
4 and are properly and fully accounted for;
5 and

6 “(II) whether collections and disburse-
7 ments of support payments are carried out
8 correctly and are fully accounted for; and

9 “(iii) for such other purposes as the Sec-
10 retary may find necessary;”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall be effective with respect to calendar
13 quarters beginning 12 months or more after the date of
14 the enactment of this Act.

15 **SEC. 943. REQUIRED REPORTING PROCEDURES.**

16 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
17 652(a)(5)) is amended by inserting “, and establish proce-
18 dures to be followed by States for collecting and reporting
19 information required to be provided under this part, and
20 establish uniform definitions (including those necessary to
21 enable the measurement of State compliance with the re-
22 quirements of this part relating to expedited processes) to
23 be applied in following such procedures” before the semi-
24 colon.

1 (b) STATE PLAN REQUIREMENT.—Section 454 (42
2 U.S.C. 654), as amended by sections 901(b), 904(a),
3 912(a), 913(a), and 933, is amended—

4 (1) by striking “and” at the end of paragraph
5 (28);

6 (2) by striking the period at the end of para-
7 graph (29) and inserting “; and”; and

8 (3) by adding after paragraph (29) the follow-
9 ing new paragraph:

10 “(30) provide that the State shall use the defi-
11 nitions established under section 452(a)(5) in col-
12 lecting and reporting information as required under
13 this part.”.

14 **SEC. 944. AUTOMATED DATA PROCESSING REQUIREMENTS.**

15 (a) REVISED REQUIREMENTS.—

16 (1) IN GENERAL.—Section 454(16) (42 U.S.C.
17 654(16)) is amended—

18 (A) by striking “, at the option of the
19 State,”;

20 (B) by inserting “and operation by the
21 State agency” after “for the establishment”;

22 (C) by inserting “meeting the requirements
23 of section 454A” after “information retrieval
24 system”;

1 (D) by striking “in the State and localities
2 thereof, so as (A)” and inserting “so as”;

3 (E) by striking “(i)”; and

4 (F) by striking “(including” and all that
5 follows and inserting a semicolon.

6 (2) AUTOMATED DATA PROCESSING.—Part D of
7 title IV (42 U.S.C. 651–669) is amended by insert-
8 ing after section 454 the following new section:

9 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

10 “(a) IN GENERAL.—In order for a State to meet the
11 requirements of this section, the State agency administer-
12 ing the State program under this part shall have in oper-
13 ation a single statewide automated data processing and
14 information retrieval system which has the capability to
15 perform the tasks specified in this section with the fre-
16 quency and in the manner required by or under this part.

17 “(b) PROGRAM MANAGEMENT.—The automated sys-
18 tem required by this section shall perform such functions
19 as the Secretary may specify relating to management of
20 the State program under this part, including—

21 “(1) controlling and accounting for use of Fed-
22 eral, State, and local funds in carrying out the pro-
23 gram; and

1 “(2) maintaining the data necessary to meet
2 Federal reporting requirements under this part on a
3 timely basis.

4 “(c) CALCULATION OF PERFORMANCE INDICA-
5 TORS.—In order to enable the Secretary to determine the
6 incentive and penalty adjustments required by sections
7 452(g) and 458, the State agency shall—

8 “(1) use the automated system—

9 “(A) to maintain the requisite data on
10 State performance with respect to paternity es-
11 tablishment and child support enforcement in
12 the State; and

13 “(B) to calculate the IV–D paternity es-
14 tablishment percentage and overall performance
15 in child support enforcement for the State for
16 each fiscal year; and

17 “(2) have in place systems controls to ensure
18 the completeness and reliability of, and ready access
19 to, the data described in paragraph (1)(A), and the
20 accuracy of the calculations described in paragraph
21 (1)(B).

22 “(d) INFORMATION INTEGRITY AND SECURITY.—The
23 State agency shall have in effect safeguards on the integ-
24 rity, accuracy, and completeness of, access to, and use of
25 data in the automated system required by this section,

1 which shall include the following (in addition to such other
2 safeguards as the Secretary may specify in regulations):

3 “(1) POLICIES RESTRICTING ACCESS.—Written
4 policies concerning access to data by State agency
5 personnel, and sharing of data with other persons,
6 which—

7 “(A) permit access to and use of data only
8 to the extent necessary to carry out the State
9 program under this part; and

10 “(B) specify the data which may be used
11 for particular program purposes, and the per-
12 sonnel permitted access to such data.

13 “(2) SYSTEMS CONTROLS.—Systems controls
14 (such as passwords or blocking of fields) to ensure
15 strict adherence to the policies described in para-
16 graph (1).

17 “(3) MONITORING OF ACCESS.—Routine mon-
18 itoring of access to and use of the automated sys-
19 tem, through methods such as audit trails and feed-
20 back mechanisms, to guard against and promptly
21 identify unauthorized access or use.

22 “(4) TRAINING AND INFORMATION.—Proce-
23 dures to ensure that all personnel (including State
24 and local agency staff and contractors) who may
25 have access to or be required to use confidential pro-

1 gram data are informed of applicable requirements
2 and penalties (including those in section 6103 of the
3 Internal Revenue Code of 1986), and are adequately
4 trained in security procedures.

5 “(5) PENALTIES.—Administrative penalties (up
6 to and including dismissal from employment) for un-
7 authorized access to, or disclosure or use of, con-
8 fidential data.”.

9 (3) REGULATIONS.—The Secretary of Health
10 and Human Services shall prescribe final regulations
11 for implementation of section 454A of the Social Se-
12 curity Act not later than 2 years after the date of
13 the enactment of this Act.

14 (4) IMPLEMENTATION TIMETABLE.—Section
15 454(24) (42 U.S.C. 654(24)), as amended by sec-
16 tions 904(a)(2) and 912(a)(1), is amended to read
17 as follows:

18 “(24) provide that the State will have in effect
19 an automated data processing and information re-
20 trieval system—

21 “(A) by October 1, 1997, which meets all
22 requirements of this part which were enacted on
23 or before the date of enactment of the Family
24 Support Act of 1988; and

1 “(B) by October 1, 1999, which meets all
2 requirements of this part enacted on or before
3 the date of the enactment of the Work Oppor-
4 tunity Act of 1995, except that such deadline
5 shall be extended by 1 day for each day (if any)
6 by which the Secretary fails to meet the dead-
7 line imposed by section 944(a)(3) of the Work
8 Opportunity Act of 1995.”.

9 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
10 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

11 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
12 655(a)) is amended—

13 (A) in paragraph (1)(B)—

14 (i) by striking “90 percent” and in-
15 sserting “the percent specified in paragraph
16 (3)”;

17 (ii) by striking “so much of”; and

18 (iii) by striking “which the Secretary”
19 and all that follows and inserting “, and”;
20 and

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

23 “(3)(A) The Secretary shall pay to each State, for
24 each quarter in fiscal years 1996 and 1997, 90 percent
25 of so much of the State expenditures described in para-

1 graph (1)(B) as the Secretary finds are for a system meet-
2 ing the requirements specified in section 454(16) (as in
3 effect on the day before the date of the enactment of the
4 Work Opportunity Act of 1995), but limited to the amount
5 approved for States in the advance planning documents
6 of such States submitted on or before May 1, 1995.

7 “(B)(i) The Secretary shall pay to each State, for
8 each quarter in fiscal years 1997 through 2001, the per-
9 centage specified in clause (ii) of so much of the State
10 expenditures described in paragraph (1)(B) as the Sec-
11 retary finds are for a system meeting the requirements
12 of sections 454(16) and 454A.

13 “(ii) The percentage specified in this clause is the
14 greater of—

15 “(I) 80 percent; or

16 “(II) the percentage otherwise applicable to
17 Federal payments to the State under subparagraph
18 (A) (as adjusted pursuant to section 458).”.

19 (2) TEMPORARY LIMITATION ON PAYMENTS
20 UNDER SPECIAL FEDERAL MATCHING RATE.—

21 (A) IN GENERAL.—The Secretary of
22 Health and Human Services may not pay more
23 than \$260,000,000 in the aggregate under sec-
24 tion 455(a)(3) of the Social Security Act for fis-
25 cal years 1996, 1997, 1998, 1999, and 2000.

1 (B) ALLOCATION OF LIMITATION AMONG
2 STATES.—The total amount payable to a State
3 under section 455(a)(3) of such Act for fiscal
4 years 1996, 1997, 1998, 1999, and 2000 shall
5 not exceed the limitation determined for the
6 State by the Secretary of Health and Human
7 Services in regulations.

8 (C) ALLOCATION FORMULA.—The regula-
9 tions referred to in subparagraph (B) shall pre-
10 scribe a formula for allocating the amount spec-
11 ified in subparagraph (A) among States with
12 plans approved under part D of title IV of the
13 Social Security Act, which shall take into ac-
14 count—

15 (i) the relative size of State caseloads
16 under such part; and

17 (ii) the level of automation needed to
18 meet the automated data processing re-
19 quirements of such part.

20 (c) CONFORMING AMENDMENT.—Section 123(c) of
21 the Family Support Act of 1988 (102 Stat. 2352; Public
22 Law 100–485) is repealed.

23 **SEC. 945. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
3 ing at the end the following new subsection:

4 “(j) Out of any money in the Treasury of the United
5 States not otherwise appropriated, there is hereby appro-
6 priated to the Secretary for each fiscal year an amount
7 equal to 1 percent of the total amount paid to the Federal
8 Government pursuant to section 457(a) during the imme-
9 diately preceding fiscal year (as determined on the basis
10 of the most recent reliable data available to the Secretary
11 as of the end of the 3rd calendar quarter following the
12 end of such preceding fiscal year), to cover costs incurred
13 by the Secretary for—

14 “(1) information dissemination and technical
15 assistance to States, training of State and Federal
16 staff, staffing studies, and related activities needed
17 to improve programs under this part (including tech-
18 nical assistance concerning State automated systems
19 required by this part); and

20 “(2) research, demonstration, and special
21 projects of regional or national significance relating
22 to the operation of State programs under this
23 part.”.

24 (b) OPERATION OF FEDERAL PARENT LOCATOR
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 916(f), is amended by adding at the end the follow-
2 ing new subsection:

3 “(n) Out of any money in the Treasury of the United
4 States not otherwise appropriated, there is hereby appro-
5 priated to the Secretary for each fiscal year an amount
6 equal to 2 percent of the total amount paid to the Federal
7 Government pursuant to section 457(a) during the imme-
8 diately preceding fiscal year (as determined on the basis
9 of the most recent reliable data available to the Secretary
10 as of the end of the 3rd calendar quarter following the
11 end of such preceding fiscal year), to cover costs incurred
12 by the Secretary for operation of the Federal Parent Loca-
13 tor Service under this section, to the extent such costs are
14 not recovered through user fees.”.

15 **SEC. 946. REPORTS AND DATA COLLECTION BY THE SEC-**
16 **RETARY.**

17 (a) ANNUAL REPORT TO CONGRESS.—

18 (1) Section 452(a)(10)(A) (42 U.S.C.
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting
21 “this part, including—”; and

22 (B) by adding at the end the following new
23 clauses:

24 “(i) the total amount of child support
25 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
6 ing “, and the total amount of such obliga-
7 tions”;

8 (C) in clause (iii), by striking “described
9 in” and all that follows and inserting “in which
10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv); and

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing new clauses:

15 “(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 “(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

21 “(vi) the total amount of support due
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking “on the use
25 of Federal courts and”.

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

3 (A) in subparagraph (H), by striking
4 “and”;

5 (B) in subparagraph (I), by striking the
6 period and inserting “; and”; and

7 (C) by inserting after subparagraph (I) the
8 following new subparagraph:

9 “(J) compliance, by State, with the stand-
10 ards established pursuant to subsections (h)
11 and (i).”.

12 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))
13 is amended by striking all that follows subparagraph
14 (J), as added by paragraph (4).

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall be effective with respect to fiscal year
17 1996 and succeeding fiscal years.

18 **Subtitle F—Establishment and** 19 **Modification of Support Orders**

20 **SEC. 951. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-** 21 **SION.**

22 (a) ESTABLISHMENT.—There is hereby established a
23 commission to be known as the National Child Support
24 Guidelines Commission (in this section referred to as the
25 “Commission”).

1 (b) GENERAL DUTIES.—

2 (1) IN GENERAL.—The Commission shall deter-
3 mine—

4 (A) whether it is appropriate to develop a
5 national child support guideline for consider-
6 ation by the Congress or for adoption by indi-
7 vidual States; or

8 (B) based on a study of various guideline
9 models, the benefits and deficiencies of such
10 models, and any needed improvements.

11 (2) DEVELOPMENT OF MODELS.—If the Com-
12 mission determines under paragraph (1)(A) that a
13 national child support guideline is needed or under
14 paragraph (1)(B) that improvements to guideline
15 models are needed, the Commission shall develop
16 such national guideline or improvements.

17 (c) MATTERS FOR CONSIDERATION BY THE COMMIS-
18 SION.—In making the recommendations concerning guide-
19 lines required under subsection (b), the Commission shall
20 consider—

21 (1) the adequacy of State child support guide-
22 lines established pursuant to section 467;

23 (2) matters generally applicable to all support
24 orders, including—

1 (A) the feasibility of adopting uniform
2 terms in all child support orders;

3 (B) how to define income and under what
4 circumstances income should be imputed; and

5 (C) tax treatment of child support pay-
6 ments;

7 (3) the appropriate treatment of cases in which
8 either or both parents have financial obligations to
9 more than 1 family, including the effect (if any) to
10 be given to—

11 (A) the income of either parent's spouse;
12 and

13 (B) the financial responsibilities of either
14 parent for other children or stepchildren;

15 (4) the appropriate treatment of expenses for
16 child care (including care of the children of either
17 parent, and work-related or job-training-related child
18 care);

19 (5) the appropriate treatment of expenses for
20 health care (including uninsured health care) and
21 other extraordinary expenses for children with spe-
22 cial needs;

23 (6) the appropriate duration of support by 1 or
24 both parents, including—

1 (A) support (including shared support) for
2 postsecondary or vocational education; and

3 (B) support for disabled adult children;

4 (7) procedures to automatically adjust child
5 support orders periodically to address changed eco-
6 nomic circumstances, including changes in the
7 Consumer Price Index or either parent's income and
8 expenses in particular cases;

9 (8) procedures to help noncustodial parents ad-
10 dress grievances regarding visitation and custody or-
11 ders to prevent such parents from withholding child
12 support payments until such grievances are resolved;
13 and

14 (9) whether, or to what extent, support levels
15 should be adjusted in cases in which custody is
16 shared or in which the noncustodial parent has ex-
17 tended visitation rights.

18 (d) MEMBERSHIP.—

19 (1) NUMBER; APPOINTMENT.—

20 (A) IN GENERAL.—The Commission shall
21 be composed of 12 individuals appointed not
22 later than January 15, 1997, of which—

23 (i) 2 shall be appointed by the Chair-
24 man of the Committee on Finance of the
25 Senate, and 1 shall be appointed by the

1 ranking minority member of the Commit-
2 tee;

3 (ii) 2 shall be appointed by the Chair-
4 man of the Committee on Ways and Means
5 of the House of Representatives, and 1
6 shall be appointed by the ranking minority
7 member of the Committee; and

8 (iii) 6 shall be appointed by the Sec-
9 retary of Health and Human Services.

10 (B) QUALIFICATIONS OF MEMBERS.—

11 Members of the Commission shall have exper-
12 tise and experience in the evaluation and devel-
13 opment of child support guidelines. At least 1
14 member shall represent advocacy groups for
15 custodial parents, at least 1 member shall rep-
16 resent advocacy groups for noncustodial par-
17 ents, and at least 1 member shall be the direc-
18 tor of a State program under part D of title IV
19 of the Social Security Act.

20 (2) TERMS OF OFFICE.—Each member shall be
21 appointed for a term of 2 years. A vacancy in the
22 Commission shall be filled in the manner in which
23 the original appointment was made.

24 (e) COMMISSION POWERS, COMPENSATION, ACCESS
25 TO INFORMATION, AND SUPERVISION.—The first sentence

1 of subparagraph (C), the first and third sentences of sub-
2 paragraph (D), subparagraph (F) (except with respect to
3 the conduct of medical studies), clauses (ii) and (iii) of
4 subparagraph (G), and subparagraph (H) of section
5 1886(e)(6) of the Social Security Act shall apply to the
6 Commission in the same manner in which such provisions
7 apply to the Prospective Payment Assessment Commis-
8 sion.

9 (f) REPORT.—Not later than 2 years after the ap-
10 pointment of members, the Commission shall submit to
11 the President, the Committee on Ways and Means of the
12 House of Representatives, and the Committee on Finance
13 of the Senate, a recommended national child support
14 guideline and a final assessment of issues relating to such
15 a proposed national child support guideline.

16 (g) TERMINATION.—The Commission shall terminate
17 6 months after the submission of the report described in
18 subsection (e).

19 **SEC. 952. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
20 **MENT OF CHILD SUPPORT ORDERS.**

21 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
22 ed to read as follows:

23 “(10) Procedures under which the State shall
24 review and adjust each support order being enforced
25 under this part upon the request of either parent or

1 the State if there is an assignment. Such procedures
2 shall provide the following:

3 “(A) The State shall review and, as appro-
4 priate, adjust the support order every 3 years,
5 taking into account the best interests of the
6 child involved.

7 “(B)(i) The State may elect to review and,
8 if appropriate, adjust an order pursuant to sub-
9 paragraph (A) by—

10 “(I) reviewing and, if appropriate, ad-
11 justing the order in accordance with the
12 guidelines established pursuant to section
13 467(a) if the amount of the child support
14 award under the order differs from the
15 amount that would be awarded in accord-
16 ance with the guidelines; or

17 “(II) applying a cost-of-living adjust-
18 ment to the order in accordance with a for-
19 mula developed by the State and permit ei-
20 ther party to contest the adjustment, with-
21 in 30 days after the date of the notice of
22 the adjustment, by making a request for
23 review and, if appropriate, adjustment of
24 the order in accordance with the child sup-

1 port guidelines established pursuant to sec-
2 tion 467(a).

3 “(ii) Any adjustment under clause (i) shall
4 be made without a requirement for proof or
5 showing of a change in circumstances.

6 “(C) The State may use automated meth-
7 ods (including automated comparisons with
8 wage or State income tax data) to identify or-
9 ders eligible for review, conduct the review,
10 identify orders eligible for adjustment, and
11 apply the appropriate adjustment to the orders
12 eligible for adjustment under the threshold es-
13 tablished by the State.

14 “(D)(i) The State shall, at the request of
15 either parent subject to such an order or of any
16 State child support enforcement agency, review
17 and, if appropriate, adjust the order in accord-
18 ance with the guidelines established pursuant to
19 section 467(a) based upon a substantial change
20 in the circumstances of either parent.

21 “(ii) The State shall provide notice to the
22 parents subject to such an order informing
23 them of their right to request the State to re-
24 view and, if appropriate, adjust the order pur-

1 suant to clause (i). The notice may be included
2 in the order.”.

3 **SEC. 953. FURNISHING CONSUMER REPORTS FOR CERTAIN**
4 **PURPOSES RELATING TO CHILD SUPPORT.**

5 Section 604 of the Fair Credit Reporting Act (15
6 U.S.C. 1681b) is amended by adding at the end the follow-
7 ing new paragraphs:

8 “(4) In response to a request by the head of a
9 State or local child support enforcement agency (or
10 a State or local government official authorized by
11 the head of such an agency), if the person making
12 the request certifies to the consumer reporting agen-
13 cy that—

14 “(A) the consumer report is needed for the
15 purpose of establishing an individual’s capacity
16 to make child support payments or determining
17 the appropriate level of such payments;

18 “(B) the paternity of the consumer for the
19 child to which the obligation relates has been
20 established or acknowledged by the consumer in
21 accordance with State laws under which the ob-
22 ligation arises (if required by those laws);

23 “(C) the person has provided at least 10
24 days’ prior notice to the consumer whose report
25 is requested, by certified or registered mail to

1 the last known address of the consumer, that
2 the report will be requested; and

3 “(D) the consumer report will be kept con-
4 fidential, will be used solely for a purpose de-
5 scribed in subparagraph (A), and will not be
6 used in connection with any other civil, admin-
7 istrative, or criminal proceeding, or for any
8 other purpose.

9 “(5) To an agency administering a State plan
10 under section 454 of the Social Security Act (42
11 U.S.C. 654) for use to set an initial or modified
12 child support award.”.

13 **SEC. 954. NONLIABILITY FOR DEPOSITORY INSTITUTIONS**
14 **PROVIDING FINANCIAL RECORDS TO STATE**
15 **CHILD SUPPORT ENFORCEMENT AGENCIES**
16 **IN CHILD SUPPORT CASES.**

17 (a) IN GENERAL.—Notwithstanding any other provi-
18 sion of Federal or State law, a depository institution shall
19 not be liable under any Federal or State law to any person
20 for disclosing any financial record of an individual to a
21 State child support enforcement agency attempting to es-
22 tablish, modify, or enforce a child support obligation of
23 such individual.

24 (b) PROHIBITION OF DISCLOSURE OF FINANCIAL
25 RECORD OBTAINED BY STATE CHILD SUPPORT EN-

1 FORCEMENT AGENCY.—A State child support enforcement
2 agency which obtains a financial record of an individual
3 from a financial institution pursuant to subsection (a)
4 may disclose such financial record only for the purpose
5 of, and to the extent necessary in, establishing, modifying,
6 or enforcing a child support obligation of such individual.

7 (c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
8 SURE.—

9 (1) DISCLOSURE BY STATE OFFICER OR EM-
10 PLOYEE.—If any person knowingly, or by reason of
11 negligence, discloses a financial record of an individ-
12 ual in violation of subsection (b), such individual
13 may bring a civil action for damages against such
14 person in a district court of the United States.

15 (2) NO LIABILITY FOR GOOD FAITH BUT ERRO-
16 NEOUS INTERPRETATION.—No liability shall arise
17 under this subsection with respect to any disclosure
18 which results from a good faith, but erroneous, in-
19 terpretation of subsection (b).

20 (3) DAMAGES.—In any action brought under
21 paragraph (1), upon a finding of liability on the part
22 of the defendant, the defendant shall be liable to the
23 plaintiff in an amount equal to the sum of—

24 (A) the greater of—

1 (i) \$1,000 for each act of unauthor-
2 ized disclosure of a financial record with
3 respect to which such defendant is found
4 liable; or

5 (ii) the sum of—

6 (I) the actual damages sustained
7 by the plaintiff as a result of such un-
8 authorized disclosure; plus

9 (II) in the case of a willful disclo-
10 sure or a disclosure which is the re-
11 sult of gross negligence, punitive dam-
12 ages; plus

13 (B) the costs (including attorney's fees) of
14 the action.

15 (d) DEFINITIONS.—For purposes of this section:

16 (1) The term “depository institution” means—

17 (A) a depository institution, as defined in
18 section 3(e) of the Federal Deposit Insurance
19 Act (12 U.S.C. 1813(e));

20 (B) an institution-affiliated party, as de-
21 fined in section 3(u) of such Act (12 U.S.C.
22 1813(v)); and

23 (C) any Federal credit union or State cred-
24 it union, as defined in section 101 of the Fed-
25 eral Credit Union Act (12 U.S.C. 1752), includ-

1 ing an institution-affiliated party of such a
2 credit union, as defined in section 206(r) of
3 such Act (12 U.S.C. 1786(r)).

4 (2) The term “financial record” has the mean-
5 ing given such term in section 1101 of the Right to
6 Financial Privacy Act of 1978 (12 U.S.C. 3401).

7 (3) The term “State child support enforcement
8 agency” means a State agency which administers a
9 State program for establishing and enforcing child
10 support obligations.

11 **Subtitle G—Enforcement of** 12 **Support Orders**

13 **SEC. 961. INTERNAL REVENUE SERVICE COLLECTION OF** 14 **ARREARAGES.**

15 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
16 Section 6305(a) of the Internal Revenue Code of 1986 (re-
17 lating to collection of certain liability) is amended—

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

19 (3);

20 (2) by striking the period at the end of para-
21 graph (4) and inserting “, and”;

22 (3) by adding at the end the following new
23 paragraph:

24 “(5) no additional fee may be assessed for ad-
25 justments to an amount previously certified pursu-

1 ant to such section 452(b) with respect to the same
2 obligor.”; and

3 (4) by striking “Secretary of Health, Edu-
4 cation, and Welfare” each place it appears and in-
5 serting “Secretary of Health and Human Services”.

6 (b) EFFECTIVE DATE.—The amendments made by
7 this section shall become effective October 1, 1997.

8 **SEC. 962. AUTHORITY TO COLLECT SUPPORT FROM FED-**
9 **ERAL EMPLOYEES.**

10 (a) CONSOLIDATION AND STREAMLINING OF AU-
11 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
18 withstanding any other provision of law (including section
19 207 of this Act and section 5301 of title 38, United States
20 Code), effective January 1, 1975, moneys (the entitlement
21 to which is based upon remuneration for employment) due
22 from, or payable by, the United States or the District of
23 Columbia (including any agency, subdivision, or instru-
24 mentality thereof) to any individual, including members
25 of the Armed Forces of the United States, shall be subject,

1 in like manner and to the same extent as if the United
2 States or the District of Columbia were a private person,
3 to withholding in accordance with State law enacted pur-
4 suant to subsections (a)(1) and (b) of section 466 and reg-
5 ulations of the Secretary under such subsections, and to
6 any other legal process brought, by a State agency admin-
7 istering a program under a State plan approved under this
8 part or by an individual obligee, to enforce the legal obliga-
9 tion of the individual to provide child support or alimony.

10 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
11 PRIVATE PERSON.—With respect to notice to withhold in-
12 come pursuant to subsection (a)(1) or (b) of section 466,
13 or any other order or process to enforce support obliga-
14 tions against an individual (if the order or process con-
15 tains or is accompanied by sufficient data to permit
16 prompt identification of the individual and the moneys in-
17 volved), each governmental entity specified in subsection
18 (a) shall be subject to the same requirements as would
19 apply if the entity were a private person, except as other-
20 wise provided in this section.

21 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
22 OR PROCESS—

23 “(1) DESIGNATION OF AGENT.—The head of
24 each agency subject to this section shall—

1 “(A) designate an agent or agents to re-
2 ceive orders and accept service of process in
3 matters relating to child support or alimony;
4 and

5 “(B) annually publish in the Federal Reg-
6 ister the designation of the agent or agents,
7 identified by title or position, mailing address,
8 and telephone number.

9 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
10 agent designated pursuant to paragraph (1) of this
11 subsection receives notice pursuant to State proce-
12 dures in effect pursuant to subsection (a)(1) or (b)
13 of section 466, or is effectively served with any
14 order, process, or interrogatory, with respect to an
15 individual’s child support or alimony payment obli-
16 gations, the agent shall—

17 “(A) as soon as possible (but not later
18 than 15 days) thereafter, send written notice of
19 the notice or service (together with a copy of
20 the notice or service) to the individual at the
21 duty station or last-known home address of the
22 individual;

23 “(B) within 30 days (or such longer period
24 as may be prescribed by applicable State law)
25 after receipt of a notice pursuant to such State

1 procedures, comply with all applicable provi-
2 sions of section 466; and

3 “(C) within 30 days (or such longer period
4 as may be prescribed by applicable State law)
5 after effective service of any other such order,
6 process, or interrogatory, respond to the order,
7 process, or interrogatory.

8 “(d) PRIORITY OF CLAIMS.—If a governmental entity
9 specified in subsection (a) receives notice or is served with
10 process, as provided in this section, concerning amounts
11 owed by an individual to more than 1 person—

12 “(1) support collection under section 466(b)
13 must be given priority over any other process, as
14 provided in section 466(b)(7);

15 “(2) allocation of moneys due or payable to an
16 individual among claimants under section 466(b)
17 shall be governed by section 466(b) and the regula-
18 tions prescribed under such section; and

19 “(3) such moneys as remain after compliance
20 with paragraphs (1) and (2) shall be available to
21 satisfy any other such processes on a 1st-come, 1st-
22 served basis, with any such process being satisfied
23 out of such moneys as remain after the satisfaction
24 of all such processes which have been previously
25 served.

1 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
2 governmental entity that is affected by legal process
3 served for the enforcement of an individual’s child support
4 or alimony payment obligations shall not be required to
5 vary its normal pay and disbursement cycle in order to
6 comply with the legal process.

7 “(f) RELIEF FROM LIABILITY.—

8 “(1) Neither the United States, nor the govern-
9 ment of the District of Columbia, nor any disbursing
10 officer shall be liable with respect to any payment
11 made from moneys due or payable from the United
12 States to any individual pursuant to legal process
13 regular on its face, if the payment is made in ac-
14 cordance with this section and the regulations issued
15 to carry out this section.

16 “(2) No Federal employee whose duties include
17 taking actions necessary to comply with the require-
18 ments of subsection (a) with regard to any individ-
19 ual shall be subject under any law to any discipli-
20 nary action or civil or criminal liability or penalty
21 for, or on account of, any disclosure of information
22 made by the employee in connection with the carry-
23 ing out of such actions.

24 “(g) REGULATIONS.—Authority to promulgate regu-
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable
2 by)—

3 “(1) the United States (other than the legisla-
4 tive or judicial branches of the Federal Government)
5 or the government of the District of Columbia, be
6 vested in the President (or the designee of the Presi-
7 dent);

8 “(2) the legislative branch of the Federal Gov-
9 ernment, be vested jointly in the President pro tem-
10 pore of the Senate and the Speaker of the House of
11 Representatives (or their designees), and

12 “(3) the judicial branch of the Federal Govern-
13 ment, be vested in the Chief Justice of the United
14 States (or the designee of the Chief Justice).

15 “(h) MONEYS SUBJECT TO PROCESS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 moneys paid or payable to an individual which are
18 considered to be based upon remuneration for em-
19 ployment, for purposes of this section—

20 “(A) consist of—

21 “(i) compensation paid or payable for
22 personal services of the individual, whether
23 the compensation is denominated as wages,
24 salary, commission, bonus, pay, allowances,

1 or otherwise (including severance pay, sick
2 pay, and incentive pay);

3 “(ii) periodic benefits (including a
4 periodic benefit as defined in section
5 228(h)(3)) or other payments—

6 “(I) under the insurance system
7 established by title II;

8 “(II) under any other system or
9 fund established by the United States
10 which provides for the payment of
11 pensions, retirement or retired pay,
12 annuities, dependents’ or survivors’
13 benefits, or similar amounts payable
14 on account of personal services per-
15 formed by the individual or any other
16 individual;

17 “(III) as compensation for death
18 under any Federal program;

19 “(IV) under any Federal pro-
20 gram established to provide ‘black
21 lung’ benefits; or

22 “(V) by the Secretary of Veter-
23 ans Affairs as pension, or as com-
24 pensation for a service-connected dis-
25 ability or death (except any compensa-

1 tion paid by the Secretary to a mem-
2 ber of the Armed Forces who is in re-
3 ceipt of retired or retainer pay if the
4 member has waived a portion of the
5 retired pay of the member in order to
6 receive the compensation); and

7 “(iii) workers’ compensation benefits
8 paid under Federal or State law; but

9 “(B) do not include any payment—

10 “(i) by way of reimbursement or oth-
11 erwise, to defray expenses incurred by the
12 individual in carrying out duties associated
13 with the employment of the individual; or

14 “(ii) as allowances for members of the
15 uniformed services payable pursuant to
16 chapter 7 of title 37, United States Code,
17 as prescribed by the Secretaries concerned
18 (defined by section 101(5) of such title) as
19 necessary for the efficient performance of
20 duty.

21 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
22 mining the amount of any moneys due from, or pay-
23 able by, the United States to any individual, there
24 shall be excluded amounts which—

1 “(A) are owed by the individual to the
2 United States;

3 “(B) are required by law to be, and are,
4 deducted from the remuneration or other pay-
5 ment involved, including Federal employment
6 taxes, and fines and forfeitures ordered by
7 court-martial;

8 “(C) are properly withheld for Federal,
9 State, or local income tax purposes, if the with-
10 holding of the amounts is authorized or re-
11 quired by law and if amounts withheld are not
12 greater than would be the case if the individual
13 claimed all dependents to which he was entitled
14 (the withholding of additional amounts pursu-
15 ant to section 3402(i) of the Internal Revenue
16 Code of 1986 may be permitted only when the
17 individual presents evidence of a tax obligation
18 which supports the additional withholding);

19 “(D) are deducted as health insurance pre-
20 miums;

21 “(E) are deducted as normal retirement
22 contributions (not including amounts deducted
23 for supplementary coverage); or

24 “(F) are deducted as normal life insurance
25 premiums from salary or other remuneration

1 for employment (not including amounts de-
2 ducted for supplementary coverage).

3 “(i) DEFINITIONS.—As used in this section:

4 “(1) UNITED STATES.—The term ‘United
5 States’ includes any department, agency, or instru-
6 mentality of the legislative, judicial, or executive
7 branch of the Federal Government, the United
8 States Postal Service, the Postal Rate Commission,
9 any Federal corporation created by an Act of Con-
10 gress that is wholly owned by the Federal Govern-
11 ment, and the governments of the territories and
12 possessions of the United States.

13 “(2) CHILD SUPPORT.—The term ‘child sup-
14 port’, when used in reference to the legal obligations
15 of an individual to provide such support, means peri-
16 odic payments of funds for the support and mainte-
17 nance of a child or children with respect to which
18 the individual has such an obligation, and (subject
19 to and in accordance with State law) includes pay-
20 ments to provide for health care, education, recre-
21 ation, clothing, or to meet other specific needs of
22 such a child or children, and includes attorney’s
23 fees, interest, and court costs, when and to the ex-
24 tent that the same are expressly made recoverable as
25 such pursuant to a decree, order, or judgment issued

1 in accordance with applicable State law by a court
2 of competent jurisdiction.

3 “(3) ALIMONY.—The term ‘alimony’, when used
4 in reference to the legal obligations of an individual
5 to provide the same, means periodic payments of
6 funds for the support and maintenance of the spouse
7 (or former spouse) of the individual, and (subject to
8 and in accordance with State law) includes separate
9 maintenance, alimony pendente lite, maintenance,
10 and spousal support, and includes attorney’s fees,
11 interest, and court costs when and to the extent that
12 the same are expressly made recoverable as such
13 pursuant to a decree, order, or judgment issued in
14 accordance with applicable State law by a court of
15 competent jurisdiction. Such term does not include
16 any payment or transfer of property or its value by
17 an individual to the spouse or a former spouse of the
18 individual in compliance with any community prop-
19 erty settlement, equitable distribution of property, or
20 other division of property between spouses or former
21 spouses.

22 “(4) PRIVATE PERSON.—The term ‘private per-
23 son’ means a person who does not have sovereign or
24 other special immunity or privilege which causes the
25 person not to be subject to legal process.

1 “(5) LEGAL PROCESS.—The term ‘legal proc-
2 ess’ means any writ, order, summons, or other simi-
3 lar process in the nature of garnishment—

4 “(A) which is issued by—

5 “(i) a court of competent jurisdiction
6 in any State, territory, or possession of the
7 United States;

8 “(ii) a court of competent jurisdiction
9 in any foreign country with which the
10 United States has entered into an agree-
11 ment which requires the United States to
12 honor the process; or

13 “(iii) an authorized official pursuant
14 to an order of such a court of competent
15 jurisdiction or pursuant to State or local
16 law; and

17 “(B) which is directed to, and the purpose
18 of which is to compel, a governmental entity
19 which holds moneys which are otherwise pay-
20 able to an individual to make a payment from
21 the moneys to another party in order to satisfy
22 a legal obligation of the individual to provide
23 child support or make alimony payments.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) TO PART D OF TITLE IV.—Sections 461 and
2 462 (42 U.S.C. 661 and 662) are repealed.

3 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
4 tion 5520a of title 5, United States Code, is amend-
5 ed, in subsections (h)(2) and (i), by striking “sec-
6 tions 459, 461, and 462 of the Social Security Act
7 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
8 tion 459 of the Social Security Act (42 U.S.C.
9 659)”.

10 (c) MILITARY RETIRED AND RETAINER PAY.—

11 (1) DEFINITION OF COURT.—Section
12 1408(a)(1) of title 10, United States Code, is
13 amended—

14 (A) by striking “and” at the end of sub-
15 paragraph (B);

16 (B) by striking the period at the end of
17 subparagraph (C) and inserting “; and”; and

18 (C) by adding after subparagraph (C) the
19 following new subparagraph:

20 “(D) any administrative or judicial tribu-
21 nal of a State competent to enter orders for
22 support or maintenance (including a State
23 agency administering a program under a State
24 plan approved under part D of title IV of the
25 Social Security Act), and, for purposes of this

1 subparagraph, the term ‘State’ includes the
2 District of Columbia, the Commonwealth of
3 Puerto Rico, the Virgin Islands, Guam, and
4 American Samoa.”.

5 (2) DEFINITION OF COURT ORDER.—Section
6 1408(a)(2) of such title is amended by inserting “or
7 a court order for the payment of child support not
8 included in or accompanied by such a decree or set-
9 tlement,” before “which—”.

10 (3) PUBLIC PAYEE.—Section 1408(d) of such
11 title is amended—

12 (A) in the heading, by inserting “(OR FOR
13 BENEFIT OF)” before “SPOUSE OR”; and

14 (B) in paragraph (1), in the 1st sentence,
15 by inserting “(or for the benefit of such spouse
16 or former spouse to a State disbursement unit
17 established pursuant to section 454B of the So-
18 cial Security Act or other public payee des-
19 ignated by a State, in accordance with part D
20 of title IV of the Social Security Act, as di-
21 rected by court order, or as otherwise directed
22 in accordance with such part D)” before “in an
23 amount sufficient”.

1 (4) RELATIONSHIP TO PART D OF TITLE IV.—
2 Section 1408 of such title is amended by adding at
3 the end the following new subsection:

4 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
5 involving an order providing for payment of child support
6 (as defined in section 459(i)(2) of the Social Security Act)
7 by a member who has never been married to the other
8 parent of the child, the provisions of this section shall not
9 apply, and the case shall be subject to the provisions of
10 section 459 of such Act.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall become effective 6 months after the date
13 of the enactment of this Act.

14 **SEC. 963. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
15 **TIONS OF MEMBERS OF THE ARMED FORCES.**

16 (a) AVAILABILITY OF LOCATOR INFORMATION.—

17 (1) MAINTENANCE OF ADDRESS INFORMA-
18 TION.—The Secretary of Defense shall establish a
19 centralized personnel locator service that includes
20 the address of each member of the Armed Forces
21 under the jurisdiction of the Secretary. Upon re-
22 quest of the Secretary of Transportation, addresses
23 for members of the Coast Guard shall be included in
24 the centralized personnel locator service.

25 (2) TYPE OF ADDRESS.—

1 (A) RESIDENTIAL ADDRESS.—Except as
2 provided in subparagraph (B), the address for
3 a member of the Armed Forces shown in the lo-
4 cator service shall be the residential address of
5 that member.

6 (B) DUTY ADDRESS.—The address for a
7 member of the Armed Forces shown in the loca-
8 tor service shall be the duty address of that
9 member in the case of a member—

10 (i) who is permanently assigned over-
11 seas, to a vessel, or to a routinely
12 deployable unit; or

13 (ii) with respect to whom the Sec-
14 retary concerned makes a determination
15 that the member's residential address
16 should not be disclosed due to national se-
17 curity or safety concerns.

18 (3) UPDATING OF LOCATOR INFORMATION.—
19 Within 30 days after a member listed in the locator
20 service establishes a new residential address (or a
21 new duty address, in the case of a member covered
22 by paragraph (2)(B)), the Secretary concerned shall
23 update the locator service to indicate the new ad-
24 dress of the member.

1 (4) AVAILABILITY OF INFORMATION.—The Sec-
2 retary of Defense shall make information regarding
3 the address of a member of the Armed Forces listed
4 in the locator service available, on request, to the
5 Federal Parent Locator Service established under
6 section 453 of the Social Security Act.

7 (b) FACILITATING GRANTING OF LEAVE FOR AT-
8 TENDANCE AT HEARINGS.—

9 (1) REGULATIONS.—The Secretary of each
10 military department, and the Secretary of Transpor-
11 tation with respect to the Coast Guard when it is
12 not operating as a service in the Navy, shall pre-
13 scribe regulations to facilitate the granting of leave
14 to a member of the Armed Forces under the juris-
15 diction of that Secretary in a case in which—

16 (A) the leave is needed for the member to
17 attend a hearing described in paragraph (2);

18 (B) the member is not serving in or with
19 a unit deployed in a contingency operation (as
20 defined in section 101 of title 10, United States
21 Code); and

22 (C) the exigencies of military service (as
23 determined by the Secretary concerned) do not
24 otherwise require that such leave not be grant-
25 ed.

1 (2) COVERED HEARINGS.—Paragraph (1) ap-
2 plies to a hearing that is conducted by a court or
3 pursuant to an administrative process established
4 under State law, in connection with a civil action—

5 (A) to determine whether a member of the
6 Armed Forces is a natural parent of a child; or

7 (B) to determine an obligation of a mem-
8 ber of the Armed Forces to provide child sup-
9 port.

10 (3) DEFINITIONS.—For purposes of this sub-
11 section:

12 (A) The term “court” has the meaning
13 given that term in section 1408(a) of title 10,
14 United States Code.

15 (B) The term “child support” has the
16 meaning given such term in section 459(i) of
17 the Social Security Act (42 U.S.C. 659(i)).

18 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
19 PLIANCE WITH CHILD SUPPORT ORDERS.—

20 (1) DATE OF CERTIFICATION OF COURT
21 ORDER.—Section 1408 of title 10, United States
22 Code, as amended by section 962(c)(4), is amend-
23 ed—

24 (A) by redesignating subsections (i) and (j)
25 as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the
2 following new subsection:

3 “(i) CERTIFICATION DATE.—It is not necessary that
4 the date of a certification of the authenticity or complete-
5 ness of a copy of a court order for child support received
6 by the Secretary concerned for the purposes of this section
7 be recent in relation to the date of receipt by the Sec-
8 retary.”.

9 (2) PAYMENTS CONSISTENT WITH ASSIGN-
10 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
11 of such title is amended by inserting after the 1st
12 sentence the following: “In the case of a spouse or
13 former spouse who assigns to a State the rights of
14 the spouse or former spouse to receive support, the
15 Secretary concerned may make the child support
16 payments referred to in the preceding sentence to
17 that State in amounts consistent with that assign-
18 ment of rights.”.

19 (3) ARREARAGES OWED BY MEMBERS OF THE
20 UNIFORMED SERVICES.—Section 1408(d) of such
21 title is amended by adding at the end the following
22 new paragraph:

23 “(6) In the case of a court order for which effective
24 service is made on the Secretary concerned on or after
25 the date of the enactment of this paragraph and which

1 provides for payments from the disposable retired pay of
2 a member to satisfy the amount of child support set forth
3 in the order, the authority provided in paragraph (1) to
4 make payments from the disposable retired pay of a mem-
5 ber to satisfy the amount of child support set forth in a
6 court order shall apply to payment of any amount of child
7 support arrearages set forth in that order as well as to
8 amounts of child support that currently become due.”.

9 (4) PAYROLL DEDUCTIONS.—The Secretary of
10 Defense shall begin payroll deductions within 30
11 days after receiving notice of withholding, or for the
12 1st pay period that begins after such 30-day period.

13 **SEC. 964. VOIDING OF FRAUDULENT TRANSFERS.**

14 Section 466 (42 U.S.C. 666), as amended by section
15 921, is amended by adding at the end the following new
16 subsection:

17 “(g) In order to satisfy section 454(20)(A), each
18 State must have in effect—

19 “(1)(A) the Uniform Fraudulent Conveyance
20 Act of 1981;

21 “(B) the Uniform Fraudulent Transfer Act of
22 1984; or

23 “(C) another law, specifying indicia of fraud
24 which create a prima facie case that a debtor trans-
25 ferred income or property to avoid payment to a

1 child support creditor, which the Secretary finds af-
2 fords comparable rights to child support creditors;
3 and

4 “(2) procedures under which, in any case in
5 which the State knows of a transfer by a child sup-
6 port debtor with respect to which such a prima facie
7 case is established, the State must—

8 “(A) seek to void such transfer; or

9 “(B) obtain a settlement in the best inter-
10 ests of the child support creditor.”.

11 **SEC. 965. WORK REQUIREMENT FOR PERSONS OWING**
12 **CHILD SUPPORT.**

13 Section 466(a) (42 U.S.C. 666(a)), as amended by
14 sections 901(a), 915, 917(a), and 923, is amended by add-
15 ing at the end the following new paragraph:

16 “(15) Procedures requiring the State, in any
17 case in which an individual owes support with re-
18 spect to a child receiving services under this part, to
19 seek a court order or administrative order that re-
20 quires the individual to—

21 “(A) pay such support in accordance with
22 a plan approved by the court; or

23 “(B) if the individual is not working and
24 is not incapacitated, participate in work activi-
25 ties (including, at State option, work activities

1 as defined in section 482) as the court deems
2 appropriate.”.

3 **SEC. 966. DEFINITION OF SUPPORT ORDER.**

4 Section 453 (42 U.S.C. 653) as amended by sections
5 916 and 945(b), is amended by adding at the end the fol-
6 lowing new subsection:

7 “(o) As used in this part, the term ‘support order’
8 means a judgment, decree, or order, whether temporary,
9 final, or subject to modification, issued by a court or an
10 administrative agency of competent jurisdiction, for the
11 support and maintenance of a child, including a child who
12 has attained the age of majority under the law of the issu-
13 ing State, or a child and the parent with whom the child
14 is living, which provides for monetary support, health care,
15 arrearages, or reimbursement, and which may include re-
16 lated costs and fees, interest and penalties, income with-
17 holding, attorneys’ fees, and other relief.”.

18 **SEC. 967. REPORTING ARREARAGES TO CREDIT BUREAUS.**

19 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
20 to read as follows:

21 “(7)(A) Procedures (subject to safeguards pur-
22 suant to subparagraph (B)) requiring the State to
23 report periodically to consumer reporting agencies
24 (as defined in section 603(f) of the Fair Credit Re-
25 porting Act (15 U.S.C. 1681a(f)) the name of any

1 absent parent who is delinquent in the payment of
2 support, and the amount of overdue support owed by
3 such parent.

4 “(B) Procedures ensuring that, in carrying out
5 subparagraph (A), information with respect to an
6 absent parent is reported—

7 “(i) only after such parent has been af-
8 farded all due process required under State law,
9 including notice and a reasonable opportunity
10 to contest the accuracy of such information;
11 and

12 “(ii) only to an entity that has furnished
13 evidence satisfactory to the State that the en-
14 tity is a consumer reporting agency.”.

15 **SEC. 968. LIENS.**

16 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
17 to read as follows:

18 “(4) Procedures under which—

19 “(A) liens arise by operation of law against
20 real and personal property for amounts of over-
21 due support owed by an absent parent who re-
22 sides or owns property in the State; and

23 “(B) the State accords full faith and credit
24 to liens described in subparagraph (A) arising

1 in another State, without registration of the un-
2 derlying order.”.

3 **SEC. 969. STATE LAW AUTHORIZING SUSPENSION OF LI-**
4 **CENSES.**

5 Section 466(a) (42 U.S.C. 666(a)), as amended by
6 sections 915, 917(a), 923, and 965, is amended by adding
7 at the end the following new paragraph:

8 “(16) Procedures under which the State has
9 (and uses in appropriate cases) authority to withhold
10 or suspend, or to restrict the use of, driver’s li-
11 censes, professional and occupational licenses, and
12 recreational licenses of individuals owing overdue
13 support or failing, after receiving appropriate notice,
14 to comply with subpoenas or warrants relating to
15 paternity or child support proceedings.”.

16 **SEC. 970. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
17 **CHILD SUPPORT.**

18 (a) HHS CERTIFICATION PROCEDURE.—

19 (1) SECRETARIAL RESPONSIBILITY.—Section
20 452 (42 U.S.C. 652), as amended by section 945, is
21 amended by adding at the end the following new
22 subsection:

23 “(k)(1) If the Secretary receives a certification by a
24 State agency in accordance with the requirements of sec-
25 tion 454(31) that an individual owes arrearages of child

1 support in an amount exceeding \$5,000, the Secretary
2 shall transmit such certification to the Secretary of State
3 for action (with respect to denial, revocation, or limitation
4 of passports) pursuant to section 470(b) of the Work Op-
5 portunity Act of 1995.

6 “(2) The Secretary shall not be liable to an individual
7 for any action with respect to a certification by a State
8 agency under this section.”.

9 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
10 tion 454 (42 U.S.C. 654), as amended by sections
11 901(b), 904(a), 912(b), 913(a), 933, and 943(a), is
12 amended—

13 (A) by striking “and” at the end of para-
14 graph (29);

15 (B) by striking the period at the end of
16 paragraph (30) and inserting “; and”; and

17 (C) by adding after paragraph (30) the fol-
18 lowing new paragraph:

19 “(31) provide that the State agency will have in
20 effect a procedure (which may be combined with the
21 procedure for tax refund offset under section 464)
22 for certifying to the Secretary, for purposes of the
23 procedure under section 452(k) (concerning denial of
24 passports), determinations that individuals owe ar-

1 rearages of child support in an amount exceeding
2 \$5,000, under which procedure—

3 “(A) each individual concerned is afforded
4 notice of such determination and the con-
5 sequences thereof, and an opportunity to con-
6 test the determination; and

7 “(B) the certification by the State agency
8 is furnished to the Secretary in such format,
9 and accompanied by such supporting docu-
10 mentation, as the Secretary may require.”.

11 (b) STATE DEPARTMENT PROCEDURE FOR DENIAL
12 OF PASSPORTS.—

13 (1) IN GENERAL.—The Secretary of State shall,
14 upon certification by the Secretary of Health and
15 Human Services transmitted under section 452(k) of
16 the Social Security Act, refuse to issue a passport to
17 such individual, and may revoke, restrict, or limit a
18 passport issued previously to such individual.

19 (2) LIMIT ON LIABILITY.—The Secretary of
20 State shall not be liable to an individual for any ac-
21 tion with respect to a certification by a State agency
22 under this section.

23 (c) EFFECTIVE DATE.—This section and the amend-
24 ments made by this section shall become effective October
25 1, 1996.

1 **SEC. 971. INTERNATIONAL CHILD SUPPORT ENFORCE-**
2 **MENT.**

3 The Secretary of State is authorized to negotiate re-
4 ciprocal agreements with foreign nations on behalf of the
5 States, territories, and possessions of the United States
6 regarding the international enforcement of child support
7 obligations and designating the Department of Health and
8 Human Services as the central authority for such enforce-
9 ment.

10 **SEC. 972. DENIAL OF MEANS-TESTED FEDERAL BENEFITS**
11 **TO NONCUSTODIAL PARENTS WHO ARE DE-**
12 **LINQUENT IN PAYING CHILD SUPPORT.**

13 (a) IN GENERAL.—Notwithstanding any other provi-
14 sion of law, a non-custodial parent who is more than 2
15 months delinquent in paying child support shall not be eli-
16 gible to receive any means-tested Federal benefits.

17 (b) EXCEPTION.—

18 (1) IN GENERAL.—Subsection (a) shall not
19 apply to an unemployed non-custodial parent who is
20 more than 2 months delinquent in paying child sup-
21 port if such parent—

22 (A) enters into a schedule of repayment for
23 past due child support with the entity that is-
24 sued the underlying child support order; and

1 (B) meets all of the terms of repayment
2 specified in the schedule of repayment as en-
3 forced by the appropriate disbursing entity.

4 (2) 2-YEAR EXCLUSION.—(A) A non-custodial
5 parent who becomes delinquent in child support a
6 second time or any subsequent time shall not be eli-
7 gible to receive any means-tested Federal benefits
8 for a 2-year period beginning on the date that such
9 parent failed to meet such terms.

10 (B) At the end of that two-year period, para-
11 graph (A) shall once again apply to that individual.

12 (c) MEANS-TESTED FEDERAL BENEFITS.— For pur-
13 poses of this section, the term “means-tested Federal ben-
14 efits” means benefits under any program of assistance,
15 funded in whole or in part, by the Federal Government,
16 for which eligibility for benefits is based on need.

17 **SEC. 973. CHILD SUPPORT ENFORCEMENT FOR INDIAN**
18 **TRIBES.**

19 (a) CHILD SUPPORT ENFORCEMENT AGREE-
20 MENTS.—Section 454 (42 U.S.C. 654), as amended by
21 sections 901(b), 904(a), 912(b), 913(a), 933, 943(a), and
22 970(a)(2) is amended—

23 (1) by striking “and” at the end of paragraph
24 (30);

1 (2) by striking the period at the end of para-
2 graph (31) and inserting “; and”; and

3 (3) by adding after paragraph (31) the follow-
4 ing new paragraph:

5 “(32) provide that a State that receives funding
6 pursuant to section 429 and that has within its bor-
7 ders Indian country (as defined in section 1151 of
8 title 18, United States Code) shall, through the
9 State administering agency, make reasonable efforts
10 to enter into cooperative agreements with an Indian
11 tribe or tribal organization (as defined in paragraphs
12 (1) and (2) of section 428(c)), if the Indian tribe or
13 tribal organization demonstrates that such tribe or
14 organization has an established tribal court system
15 or a Court of Indian Offenses with the authority to
16 establish paternity, establish and enforce support or-
17 ders, and to enter support orders in accordance with
18 child support guidelines established by such tribe or
19 organization, under which the State and tribe or or-
20 ganization shall provide for the cooperative delivery
21 of child support enforcement services in Indian coun-
22 try and for the forwarding of all funding collected
23 pursuant to the functions performed by the tribe or
24 organization to the State agency, or conversely, by
25 the State agency to the tribe or organization, which

1 shall distribute such funding in accordance with
2 such agreement.”.

3 (b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES
4 AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C.
5 655) is amended by adding at the end the following new
6 subsection:

7 “(b) The Secretary may, in appropriate cases, make
8 direct payments under this part to an Indian tribe or trib-
9 al organization which has an approved child support en-
10 forcement plan under this title. In determining whether
11 such payments are appropriate, the Secretary shall, at a
12 minimum, consider whether services are being provided to
13 eligible Indian recipients by the State agency through an
14 agreement entered into pursuant to section 454(32). The
15 Secretary shall provide for an appropriate adjustment to
16 the State allotment under this section to take into account
17 any payments made under this subsection to Indian tribes
18 or tribal organizations located within such State.

19 (c) COOPERATIVE ENFORCEMENT AGREEMENTS.—
20 Paragraph (7) of section 454 (42 U.S.C. 654) is amended
21 by inserting “and Indian tribes or tribal organizations (as
22 defined in section 450(b) of title 25, United States Code)”
23 after “law enforcement officials”.

1 **SEC. 974. FINANCIAL INSTITUTION DATA MATCHES.**

2 Section 466(a) (42 U.S.C. 666(a)), as amended by
3 sections 915, 917(a), 923, 965, 969, and 976 is amended
4 by adding at the end the following new paragraph:

5 “(18) Procedures under which the State agency
6 shall enter into agreements with financial institu-
7 tions doing business within the State to develop and
8 operate a data match system, using automated data
9 exchanges to the maximum extent feasible, in which
10 such financial institutions are required to provide for
11 each calendar quarter the name, record address, so-
12 cial security number, and other identifying informa-
13 tion for each absent parent identified by the State
14 who maintains an account at such institution and, in
15 response to a notice of lien or levy, to encumber or
16 surrender, as the case may be, assets held by such
17 institution on behalf of any absent parent who is
18 subject to a child support lien pursuant to para-
19 graph (4). For purposes of this paragraph, the term
20 ‘financial institution’ means Federal and State com-
21 mercial savings banks, including savings and loan
22 associations and cooperative banks, Federal and
23 State chartered credit unions, benefit associations,
24 insurance companies, safe deposit companies,
25 money-market mutual funds, and any similar entity
26 authorized to do business in the State, and the term

1 ‘account’ means a demand deposit account, checking
2 or negotiable withdrawal order account, savings ac-
3 count, time deposit account, or money-market mu-
4 tual fund account.

5 **Subtitle H—Medical Support**

6 **SEC. 975. TECHNICAL CORRECTION TO ERISA DEFINITION** 7 **OF MEDICAL CHILD SUPPORT ORDER.**

8 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
9 ployee Retirement Income Security Act of 1974 (29
10 U.S.C. 1169(a)(2)(B)) is amended—

11 (1) by striking “issued by a court of competent
12 jurisdiction”;

13 (2) by striking the period at the end of clause
14 (ii) and inserting a comma; and

15 (3) by adding, after and below clause (ii), the
16 following:

17 “if such judgment, decree, or order (I) is issued
18 by a court of competent jurisdiction or (II) is
19 issued through an administrative process estab-
20 lished under State law and has the force and ef-
21 fect of law under applicable State law.”.

22 (b) EFFECTIVE DATE.—

23 (1) IN GENERAL.—The amendments made by
24 this section shall take effect on the date of the en-
25 actment of this Act.

1 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
2 JANUARY 1, 1996.—Any amendment to a plan re-
3 quired to be made by an amendment made by this
4 section shall not be required to be made before the
5 1st plan year beginning on or after January 1,
6 1996, if—

7 (A) during the period after the date before
8 the date of the enactment of this Act and be-
9 fore such 1st plan year, the plan is operated in
10 accordance with the requirements of the amend-
11 ments made by this section; and

12 (B) such plan amendment applies retro-
13 actively to the period after the date before the
14 date of the enactment of this Act and before
15 such 1st plan year.

16 A plan shall not be treated as failing to be operated
17 in accordance with the provisions of the plan merely
18 because it operates in accordance with this para-
19 graph.

20 **SEC. 976. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
21 **COVERAGE.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by
23 sections 915, 917(a), 923, 965, and 969, is amended by
24 adding at the end the following new paragraph:

1 “(17) Procedures under which all child support
2 orders enforced under this part shall include a provi-
3 sion for the health care coverage of the child, and
4 in the case in which an absent parent provides such
5 coverage and changes employment, and the new em-
6 ployer provides health care coverage, the State agen-
7 cy shall transfer notice of the provision to the em-
8 ployer, which notice shall operate to enroll the child
9 in the absent parent’s health plan, unless the absent
10 parent contests the notice.”.

11 **SEC. 977. ENFORCEMENT OF ORDERS AGAINST PATERNAL**
12 **GRANDPARENTS IN CASES OF MINOR PAR-**
13 **ENTS.**

14 Section 466(a) (42 U.S.C. 666(a)), as amended by
15 sections 915, 917(a), 923, 965, 969, and 976, is amended
16 by adding at the end the following new paragraph:

17 “(17) Procedures under which any child sup-
18 port order enforced under this part with respect to
19 a child of minor parents, if the mother of such child
20 is receiving assistance under the State grant under
21 part A, shall be enforceable, jointly and severally,
22 against the paternal grandparents of such child.”.

1 **Subtitle I—Enhancing Responsibility and Opportunity for**
2 **Nonresidential Parents**

4 **SEC. 981. GRANTS TO STATES FOR ACCESS AND VISITATION**
5 **PROGRAMS.**

6 Part D of title IV (42 U.S.C. 651–669) is amended
7 by adding at the end the following new section:

8 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
9 **TION PROGRAMS.**

10 “(a) **IN GENERAL.**—The Administration for Children
11 and Families shall make grants under this section to en-
12 able States to establish and administer programs to sup-
13 port and facilitate absent parents’ access to and visitation
14 of their children, by means of activities including medi-
15 ation (both voluntary and mandatory), counseling, edu-
16 cation, development of parenting plans, visitation enforce-
17 ment (including monitoring, supervision and neutral drop-
18 off and pickup), and development of guidelines for visita-
19 tion and alternative custody arrangements.

20 “(b) **AMOUNT OF GRANT.**—The amount of the grant
21 to be made to a State under this section for a fiscal year
22 shall be an amount equal to the lesser of—

23 “(1) 90 percent of State expenditures during
24 the fiscal year for activities described in subsection
25 (a); or

1 “(2) the allotment of the State under sub-
2 section (c) for the fiscal year.

3 “(c) ALLOTMENTS TO STATES.—

4 “(1) IN GENERAL.—The allotment of a State
5 for a fiscal year is the amount that bears the same
6 ratio to the amount appropriated for grants under
7 this section for the fiscal year as the number of chil-
8 dren in the State living with only 1 biological parent
9 bears to the total number of such children in all
10 States.

11 “(2) MINIMUM ALLOTMENT.—The Administra-
12 tion for Children and Families shall adjust allot-
13 ments to States under paragraph (1) as necessary to
14 ensure that no State is allotted less than—

15 “(A) \$50,000 for fiscal year 1996 or 1997;

16 or

17 “(B) \$100,000 for any succeeding fiscal
18 year.

19 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
20 FOR SIMILAR ACTIVITIES.—A State to which a grant is
21 made under this section may not use the grant to supplant
22 expenditures by the State for activities specified in sub-
23 section (a), but shall use the grant to supplement such
24 expenditures at a level at least equal to the level of such
25 expenditures for fiscal year 1995.

1 “(e) STATE ADMINISTRATION.—Each State to which
2 a grant is made under this section—

3 “(1) may administer State programs funded
4 with the grant, directly or through grants to or con-
5 tracts with courts, local public agencies, or nonprofit
6 private entities;

7 “(2) shall not be required to operate such pro-
8 grams on a statewide basis; and

9 “(3) shall monitor, evaluate, and report on such
10 programs in accordance with regulations prescribed
11 by the Secretary.”.

12 **Subtitle J—Effect of Enactment**

13 **SEC. 991. EFFECTIVE DATES.**

14 (a) IN GENERAL.—Except as otherwise specifically
15 provided (but subject to subsections (b) and (c))—

16 (1) the provisions of this title requiring the en-
17 actment or amendment of State laws under section
18 466 of the Social Security Act, or revision of State
19 plans under section 454 of such Act, shall be effec-
20 tive with respect to periods beginning on and after
21 October 1, 1996; and

22 (2) all other provisions of this title shall become
23 effective upon the date of the enactment of this Act.

1 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
2 provisions of this title shall become effective with respect
3 to a State on the later of—

4 (1) the date specified in this title, or

5 (2) the effective date of laws enacted by the leg-
6 islature of such State implementing such provisions,
7 but in no event later than the 1st day of the 1st calendar
8 quarter beginning after the close of the 1st regular session
9 of the State legislature that begins after the date of the
10 enactment of this Act. For purposes of the previous sen-
11 tence, in the case of a State that has a 2-year legislative
12 session, each year of such session shall be deemed to be
13 a separate regular session of the State legislature.

14 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
15 AMENDMENT.—A State shall not be found out of compli-
16 ance with any requirement enacted by this title if the State
17 is unable to so comply without amending the State con-
18 stitution until the earlier of—

19 (1) 1 year after the effective date of the nec-
20 essary State constitutional amendment; or

21 (2) 5 years after the date of the enactment of
22 this title.

1 **TITLE X—REFORM OF PUBLIC**
2 **HOUSING**

3 **SEC. 1001. CEILING RENTS.**

4 Section 3(a)(2) of the United States Housing Act of
5 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as fol-
6 lows:

7 “(2) ESTABLISHMENT OF CEILING RENTS.—

8 “(A) IN GENERAL.—A public housing agency
9 may provide that each family residing in a public
10 housing project shall pay monthly rent in an amount
11 established by such agency in accordance with this
12 paragraph.

13 “(B) LIMITATIONS ON AMOUNT.—The rental
14 amount established under subparagraph (A)—

15 “(i) shall reflect the reasonable rental
16 value of the dwelling unit in which the family
17 resides, as compared with similar types and
18 sizes of dwelling units in the market area in
19 which the public housing project is located;

20 “(ii) shall be greater than or equal to the
21 monthly cost to operate the housing (including
22 any replacement reserves at the discretion of
23 the public housing agency); and

24 “(iii) shall not exceed the amount payable
25 as rent by such family under paragraph (1).”.

1 **SEC. 1002. DEFINITION OF ADJUSTED INCOME FOR PUBLIC**
2 **HOUSING.**

3 (a) DEFINITION OF ADJUSTED INCOME.—Section
4 3(b)(5) of the United States Housing Act of 1937 (42
5 U.S.C. 1437a(b)(5)) is amended to read as follows:

6 “(5) The term ‘adjusted income’ means the in-
7 come that remains after excluding—

8 “(A) \$480 for each member of the family
9 residing in the household (other than the head
10 of the household or spouse)—

11 “(i) who is under 18 years of age; or

12 “(ii) who is—

13 “(I) 18 years of age or older; and

14 “(II) a person with disabilities or
15 a full-time student;

16 “(B) \$400 for an elderly or disabled fam-
17 ily;

18 “(C) the amount by which the aggregate
19 of—

20 “(i) medical expenses for an elderly or
21 disabled family; and

22 “(ii) reasonable attendant care and
23 auxiliary apparatus expenses for each fam-
24 ily member who is a person with disabil-
25 ities, to the extent necessary to enable any
26 member of the family (including a member

1 who is a person with disabilities) to be em-
2 ployed;

3 exceeds 3 percent of the annual income of the
4 family;

5 “(D) child care expenses, to the extent
6 necessary to enable another member of the fam-
7 ily to be employed or to further his or her edu-
8 cation;

9 “(E) excessive travel expenses, not to ex-
10 ceed \$25 per family per week, for employment-
11 or education-related travel, except that this sub-
12 paragraph shall apply only to a family assisted
13 by an Indian housing authority; and

14 “(F) subject to the requirements of sub-
15 section (e), for public housing, adjustments to
16 earned income established by the public housing
17 agency, not to exceed 20 percent of the earned
18 income of the family.”.

19 (b) ADJUSTMENTS TO DEFINITION OF EARNED IN-
20 COME.—Section 3 of the United States Housing Act of
21 1937 (42 U.S.C. 1437a) is amended—

22 (1) in the first undesignated paragraph imme-
23 diately following subsection (c)(3) (as added by sec-
24 tion 515(b) of the Cranston-Gonzalez National Af-

1 fordable Housing Act), by striking “The earnings
2 of” and inserting the following:

3 “(d) EXCLUSION OF CERTAIN EARNINGS.—The
4 earnings of”; and

5 (2) by adding at the end the following new sub-
6 section:

7 “(e) ADJUSTMENTS TO EARNED INCOME.—If a pub-
8 lic housing agency establishes any adjustment to income
9 pursuant to subsection (b)(5)(F), the Secretary—

10 “(1) shall not take into account any reduction
11 of the per dwelling unit rental income of the public
12 housing agency resulting from that adjustment in
13 calculating the contributions under section 9 for the
14 public housing agency for the operation of the public
15 housing; and

16 “(2) shall not reduce the level of operating sub-
17 sidies payable to the public housing agency due to
18 an increase in per dwelling unit rental income that
19 results from a higher level of income earned by any
20 residents whose adjusted incomes are calculated tak-
21 ing into account that adjustment to income, until
22 the public housing agency has recovered a sum equal
23 to the cumulative difference between—

24 “(A) the operating subsidies actually re-
25 ceived by the agency; and

1 “(B) the operating subsidies that the pub-
2 lic housing agency would have received if para-
3 graph (1) was not applied.”.

4 (c) REPORT.—Not later than 3 years after the date
5 of enactment of this Act, the Comptroller General of the
6 United States shall submit a report to the Congress de-
7 scribing the fiscal and societal impact of the amendment
8 made by subsection (b)(2).

9 (d) REPEAL OF CERTAIN PROVISIONS.—

10 (1) MAXIMUM ANNUAL LIMITATION ON RENT
11 INCREASES RESULTING FROM EMPLOYMENT.—Sec-
12 tion 957 of the Cranston-Gonzalez National Afford-
13 able Housing Act (42 U.S.C. 12714) is repealed ef-
14 fective November 28, 1990.

15 (2) ECONOMIC INDEPENDENCE.—Section 923
16 of the Housing and Community Development Act of
17 1992 (42 U.S.C. 12714 note) is repealed effective
18 October 28, 1992.

19 **SEC. 1003. FAILURE TO COMPLY WITH OTHER WELFARE**
20 **AND PUBLIC ASSISTANCE PROGRAMS.**

21 Title I of the United States Housing Act of 1937 (42
22 U.S.C. 1437 et seq.) is amended by adding at the end
23 the following new section:

1 **“SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND**
2 **PUBLIC ASSISTANCE PROGRAMS.**

3 “(a) IN GENERAL.—If the benefits of a family are
4 reduced under a Federal, State, or local law relating to
5 welfare or a public assistance program for the failure of
6 any member of the family to perform an action required
7 under the law or program, the family may not, for the
8 duration of the reduction, receive any increased assistance
9 under this Act as the result of a decrease in the income
10 of the family to the extent that the decrease in income
11 is the result of the benefits reduction.

12 “(b) EXCEPTION.—Subsection (a) shall not apply in
13 any case in which the benefits of a family are reduced be-
14 cause the welfare or public assistance program to which
15 the Federal, State, or local law relates limits the period
16 during which benefits may be provided under the pro-
17 gram.”.

18 **SEC. 1004. APPLICABILITY TO INDIAN HOUSING.**

19 (a) IN GENERAL.—In accordance with section
20 201(b)(2) of the United States Housing Act of 1937, the
21 amendments made by this title shall apply to public hous-
22 ing developed or operated pursuant to a contract between
23 the Secretary and an Indian housing authority.

24 (b) DEFINITIONS.—For purposes of this section—

1 **SEC. 1007. FRAUD UNDER MEANS-TESTED WELFARE AND**
2 **PUBLIC ASSISTANCE PROGRAMS.**

3 (a) IN GENERAL.—If an individual’s benefits under
4 a Federal, State, or local law relating to a means-tested
5 welfare or a public assistance program are reduced be-
6 cause of an act of fraud by the individual under the law
7 or program, the individual may not, for the duration of
8 the reduction, receive an increased benefit under any other
9 means-tested welfare or public assistance program for
10 which Federal funds are appropriated as a result of a de-
11 crease in the income of the individual (determined under
12 the applicable program) attributable to such reduction.

13 (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS
14 FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For
15 purposes of subsection (a), the term “means-tested welfare
16 or public assistance program for which Federal funds are
17 appropriated” shall include the food stamp program under
18 the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any
19 program of public or assisted housing under title I of the
20 United States Housing Act of 1937 (42 U.S.C. 1437 et
21 seq.), and State programs funded under part A of title
22 IV of the Social Security Act (42 U.S.C. 601 et seq.).

23 **SEC. 1008. EFFECTIVE DATE.**

24 This title and the amendments made by this title
25 shall take effect on the date of enactment of this Act.

1 **TITLE XI—CHILD ABUSE**
2 **PREVENTION AND TREATMENT**

3 **SEC. 1101. SHORT TITLE.**

4 This title may be cited as the “Child Abuse Preven-
5 tion and Treatment Act Amendments of 1995”.

6 **Subtitle A—General Program**

7 **SEC. 1111. REFERENCE.**

8 Except as otherwise expressly provided, whenever in
9 this subtitle an amendment or repeal is expressed in terms
10 of an amendment to, or repeal of, a section or other provi-
11 sion, the reference shall be considered to be made to a
12 section or other provision of the Child Abuse Prevention
13 and Treatment Act (42 U.S.C. 5101 et seq.).

14 **SEC. 1112. FINDINGS.**

15 Section 2 (42 U.S.C. 5101 note) is amended—

16 (1) in paragraph (1), the read as follows:

17 “(1) each year, close to 1,000,000 American
18 children are victims of abuse and neglect;”;

19 (2) in paragraph (3)(C), by inserting “assess-
20 ment,” after “prevention,”;

21 (3) in paragraph (4)—

22 (A) by striking “tens of”; and

23 (B) by striking “direct” and all that fol-
24 lows through the semicolon and inserting “tan-

1 gible expenditures, as well as significant intan-
2 gible costs;”;

3 (4) in paragraph (7), by striking “remedy the
4 causes of” and inserting “prevent”;

5 (5) in paragraph (8), by inserting “safety,”
6 after “fosters the health,”;

7 (6) in paragraph (10)—

8 (A) by striking “ensure that every commu-
9 nity in the United States has” and inserting
10 “assist States and communities with”; and

11 (B) by inserting “and family” after “com-
12 prehensive child”; and

13 (7) in paragraph (11)—

14 (A) by striking “child protection” each
15 place that such appears and inserting “child
16 and family protection”; and

17 (B) in subparagraph (D), by striking “suf-
18 ficient”.

19 **SEC. 1113. OFFICE OF CHILD ABUSE AND NEGLECT.**

20 Section 101 (42 U.S.C.5101) is amended to read as
21 follows:

22 **“SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.**

23 “(a) ESTABLISHMENT.—The Secretary of Health
24 and Human Services may establish an office to be known
25 as the Office of Child Abuse and Neglect.

1 “(b) PURPOSE.—The purpose of the Office estab-
2 lished under subsection (a) shall be to execute and coordi-
3 nate the functions and activities of this Act. In the event
4 that such functions and activities are performed by an-
5 other entity or entities within the Department of Health
6 and Human Services, the Secretary shall ensure that such
7 functions and activities are executed with the necessary
8 expertise and in a fully coordinated manner involving reg-
9 ular intradepartmental and interdepartmental consulta-
10 tion with all agencies involved in child abuse and neglect
11 activities.”.

12 **SEC. 1114. ADVISORY BOARD ON CHILD ABUSE AND NE-**
13 **GLECT.**

14 Section 102 (42 U.S.C.5102) is amended to read as
15 follows:

16 **“SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NE-**
17 **GLECT.**

18 “(a) APPOINTMENT.—The Secretary may appoint an
19 advisory board to make recommendations to the Secretary
20 and to the appropriate committees of Congress concerning
21 specific issues relating to child abuse and neglect.

22 “(b) SOLICITATION OF NOMINATIONS.—The Sec-
23 retary shall publish a notice in the Federal Register solie-
24 iting nominations for the appointment of members of the
25 advisory board under subsection (a).

1 “(c) COMPOSITION.—In establishing the board under
2 subsection (a), the Secretary shall appoint members from
3 the general public who are individuals knowledgeable in
4 child abuse and neglect prevention, intervention, treat-
5 ment, or research, and with due consideration to represen-
6 tation of ethnic or racial minorities and diverse geographic
7 areas, and who represent—

8 “(1) law (including the judiciary);

9 “(2) psychology (including child development);

10 “(3) social services (including child protective
11 services);

12 “(4) medicine (including pediatrics);

13 “(5) State and local government;

14 “(6) organizations providing services to disabled
15 persons;

16 “(7) organizations providing services to adoles-
17 cents;

18 “(8) teachers;

19 “(9) parent self-help organizations;

20 “(10) parents’ groups;

21 “(11) voluntary groups;

22 “(12) family rights groups; and

23 “(13) children’s rights advocates.

1 “(d) VACANCIES.—Any vacancy in the membership of
2 the board shall be filled in the same manner in which the
3 original appointment was made.

4 “(e) ELECTION OF OFFICERS.—The board shall elect
5 a chairperson and vice-chairperson at its first meeting
6 from among the members of the board.

7 “(f) DUTIES.—Not later than 1 year after the estab-
8 lishment of the board under subsection (a), the board shall
9 submit to the Secretary and the appropriate committees
10 of Congress a report, or interim report, containing—

11 “(1) recommendations on coordinating Federal,
12 State, and local child abuse and neglect activities
13 with similar activities at the Federal, State, and
14 local level pertaining to family violence prevention;

15 “(2) specific modifications needed in Federal
16 and State laws and programs to reduce the number
17 of unfounded or unsubstantiated reports of child
18 abuse or neglect while enhancing the ability to iden-
19 tify and substantiate legitimate cases of abuse or ne-
20 glect which place a child in danger; and

21 “(3) recommendations for modifications needed
22 to facilitate coordinated national data collection with
23 respect to child protection and child welfare.”.

24 **SEC. 1115. REPEAL OF INTERAGENCY TASK FORCE.**

25 Section 103 (42 U.S.C.5103) is repealed.

1 **SEC. 1116. NATIONAL CLEARINGHOUSE FOR INFORMATION**
2 **RELATING TO CHILD ABUSE.**

3 Section 104 (42 U.S.C.5104) is amended—

4 (1) in subsection (a), to read as follows:

5 “(a) ESTABLISHMENT.—The Secretary shall through
6 the Department, or by one or more contracts of not less
7 than 3 years duration let through a competition, establish
8 a national clearinghouse for information relating to child
9 abuse.”;

10 (2) in subsection (b)—

11 (A) in the matter preceding paragraph (1),
12 by striking “Director” and inserting “Sec-
13 retary”;

14 (B) in paragraph (1)—

15 (i) by inserting “assessment,” after
16 “prevention,”; and

17 (ii) by striking “, including” and all
18 that follows through “105(b)” and insert-
19 ing “and”;

20 (C) in paragraph (2)—

21 (i) in subparagraph (A), by striking
22 “general population” and inserting “Unit-
23 ed States”;

24 (ii) in subparagraph (B), by adding
25 “and” at the end thereof;

1 (iii) in subparagraph (C), by striking
2 “; and” at the end thereof and inserting a
3 period; and

4 (iv) by striking subparagraph (D);
5 and

6 (D) by striking paragraph (3); and

7 (3) in subsection (c)—

8 (A) in the matter preceding paragraph (1),
9 by striking “Director” and inserting “Sec-
10 retary”;

11 (B) in paragraph (2), by striking “that is
12 represented on the task force” and inserting
13 “involved with child abuse and neglect and
14 mechanisms for the sharing of such information
15 among other Federal agencies and clearing-
16 houses”;

17 (C) in paragraph (3), by striking “State,
18 regional” and all that follows and inserting the
19 following: “Federal, State, regional, and local
20 child welfare data systems which shall include:

21 “(A) standardized data on false, un-
22 founded, unsubstantiated, and substantiated re-
23 ports; and

24 “(B) information on the number of deaths
25 due to child abuse and neglect;”;

1 (D) by redesignating paragraph (4) as
2 paragraph (6); and

3 (E) by inserting after paragraph (3), the
4 following new paragraphs:

5 “(4) through a national data collection and
6 analysis program and in consultation with appro-
7 priate State and local agencies and experts in the
8 field, collect, compile, and make available State child
9 abuse and neglect reporting information which, to
10 the extent practical, shall be universal and case spe-
11 cific, and integrated with other case-based foster
12 care and adoption data collected by the Secretary;

13 “(5) compile, analyze, and publish a summary
14 of the research conducted under section 105(a);
15 and”.

16 **SEC. 1117. RESEARCH, EVALUATION AND ASSISTANCE AC-**
17 **TIVITIES.**

18 (a) RESEARCH.—Section 105(a) (42 U.S.C.
19 5105(a)) is amended—

20 (1) in the section heading, by striking “OF
21 THE NATIONAL CENTER ON CHILD ABUSE
22 AND NEGLECT”;

23 (2) in paragraph (1)—

24 (A) in the matter preceding subparagraph

25 (A), by striking “, through the Center, conduct

1 research on” and inserting “, in consultation
2 with other Federal agencies and recognized ex-
3 perts in the field, carry out a continuing inter-
4 disciplinary program of research that is de-
5 signed to provide information needed to better
6 protect children from abuse or neglect and to
7 improve the well-being of abused or neglected
8 children, with at least a portion of such re-
9 search being field initiated. Such research pro-
10 gram may focus on”;

11 (B) by redesignating subparagraphs (A)
12 through (C) as subparagraph (B) through (D),
13 respectively;

14 (C) by inserting before subparagraph (B)
15 (as so redesignated) the following new subpara-
16 graph:

17 “(A) the nature and scope of child abuse
18 and neglect;”;

19 (D) in subparagraph (B) (as so redesign-
20 ated), to read as follows:

21 “(B) causes, prevention, assessment, iden-
22 tification, treatment, cultural and socio-econo-
23 mic distinctions, and the consequences of
24 child abuse and neglect;”;

1 (E) in subparagraph (D) (as so redesignated)—
2

3 (i) by striking clause (ii); and

4 (ii) in clause (iii), to read as follows:

5 “(ii) the incidence of substantiated
6 and unsubstantiated reported child abuse
7 cases;

8 “(iii) the number of substantiated
9 cases that result in a judicial finding of
10 child abuse or neglect or related criminal
11 court convictions;

12 “(iv) the extent to which the number
13 of unsubstantiated, unfounded and false
14 reported cases of child abuse or neglect
15 have contributed to the inability of a State
16 to respond effectively to serious cases of
17 child abuse or neglect;

18 “(v) the extent to which the lack of
19 adequate resources and the lack of adequate
20 training of reporters have contributed
21 to the inability of a State to respond
22 effectively to serious cases of child abuse
23 and neglect;

24 “(vi) the number of unsubstantiated,
25 false, or unfounded reports that have re-

1 sulted in a child being placed in substitute
2 care, and the duration of such placement;

3 “(vii) the extent to which unsubstan-
4 tiated reports return as more serious cases
5 of child abuse or neglect;

6 “(viii) the incidence and prevalence of
7 physical, sexual, and emotional abuse and
8 physical and emotional neglect in sub-
9 stitute care; and

10 “(ix) the incidence and outcomes of
11 abuse allegations reported within the con-
12 text of divorce, custody, or other family
13 court proceedings, and the interaction be-
14 tween this venue and the child protective
15 services system.”; and

16 (3) in paragraph (2)—

17 (A) in subparagraph (A)—

18 (i) by striking “and demonstrations”;

19 and

20 (ii) by striking “paragraph (1)(A) and
21 activities under section 106” and inserting
22 “paragraph (1)”; and

23 (B) in subparagraph (B), by striking “and
24 demonstration”.

1 (b) REPEAL.—Subsection (b) of section 105 (42
2 U.S.C. 5105(b)) is repealed.

3 (c) TECHNICAL ASSISTANCE.—Section 105(c) (42
4 U.S.C. 5105(c)) is amended—

5 (1) by striking “The Secretary” and inserting:

6 “(1) IN GENERAL.—The Secretary”;

7 (2) by striking “, through the Center,”;

8 (3) by inserting “State and local” before “pub-
9 lic and nonprofit”;

10 (4) by inserting “assessment,” before “identi-
11 fication”; and

12 (5) by adding at the end thereof the following
13 new paragraphs:

14 “(2) EVALUATION.—Such technical assistance
15 may include an evaluation or identification of—

16 “(A) various methods and procedures for
17 the investigation, assessment, and prosecution
18 of child physical and sexual abuse cases;

19 “(B) ways to mitigate psychological trau-
20 ma to the child victim; and

21 “(C) effective programs carried out by the
22 States under titles I and II.

23 “(3) DISSEMINATION.—The Secretary may pro-
24 vide for and disseminate information relating to var-

1 ious training resources available at the State and
2 local level to—

3 “(A) individuals who are engaged, or who
4 intend to engage, in the prevention, identifica-
5 tion, and treatment of child abuse and neglect;
6 and

7 “(B) appropriate State and local officials
8 to assist in training law enforcement, legal, ju-
9 dicial, medical, mental health, education, and
10 child welfare personnel in appropriate methods
11 of interacting during investigative, administra-
12 tive, and judicial proceedings with children who
13 have been subjected to abuse.”.

14 (d) GRANTS AND CONTRACTS.—Section 105(d)(2)
15 (42 U.S.C. 5105(d)(2)) is amended by striking the second
16 sentence.

17 (e) PEER REVIEW.—Section 105(e) (42 U.S.C.
18 5105(e)) is amended—

19 (1) in paragraph (1)—

20 (A) in subparagraph (A)—

21 (i) by striking “establish a formal”
22 and inserting “, in consultation with ex-
23 perts in the field and other federal agen-
24 cies, establish a formal, rigorous, and meri-
25 torious”;

1 (ii) by striking “and contracts”; and

2 (iii) by adding at the end thereof the
3 following new sentence: “The purpose of
4 this process is to enhance the quality and
5 usefulness of research in the field of child
6 abuse and neglect.”; and

7 (B) in subparagraph (B)—

8 (i) by striking “Office of Human De-
9 velopment” and inserting “Administration
10 for Children and Families”; and

11 (ii) by adding at the end thereof the
12 following new sentence: “The Secretary
13 shall ensure that the peer review panel uti-
14 lizes scientifically valid review criteria and
15 scoring guidelines for review committees.”;

16 and

17 (2) in paragraph (2)—

18 (A) in the matter preceding subparagraph
19 (A), by striking “, contract, or other financial
20 assistance”; and

21 (B) by adding at the end thereof the fol-
22 lowing flush sentence:

23 “The Secretary shall award grants under this sec-
24 tion on the basis of competitive review.”.

1 **SEC. 1118. GRANTS FOR DEMONSTRATION PROGRAMS.**

2 Section 106 (42 U.S.C. 5106) is amended—

3 (1) in the section heading, by striking “OR
4 SERVICE”;

5 (2) in subsection (a), to read as follows:

6 “(a) DEMONSTRATION PROGRAMS AND PROJECTS.—

7 The Secretary may make grants to, and enter into con-
8 tracts with, public agencies or nonprofit private agencies
9 or organizations (or combinations of such agencies or or-
10 ganizations) for time limited, demonstration programs and
11 projects for the following purposes:

12 “(1) TRAINING PROGRAMS.—The Secretary
13 may award grants to public or private non-profit or-
14 ganizations under this section—

15 “(A) for the training of professional and
16 paraprofessional personnel in the fields of medi-
17 cine, law, education, social work, and other rel-
18 evant fields who are engaged in, or intend to
19 work in, the field of prevention, identification,
20 and treatment of child abuse and neglect, in-
21 cluding the links between domestic violence and
22 child abuse;

23 “(B) to provide culturally specific instruc-
24 tion in methods of protecting children from
25 child abuse and neglect to children and to per-
26 sons responsible for the welfare of children, in-

1 including parents of and persons who work with
2 children with disabilities;

3 “(C) to improve the recruitment, selection,
4 and training of volunteers serving in private
5 and public nonprofit children, youth and family
6 service organizations in order to prevent child
7 abuse and neglect through collaborative analysis
8 of current recruitment, selection, and training
9 programs and development of model programs
10 for dissemination and replication nationally;
11 and

12 “(D) for the establishment of resource cen-
13 ters for the purpose of providing information
14 and training to professionals working in the
15 field of child abuse and neglect.

16 “(2) MUTUAL SUPPORT PROGRAMS.—The Sec-
17 retary may award grants to private non-profit orga-
18 nizations (such as Parents Anonymous) to establish
19 or maintain a national network of mutual support
20 and self-help programs as a means of strengthening
21 families in partnership with their communities.

22 “(3) OTHER INNOVATIVE PROGRAMS AND
23 PROJECTS.—

24 “(A) IN GENERAL.—The Secretary may
25 award grants to public agencies that dem-

1 onstrate innovation in responding to reports of
2 child abuse and neglect including programs of
3 collaborative partnerships between the State
4 child protective service agency, community so-
5 cial service agencies and family support pro-
6 grams, schools, churches and synagogues, and
7 other community agencies to allow for the es-
8 tablishment of a triage system that—

9 “(i) accepts, screens and assesses re-
10 ports received to determine which such re-
11 ports require an intensive intervention and
12 which require voluntary referral to another
13 agency, program or project;

14 “(ii) provides, either directly or
15 through referral, a variety of community-
16 linked services to assist families in prevent-
17 ing child abuse and neglect; and

18 “(iii) provides further investigation
19 and intensive intervention where the child’s
20 safety is in jeopardy.

21 “(B) KINSHIP CARE.—The Secretary may
22 award grants to public entities to assist such
23 entities in developing or implementing proce-
24 dures using adult relatives as the preferred
25 placement for children removed from their

1 home, where such relatives are determined to be
2 capable of providing a safe nurturing environ-
3 ment for the child or where such relatives com-
4 ply with the State child protection standards.

5 “(C) VISITATION CENTERS.—The Sec-
6 retary may award grants to public or private
7 nonprofit entities to assist such entities in the
8 establishment or operation of supervised visita-
9 tion centers where there is documented, highly
10 suspected, or elevated risk of child sexual, phys-
11 ical, or emotional abuse where, due to domestic
12 violence, there is an ongoing risk of harm to a
13 parent or child.”;

14 (3) in subsection (c), by striking paragraphs (1)
15 and (2); and

16 (4) by adding at the end thereof the following
17 new subsection:

18 “(d) EVALUATION.—In making grants for dem-
19 onstration projects under this section, the Secretary shall
20 require all such projects to be evaluated for their effective-
21 ness. Funding for such evaluations shall be provided either
22 as a stated percentage of a demonstration grant or as a
23 separate grant entered into by the Secretary for the pur-
24 pose of evaluating a particular demonstration project or
25 group of projects.”.

1 **SEC. 1119. STATE GRANTS FOR PREVENTION AND TREAT-**
2 **MENT PROGRAMS.**

3 Section 107 (42 U.S.C. 5106a) is amended to read
4 as follows:

5 **“SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NE-**
6 **GLECT PREVENTION AND TREATMENT PRO-**
7 **GRAMS.**

8 “(a) DEVELOPMENT AND OPERATION GRANTS.—The
9 Secretary shall make grants to the States, based on the
10 population of children under the age of 18 in each State
11 that applies for a grant under this section, for purposes
12 of assisting the States in improving the child protective
13 service system of each such State in—

14 “(1) the intake, assessment, screening, and in-
15 vestigation of reports of abuse and neglect;

16 “(2)(A) creating and improving the use of mul-
17 tidisciplinary teams and interagency protocols to en-
18 hance investigations; and

19 “(B) improving legal preparation and represen-
20 tation, including—

21 “(i) procedures for appealing and respond-
22 ing to appeals of substantiated reports of abuse
23 and neglect; and

24 “(ii) provisions for the appointment of a
25 guardian ad litem.

1 “(3) case management and delivery of services
2 provided to children and their families;

3 “(4) enhancing the general child protective sys-
4 tem by improving risk and safety assessment tools
5 and protocols, automation systems that support the
6 program and track reports of child abuse and ne-
7 glect from intake through final disposition and infor-
8 mation referral systems;

9 “(5) developing, strengthening, and facilitating
10 training opportunities and requirements for individ-
11 uals overseeing and providing services to children
12 and their families through the child protection sys-
13 tem;

14 “(6) developing and facilitating training proto-
15 cols for individuals mandated to report child abuse
16 or neglect;

17 “(7) developing, strengthening, and supporting
18 child abuse and neglect prevention, treatment, and
19 research programs in the public and private sectors;

20 “(8) developing, implementing, or operating—

21 “(A) information and education programs
22 or training programs designed to improve the
23 provision of services to disabled infants with
24 life-threatening conditions for—

1 “(i) professional and paraprofessional
2 personnel concerned with the welfare of
3 disabled infants with life-threatening con-
4 ditions, including personnel employed in
5 child protective services programs and
6 health-care facilities; and

7 “(ii) the parents of such infants; and

8 “(B) programs to assist in obtaining or co-
9 ordinating necessary services for families of dis-
10 abled infants with life-threatening conditions,
11 including—

12 “(i) existing social and health services;

13 “(ii) financial assistance; and

14 “(iii) services necessary to facilitate
15 adoptive placement of any such infants
16 who have been relinquished for adoption;
17 or

18 “(9) developing and enhancing the capacity of
19 community-based programs to integrate shared lead-
20 ership strategies between parents and professionals
21 to prevent and treat child abuse and neglect at the
22 neighborhood level.

23 “(b) ELIGIBILITY REQUIREMENTS.—In order for a
24 State to qualify for a grant under subsection (a), such

1 State shall provide an assurance or certification, signed
2 by the chief executive officer of the State, that the State—

3 “(1) has in effect and operation a State law or
4 Statewide program relating to child abuse and ne-
5 glect which ensures—

6 “(A) provisions or procedures for the re-
7 porting of known and suspected instances of
8 child abuse and neglect;

9 “(B) procedures for the immediate screen-
10 ing, safety assessment, and prompt investiga-
11 tion of such reports;

12 “(C) procedures for immediate steps to be
13 taken to ensure and protect the safety of the
14 abused or neglected child and of any other child
15 under the same care who may also be in danger
16 of abuse or neglect;

17 “(D) provisions for immunity from pros-
18 ecution under State and local laws and regula-
19 tions for individuals making good faith reports
20 of suspected or known instances of child abuse
21 or neglect;

22 “(E) methods to preserve the confidential-
23 ity of all records in order to protect the rights
24 of the child and of the child’s parents or guard-
25 ians, including methods to ensure that dislo-

1 sure (and redisclosure) of information concern-
2 ing child abuse or neglect involving specific in-
3 dividuals is made only to persons or entities
4 that the State determines have a need for such
5 information directly related to the purposes of
6 this Act;

7 “(F) requirements for the prompt disclo-
8 sure of all relevant information to any Federal,
9 State, or local governmental entity, or any
10 agent of such entity, with a need for such infor-
11 mation in order to carry out its responsibilities
12 under law to protect children from abuse and
13 neglect;

14 “(G) the cooperation of State law enforce-
15 ment officials, court of competent jurisdiction,
16 and appropriate State agencies providing
17 human services;

18 “(H) provisions requiring, and procedures
19 in place that facilitate the prompt expungement
20 of any records that are accessible to the general
21 public or are used for purposes of employment
22 or other background checks in cases determined
23 to be unsubstantiated or false, except that noth-
24 ing in this section shall prevent State child pro-
25 tective service agencies from keeping informa-

1 tion on unsubstantiated reports in their case-
2 work files to assist in future risk and safety as-
3 sessment; and

4 “(I) provisions and procedures requiring
5 that in every case involving an abused or ne-
6 glected child which results in a judicial proceed-
7 ing, a guardian ad litem shall be appointed to
8 represent the child in such proceedings; and

9 “(2) has in place procedures for responding to
10 the reporting of medical neglect (including instances
11 of withholding of medically indicated treatment from
12 disabled infants with life-threatening conditions),
13 procedures or programs, or both (within the State
14 child protective services system), to provide for—

15 “(A) coordination and consultation with in-
16 dividuals designated by and within appropriate
17 health-care facilities;

18 “(B) prompt notification by individuals
19 designated by and within appropriate health-
20 care facilities of cases of suspected medical ne-
21 glect (including instances of withholding of
22 medically indicated treatment from disabled in-
23 fants with life-threatening conditions); and

24 “(C) authority, under State law, for the
25 State child protective service system to pursue

1 any legal remedies, including the authority to
2 initiate legal proceedings in a court of com-
3 petent jurisdiction, as may be necessary to pre-
4 vent the withholding of medically indicated
5 treatment from disabled infants with life threat-
6 ening conditions.

7 “(c) ADDITIONAL REQUIREMENT.—Not later than 2
8 years after the date of enactment of this section, the State
9 shall provide an assurance or certification that the State
10 has in place provisions, procedures, and mechanisms by
11 which individuals who disagree with an official finding of
12 abuse or neglect can appeal such finding.

13 “(d) STATE PROGRAM PLAN.—To be eligible to re-
14 ceive a grant under this section, a State shall submit every
15 5 years a plan to the Secretary that specifies the child
16 protective service system area or areas described in sub-
17 section (a) that the State intends to address with funds
18 received under the grant. Such plan shall, to the maximum
19 extent practicable, be coordinated with the plan of the
20 State for child welfare services and family preservation
21 and family support services under part B of title IV of
22 the Social Security Act and shall contain an outline of the
23 activities that the State intends to carry out using
24 amounts provided under the grant to achieve the purposes
25 of this Act, including the procedures to be used for—

1 “(1) receiving and assessing reports of child
2 abuse or neglect;

3 “(2) investigating such reports;

4 “(3) protecting children by removing them from
5 dangerous settings and ensuring their placement in
6 a safe environment;

7 “(4) providing services or referral for services
8 for families and children where the child is not in
9 danger of harm;

10 “(5) providing services to individuals, families,
11 or communities, either directly or through referral,
12 aimed at preventing the occurrence of child abuse
13 and neglect;

14 “(6) providing training to support direct line
15 and supervisory personnel in report-taking, screen-
16 ing, assessment, decision-making, and referral for
17 investigation; and

18 “(7) providing training for individuals man-
19 dated to report suspected cases of child abuse or ne-
20 glect.

21 “(e) RESTRICTIONS RELATING TO CHILD WELFARE
22 SERVICES.—Programs or projects relating to child abuse
23 and neglect assisted under part B of title IV of the Social
24 Security Act shall comply with the requirements set forth
25 in paragraphs (1) (A) and (B), and (2) of subsection (b).

1 “(f) ANNUAL STATE DATA REPORTS.—Each State to
2 which a grant is made under this part shall annually work
3 with the Secretary to provide, to the maximum extent
4 practicable, a report that includes the following:

5 “(1) The number of children who were reported
6 to the State during the year as abused or neglected.

7 “(2) Of the number of children described in
8 paragraph (1), the number with respect to whom
9 such reports were—

10 “(A) substantiated;

11 “(B) unsubstantiated; and

12 “(C) determined to be false.

13 “(3) Of the number of children described in
14 paragraph (2)—

15 “(A) the number that did not receive serv-
16 ices during the year under the State program
17 funded under this part or an equivalent State
18 program;

19 “(B) the number that received services
20 during the year under the State program fund-
21 ed under this part or an equivalent State pro-
22 gram; and

23 “(C) the number that were removed from
24 their families during the year by disposition of
25 the case.

1 “(4) The number of families that received pre-
2 ventive services from the State during the year.

3 “(5) The number of deaths in the State during
4 the year resulting from child abuse or neglect.

5 “(6) Of the number of children described in
6 paragraph (5), the number of such children who
7 were in foster care.

8 “(7) The number of child protective service
9 workers responsible for the intake and screening of
10 reports filed in the previous year.

11 “(8) The agency response time with respect to
12 each such report with respect to initial investigation
13 of reports of child abuse or neglect.

14 “(9) The response time with respect to the pro-
15 vision of services to families and children where an
16 allegation of abuse or neglect has been made.

17 “(10) The number of child protective service
18 workers responsible for intake, assessment, and in-
19 vestigation of child abuse and neglect reports re-
20 lative to the number of reports investigated in the
21 previous year.

22 “(g) ANNUAL REPORT BY THE SECRETARY.—Within
23 6 months after receiving the State reports under sub-
24 section (f), the Secretary shall prepare a report based on
25 information provided by the States for the fiscal year

1 under such subsection and shall make the report and such
2 information available to the Congress and the national
3 clearinghouse for information relating to child abuse.”.

4 **SEC. 1120. REPEAL.**

5 Section 108 (42 U.S.C. 5106b) is repealed.

6 **SEC. 1121. MISCELLANEOUS REQUIREMENTS.**

7 Section 110 (42 U.S.C. 5106d) is amended by strik-
8 ing subsection (c).

9 **SEC. 1122. DEFINITIONS.**

10 Section 113 (42 U.S.C. 5106h) is amended—

11 (1) by striking paragraphs (1) and (2);

12 (2) by redesignating paragraphs (3) through
13 (10) as paragraphs (1) through (8), respectively;
14 and

15 (3) in paragraph (2) (as so redesignated), to
16 read as follows:

17 “(2) the term ‘child abuse and neglect’ means,
18 at a minimum, any recent act or failure to act on
19 the part of a parent or caretaker, which results in
20 death, serious physical or emotional harm, sexual
21 abuse or exploitation, or an act or failure to act
22 which presents an imminent risk of serious harm;”.

23 **SEC. 1123. AUTHORIZATION OF APPROPRIATIONS.**

24 Section 114(a) (42 U.S.C. 5106h(a)) is amended to
25 read as follows:

1 “(a) IN GENERAL.—

2 “(1) GENERAL AUTHORIZATION.—There are
3 authorized to be appropriated to carry out this title,
4 \$100,000,000 for fiscal year 1996, and such sums
5 as may be necessary for each of the fiscal years
6 1997 through 2000.

7 “(2) DISCRETIONARY ACTIVITIES.—

8 “(A) IN GENERAL.—Of the amounts ap-
9 propriated for a fiscal year under paragraph
10 (1), the Secretary shall make available 33⅓
11 percent of such amounts to fund discretionary
12 activities under this title.

13 “(B) DEMONSTRATION PROJECTS.—Of the
14 amounts made available for a fiscal year under
15 subparagraph (A), the Secretary make available
16 not more than 40 percent of such amounts to
17 carry out section 106.”.

18 **SEC. 1124. RULE OF CONSTRUCTION.**

19 Title I (42 U.S.C. 5101 et seq.) is amended by adding
20 at the end thereof the following new section:

21 **“SEC. 115. RULE OF CONSTRUCTION.**

22 “(a) IN GENERAL.—Nothing in this Act shall be con-
23 strued—

24 “(1) as establishing a Federal requirement that
25 a parent or legal guardian provide a child any medi-

1 cal service or treatment against the religious beliefs
2 of the parent or legal guardian; and

3 “(2) to require that a State find, or to prohibit
4 a State from finding, abuse or neglect in cases in
5 which a parent or legal guardian relies solely or par-
6 tially upon spiritual means rather than medical
7 treatment, in accordance with the religious beliefs of
8 the parent or legal guardian.

9 “(b) STATE REQUIREMENT.—Notwithstanding sub-
10 section (a), a State shall, at a minimum, have in place
11 authority under State law to permit the child protective
12 service system of the State to pursue any legal remedies,
13 including the authority to initiate legal proceedings in a
14 court of competent jurisdiction, to provide medical care
15 or treatment for a child when such care or treatment is
16 necessary to prevent or remedy serious harm to the child,
17 or to prevent the withholding of medically indicated treat-
18 ment from children with life threatening conditions. Case
19 by case determinations concerning the exercise of the au-
20 thority of this subsection shall be within the sole discretion
21 of the State.”.

22 **SEC. 1125. TECHNICAL AMENDMENT.**

23 Section 1404A of the Victims of Crime Act of 1984
24 (42 U.S.C. 10603a) is amended—

1 (1) by striking “1402(d)(2)(D) and (d)(3)” and
2 inserting “1402(d)(2)”; and

3 (2) by striking “section 4(d)” and inserting
4 “section 109”.

5 **Subtitle B—Community-Based**
6 **Child Abuse and Neglect Pre-**
7 **vention Grants**

8 **SEC. 1131. ESTABLISHMENT OF PROGRAM.**

9 Title II of the Child Abuse Prevention and Treatment
10 Act (42 U.S.C. 5116 et seq) is amended to read as follows:

11 **“TITLE II—COMMUNITY-BASED**
12 **FAMILY RESOURCE AND SUP-**
13 **PORT GRANTS**

14 **“SEC. 201. PURPOSE AND AUTHORITY.**

15 “(a) PURPOSE.—It is the purpose of this Act to sup-
16 port State efforts to develop, operate, expand and enhance
17 a network of community-based, prevention-focused, family
18 resource and support programs that are culturally com-
19 petent and that coordinate resources among existing edu-
20 cation, vocational rehabilitation, disability, respite, health,
21 mental health, job readiness, self-sufficiency, child and
22 family development, community action, Head Start, child
23 care, child abuse and neglect prevention, juvenile justice,
24 domestic violence prevention and intervention, housing,
25 and other human service organizations within the State.

1 “(b) AUTHORITY.—The Secretary shall make grants
2 under this title on a formula basis to the entity designated
3 by the State as the lead entity (hereafter referred to in
4 this title as the ‘lead entity’) for the purpose of—

5 “(1) developing, operating, expanding and en-
6 hancing Statewide networks of community-based,
7 prevention-focused, family resource and support pro-
8 grams that—

9 “(A) offer sustained assistance to families;

10 “(B) provide early, comprehensive, and ho-
11 listic support for all parents;

12 “(C) promote the development of parental
13 competencies and capacities, especially in young
14 parents and parents with very young children;

15 “(D) increase family stability;

16 “(E) improve family access to other formal
17 and informal resources and opportunities for
18 assistance available within communities;

19 “(F) support the additional needs of fami-
20 lies with children with disabilities; and

21 “(G) decrease the risk of homelessness;

22 “(2) fostering the development of a continuum
23 of preventive services for children and families
24 through State and community-based collaborations
25 and partnerships both public and private;

1 “(3) financing the start-up, maintenance, ex-
2 pansion, or redesign of specific family resource and
3 support program services (such as respite services,
4 child abuse and neglect prevention activities, disabili-
5 ty services, mental health services, housing services,
6 transportation, adult education, home visiting and
7 other similar services) identified by the inventory
8 and description of current services required under
9 section 205(a)(3) as an unmet need, and integrated
10 with the network of community-based family re-
11 source and support program to the extent prac-
12 ticable given funding levels and community prior-
13 ities;

14 “(4) maximizing funding for the financing,
15 planning, community mobilization, collaboration, as-
16 sessment, information and referral, startup, training
17 and technical assistance, information management,
18 reporting and evaluation costs for establishing, oper-
19 ating, or expanding a Statewide network of commu-
20 nity-based, prevention-focused, family resource and
21 support program; and

22 “(5) financing public information activities that
23 focus on the healthy and positive development of
24 parents and children and the promotion of child
25 abuse and neglect prevention activities.

1 **“SEC. 202. ELIGIBILITY.**

2 “A State shall be eligible for a grant under this title
3 for a fiscal year if—

4 “(1)(A) the chief executive officer of the State
5 has designated an entity to administer funds under
6 this title for the purposes identified under the au-
7 thority of this title, including to develop, implement,
8 operate, enhance or expand a Statewide network of
9 community-based, prevention-focused, family re-
10 source and support programs, child abuse and ne-
11 glect prevention activities and access to respite serv-
12 ices integrated with the Statewide network;

13 “(B) in determining which entity to designate
14 under subparagraph (A), the chief executive officer
15 should give priority consideration to the trust fund
16 advisory board of the State or an existing entity that
17 leverages Federal, State, and private funds for a
18 broad range of child abuse and neglect prevention
19 activities and family resource programs, and that is
20 directed by an interdisciplinary, public-private struc-
21 ture, including participants from communities; and

22 “(C) such lead entity is an existing public,
23 quasi-public, or nonprofit private entity with a dem-
24 onstrated ability to work with other State and com-
25 munity-based agencies to provide training and tech-
26 nical assistance, and that has the capacity and com-

1 mitment to ensure the meaningful involvement of
2 parents who are consumers and who can provide
3 leadership in the planning, implementation, and
4 evaluation of programs and policy decisions of the
5 applicant agency in accomplishing the desired out-
6 comes for such efforts;

7 “(2) the chief executive officer of the State pro-
8 vides assurances that the lead entity will provide or
9 will be responsible for providing—

10 “(A) a network of community-based family
11 resource and support programs composed of
12 local, collaborative, public-private partnerships
13 directed by interdisciplinary structures with bal-
14 anced representation from private and public
15 sector members, parents, and public and private
16 nonprofit service providers and individuals and
17 organizations experienced in working in part-
18 nership with families with children with disabil-
19 ities;

20 “(B) direction to the network through an
21 interdisciplinary, collaborative, public-private
22 structure with balanced representation from
23 private and public sector members, parents, and
24 public sector and private nonprofit sector serv-
25 ice providers; and

1 “(C) direction and oversight to the net-
2 work through identified goals and objectives,
3 clear lines of communication and accountability,
4 the provision of leveraged or combined funding
5 from Federal, State and private sources, cen-
6 tralized assessment and planning activities, the
7 provision of training and technical assistance,
8 and reporting and evaluation functions; and

9 “(3) the chief executive officer of the State pro-
10 vides assurances that the lead entity—

11 “(A) has a demonstrated commitment to
12 parental participation in the development, oper-
13 ation, and oversight of the Statewide network of
14 community-based, prevention-focused, family re-
15 source and support programs;

16 “(B) has a demonstrated ability to work
17 with State and community-based public and pri-
18 vate nonprofit organizations to develop a con-
19 tinuum of preventive, family centered, holistic
20 services for children and families through the
21 Statewide network of community-based, preven-
22 tion-focused, family resource and support pro-
23 grams;

24 “(C) has the capacity to provide oper-
25 ational support (both financial and pro-

1 grammatic) and training and technical assist-
2 ance, to the Statewide network of community-
3 based, prevention-focused, family resource and
4 support programs, through innovative, inter-
5 agency funding and interdisciplinary service de-
6 livery mechanisms; and

7 “(D) will integrate its efforts with individ-
8 uals and organizations experienced in working
9 in partnership with families with children with
10 disabilities and with the child abuse and neglect
11 prevention activities of the State, and dem-
12 onstrate a financial commitment to those activi-
13 ties.

14 **“SEC. 203. AMOUNT OF GRANT.**

15 “(a) RESERVATION.—The Secretary shall reserve 1
16 percent of the amount appropriated under section 210 for
17 a fiscal year to make allotments to Indian tribes and tribal
18 organizations and migrant programs.

19 “(b) ALLOTMENT.—

20 “(1) IN GENERAL.—Of the amounts appro-
21 priated for a fiscal year under section 210 and re-
22 maining after the reservation under subsection (a),
23 the Secretary shall allot to each State lead entity an
24 amount equal to—

1 “(A) the State minor child amount for
2 such State as determined under paragraph (2);
3 and

4 “(B) the State matchable amount for such
5 State as determined under paragraph (3).

6 “(2) STATE MINOR CHILD AMOUNT.—The
7 amount determined under this paragraph for a fiscal
8 year for a State shall be equal to an amount that
9 bears the same relationship to 50 percent of the
10 amounts appropriated and remaining under para-
11 graph (1) for such fiscal year as the number of chil-
12 dren under 18 residing in the State bears to the
13 total number of children under 18 residing in all
14 States, except that no State shall receive less than
15 \$250,000.

16 “(3) STATE MATCHABLE AMOUNT.—The
17 amount determined under this paragraph for a fiscal
18 year for a State shall be equal to—

19 “(A)(i) 50 percent of the amounts appro-
20 priated and remaining under paragraph (1) for
21 such fiscal year; divided by

22 “(ii) 50 percent of the total amount that
23 all States have directed through the respective
24 lead agencies to the purposes identified under
25 the authority of this title for the fiscal year, in-

1 including foundation, corporate, and other private
2 funding, State revenues, and Federal funds, as
3 determined by the Secretary; multiplied by

4 “(B) 50 percent of the total amount that
5 the State has directed through the lead agency
6 to the purposes identified under the authority
7 of this title for such fiscal year, including foun-
8 dation, corporate, and other private funding,
9 State revenues, and Federal funds.

10 “(c) ALLOCATION.—Funds allotted to a State under
11 this section shall be awarded on a formula basis for a 3-
12 year period. Payment under such allotments shall be made
13 by the Secretary annually on the basis described in sub-
14 section (a).

15 **“SEC. 204. EXISTING AND CONTINUATION GRANTS.**

16 “(a) EXISTING GRANTS.—Notwithstanding the en-
17 actment of this title, a State or entity that has a grant,
18 contract, or cooperative agreement in effect, on the date
19 of enactment of this title, under the Family Resource and
20 Support Program, the Community-Based Family Re-
21 source Program, the Family Support Center Program, the
22 Emergency Child Abuse Prevention Grant Program, or
23 the Temporary Child Care for Children with Disabilities
24 and Crisis Nurseries Programs shall continue to receive
25 funds under such programs, subject to the original terms

1 under which such funds were granted, through the end
2 of the applicable grant cycle.

3 “(b) CONTINUATION GRANTS.—The Secretary may
4 continue grants for Family Resource and Support Pro-
5 gram grantees, and those programs otherwise funded
6 under this Act, on a noncompetitive basis, subject to the
7 availability of appropriations, satisfactory performance by
8 the grantee, and receipt of reports required under this Act,
9 until such time as the grantee no longer meets the original
10 purposes of this Act.

11 **“SEC. 205. APPLICATION.**

12 “(a) IN GENERAL.—A grant may not be made to a
13 State under this title unless an application therefore is
14 submitted by the State to the Secretary and such applica-
15 tion contains the types of information specified by the Sec-
16 retary as essential to carrying out the provisions of section
17 202, including—

18 “(1) a description of the lead entity that will be
19 responsible for the administration of funds provided
20 under this title and the oversight of programs fund-
21 ed through the Statewide network of community-
22 based, prevention-focused, family resource and sup-
23 port programs which meets the requirements of sec-
24 tion 202;

1 “(2) a description of how the network of com-
2 munity-based, prevention-focused, family resource
3 and support programs will operate and how family
4 resource and support services provided by public and
5 private, nonprofit organizations, including those
6 funded by programs consolidated under this Act, will
7 be integrated into a developing continuum of family
8 centered, holistic, preventive services for children
9 and families;

10 “(3) an assurance that an inventory of current
11 family resource programs, respite, child abuse and
12 neglect prevention activities, and other family re-
13 source services operating in the State, and a descrip-
14 tion of current unmet needs, will be provided;

15 “(4) a budget for the development, operation
16 and expansion of the State’s network of community-
17 based, prevention-focused, family resource and sup-
18 port programs that verifies that the State will ex-
19 pend an amount equal to not less than 20 percent
20 of the amount received under this title (in cash, not
21 in-kind) for activities under this title;

22 “(5) an assurance that funds received under
23 this title will supplement, not supplant, other State
24 and local public funds designated for the Statewide

1 network of community-based, prevention-focused,
2 family resource and support programs;

3 “(6) an assurance that the State network of
4 community-based, prevention-focused, family re-
5 source and support programs will maintain cultural
6 diversity, and be culturally competent and socially
7 sensitive and responsive to the needs of families with
8 children with disabilities;

9 “(7) an assurance that the State has the capac-
10 ity to ensure the meaningful involvement of parents
11 who are consumers and who can provide leadership
12 in the planning, implementation, and evaluation of
13 the programs and policy decisions of the applicant
14 agency in accomplishing the desired outcomes for
15 such efforts;

16 “(8) a description of the criteria that the entity
17 will use to develop, or select and fund, individual
18 community-based, prevention-focused, family re-
19 source and support programs as part of network de-
20 velopment, expansion or enhancement;

21 “(9) a description of outreach activities that the
22 entity and the community-based, prevention-focused,
23 family resource and support programs will undertake
24 to maximize the participation of racial and ethnic
25 minorities, new immigrant populations, children and

1 adults with disabilities, homeless families and those
2 at risk of homelessness, and members of other un-
3 derserved or underrepresented groups;

4 “(10) a plan for providing operational support,
5 training and technical assistance to community-
6 based, prevention-focused, family resource and sup-
7 port programs for development, operation, expansion
8 and enhancement activities;

9 “(11) a description of how the applicant entity’s
10 activities and those of the network and its members
11 will be evaluated;

12 “(12) a description of that actions that the ap-
13 plicant entity will take to advocate changes in State
14 policies, practices, procedures and regulations to im-
15 prove the delivery of prevention-focused, family re-
16 source and support program services to all children
17 and families; and

18 “(13) an assurance that the applicant entity
19 will provide the Secretary with reports at such time
20 and containing such information as the Secretary
21 may require.

22 **“SEC. 206. LOCAL PROGRAM REQUIREMENTS.**

23 “(a) IN GENERAL.—Grants made under this title
24 shall be used to develop, implement, operate, expand and

1 enhance community-based, prevention-focused, family re-
2 source and support programs that—

3 “(1) assess community assets and needs
4 through a planning process that involves parents
5 and local public agencies, local nonprofit organiza-
6 tions, and private sector representatives;

7 “(2) develop a strategy to provide, over time, a
8 continuum of preventive, holistic, family centered
9 services to children and families, especially to young
10 parents and parents with young children, through
11 public-private partnerships;

12 “(3) provide—

13 “(A) core family resource and support
14 services such as—

15 “(i) parent education, mutual support
16 and self help, and leadership services;

17 “(ii) early developmental screening of
18 children;

19 “(iii) outreach services;

20 “(iv) community and social service re-
21 ferrals; and

22 “(v) follow-up services;

23 “(B) other core services, which must be
24 provided or arranged for through contracts or
25 agreements with other local agencies, including

1 all forms of respite services to the extent prac-
2 ticable; and

3 “(C) access to optional services, includ-
4 ing—

5 “(i) child care, early childhood devel-
6 opment and intervention services;

7 “(ii) services and supports to meet the
8 additional needs of families with children
9 with disabilities;

10 “(iii) job readiness services;

11 “(iv) educational services, such as
12 scholastic tutoring, literacy training, and
13 General Educational Degree services;

14 “(v) self-sufficiency and life manage-
15 ment skills training;

16 “(vi) community referral services; and

17 “(vii) peer counseling;

18 “(4) develop leadership roles for the meaningful
19 involvement of parents in the development, oper-
20 ation, evaluation, and oversight of the programs and
21 services;

22 “(5) provide leadership in mobilizing local pub-
23 lic and private resources to support the provision of
24 needed family resource and support program serv-
25 ices; and

1 “(6) participate with other community-based,
2 prevention-focused, family resource and support pro-
3 gram grantees in the development, operation and ex-
4 pansion of the Statewide network.

5 “(b) PRIORITY.—In awarding local grants under this
6 title, a lead entity shall give priority to community-based
7 programs serving low income communities and those serv-
8 ing young parents or parents with young children, and to
9 community-based family resource and support programs
10 previously funded under the programs consolidated under
11 the Child Abuse Prevention and Treatment Act Amend-
12 ments of 1995, so long as such programs meet local pro-
13 gram requirements.

14 **“SEC. 207. PERFORMANCE MEASURES.**

15 “A State receiving a grant under this title, through
16 reports provided to the Secretary, shall—

17 “(1) demonstrate the effective development, op-
18 eration and expansion of a Statewide network of
19 community-based, prevention-focused, family re-
20 source and support programs that meets the require-
21 ments of this title;

22 “(2) supply an inventory and description of the
23 services provided to families by local programs that
24 meet identified community needs, including core and
25 optional services as described in section 202;

1 “(3) demonstrate the establishment of new res-
2 pite and other specific new family resources services,
3 and the expansion of existing services, to address
4 unmet needs identified by the inventory and descrip-
5 tion of current services required under section
6 205(a)(3);

7 “(4) describe the number of families served, in-
8 cluding families with children with disabilities, and
9 the involvement of a diverse representation of fami-
10 lies in the design, operation, and evaluation of the
11 Statewide network of community-based, prevention-
12 focused, family resource and support programs, and
13 in the design, operation and evaluation of the indi-
14 vidual community-based family resource and support
15 programs that are part of the Statewide network
16 funded under this title;

17 “(5) demonstrate a high level of satisfaction
18 among families who have used the services of the
19 community-based, prevention-focused, family re-
20 source and support programs;

21 “(6) demonstrate the establishment or mainte-
22 nance of innovative funding mechanisms, at the
23 State or community level, that blend Federal, State,
24 local and private funds, and innovative, interdiscipli-
25 nary service delivery mechanisms, for the develop-

1 ment, operation, expansion and enhancement of the
2 Statewide network of community-based, prevention-
3 focused, family resource and support programs;

4 “(7) describe the results of a peer review proc-
5 ess conducted under the State program; and

6 “(8) demonstrate an implementation plan to en-
7 sure the continued leadership of parents in the on-
8 going planning, implementation, and evaluation of
9 such community-based, prevention-focused, family
10 resource and support programs.

11 **“SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED**
12 **FAMILY RESOURCE PROGRAMS.**

13 “The Secretary may allocate such sums as may be
14 necessary from the amount provided under the State allot-
15 ment to support the activities of the lead entity in the
16 State—

17 “(1) to create, operate and maintain a peer re-
18 view process;

19 “(2) to create, operate and maintain an infor-
20 mation clearinghouse;

21 “(3) to fund a yearly symposium on State sys-
22 tem change efforts that result from the operation of
23 the Statewide networks of community-based, preven-
24 tion-focused, family resource and support programs;

1 “(4) to create, operate and maintain a comput-
2 erized communication system between lead entities;
3 and

4 “(5) to fund State-to-State technical assistance
5 through bi-annual conferences.

6 **“SEC. 209. DEFINITIONS.**

7 “For purposes of this title:

8 “(1) CHILDREN WITH DISABILITIES.—The term
9 ‘children with disabilities’ has the same meaning
10 given such term in section 602(a)(2) of the Individ-
11 uals with Disabilities Education Act.

12 “(2) COMMUNITY REFERRAL SERVICES.—The
13 term ‘community referral services’ means services
14 provided under contract or through interagency
15 agreements to assist families in obtaining needed in-
16 formation, mutual support and community re-
17 sources, including respite services, health and mental
18 health services, employability development and job
19 training, and other social services through help lines
20 or other methods.

21 “(3) CULTURALLY COMPETENT.—The term
22 ‘culturally competent’ means services, support, or
23 other assistance that is conducted or provided in a
24 manner that—

1 “(A) is responsive to the beliefs, inter-
2 personal styles, attitudes, languages, and behav-
3 iors of those individuals and families receiving
4 services; and

5 “(B) has the greatest likelihood of ensur-
6 ing maximum participation of such individuals
7 and families.

8 “(4) FAMILY RESOURCE AND SUPPORT PRO-
9 GRAM.—The term ‘family resource and support pro-
10 gram’ means a community-based, prevention-focused
11 entity that—

12 “(A) provides, through direct service, the
13 core services required under this title, includ-
14 ing—

15 “(i) parent education, support and
16 leadership services, together with services
17 characterized by relationships between par-
18 ents and professionals that are based on
19 equality and respect, and designed to assist
20 parents in acquiring parenting skills, learn-
21 ing about child development, and respond-
22 ing appropriately to the behavior of their
23 children;

24 “(ii) services to facilitate the ability of
25 parents to serve as resources to one an-

1 other (such as through mutual support and
2 parent self-help groups);

3 “(iii) early developmental screening of
4 children to assess any needs of children,
5 and to identify types of support that may
6 be provided;

7 “(iv) outreach services provided
8 through voluntary home visits and other
9 methods to assist parents in becoming
10 aware of and able to participate in family
11 resources and support program activities;

12 “(v) community and social services to
13 assist families in obtaining community re-
14 sources; and

15 “(vi) follow-up services;

16 “(B) provides, or arranges for the provi-
17 sion of, other core services through contracts or
18 agreements with other local agencies, including
19 all forms of respite services; and

20 “(C) provides access to optional services,
21 directly or by contract, purchase of service, or
22 interagency agreement, including—

23 “(i) child care, early childhood devel-
24 opment and early intervention services;

1 “(ii) self-sufficiency and life manage-
2 ment skills training;

3 “(iii) education services, such as scho-
4 lastic tutoring, literacy training, and Gen-
5 eral Educational Degree services;

6 “(iv) job readiness skills;

7 “(v) child abuse and neglect preven-
8 tion activities;

9 “(vi) services that families with chil-
10 dren with disabilities or special needs may
11 require;

12 “(vii) community and social service re-
13 ferral;

14 “(viii) peer counseling;

15 “(ix) referral for substance abuse
16 counseling and treatment; and

17 “(x) help line services.

18 “(5) NATIONAL NETWORK FOR COMMUNITY-
19 BASED FAMILY RESOURCE PROGRAMS.—The term
20 ‘network for community-based family resource pro-
21 gram’ means the organization of State designated
22 entities who receive grants under this title, and in-
23 cludes the entire membership of the Children’s Trust
24 Fund Alliance and the National Respite Network.

1 “(6) OUTREACH SERVICES.—The term ‘out-
2 reach services’ means services provided to assist con-
3 sumers, through voluntary home visits or other
4 methods, in accessing and participating in family re-
5 source and support program activities.

6 “(7) RESPITE SERVICES.—The term ‘respite
7 services’ means short term care services provided in
8 the temporary absence of the regular caregiver (par-
9 ent, other relative, foster parent, adoptive parent, or
10 guardian) to children who—

11 “(A) are in danger of abuse or neglect;

12 “(B) have experienced abuse or neglect; or

13 “(C) have disabilities, chronic, or terminal
14 illnesses.

15 Such services shall be provided within or outside the
16 home of the child, be short-term care (ranging from
17 a few hours to a few weeks of time, per year), and
18 be intended to enable the family to stay together and
19 to keep the child living in the home and community
20 of the child.

21 **“SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

22 “‘There are authorized to be appropriated to carry out
23 this title, \$108,000,000 for each of the fiscal years 1996
24 through 2000.’”.

1 **SEC. 1132. REPEALS.**

2 (a) TEMPORARY CHILD CARE FOR CHILDREN WITH
3 DISABILITIES AND CRISIS NURSERIES ACT.—The Tem-
4 porary Child Care for Children with Disabilities and Crisis
5 Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is re-
6 pealed.

7 (b) FAMILY SUPPORT CENTERS.—Subtitle F of title
8 VII of the Stewart B. McKinney Homeless Assistance Act
9 (42 U.S.C. 11481 et seq.) is repealed.

10 **Subtitle C—Family Violence**
11 **Prevention and Services**

12 **SEC. 1141. REFERENCE.**

13 Except as otherwise expressly provided, whenever in
14 this subtitle an amendment or repeal is expressed in terms
15 of an amendment to, or repeal of, a section or other provi-
16 sion, the reference shall be considered to be made to a
17 section or other provision of the Family Violence Preven-
18 tion and Services Act (42 U.S.C. 10401 et seq.).

19 **SEC. 1142. STATE DEMONSTRATION GRANTS.**

20 Section 303(e) (42 U.S.C. 10420(e)) is amended—

21 (1) by striking “following local share” and in-
22 serting “following non-Federal matching local
23 share”; and

24 (2) by striking “20 percent” and all that fol-
25 lows through “private sources.” and inserting “with
26 respect to an entity operating an existing program

1 under this title, not less than 20 percent, and with
2 respect to an entity intending to operate a new pro-
3 gram under this title, not less than 35 percent.”.

4 **SEC. 1143. ALLOTMENTS.**

5 Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amend-
6 ed by striking “\$200,000” and inserting “\$400,000”.

7 **SEC. 1144. AUTHORIZATION OF APPROPRIATIONS.**

8 Section 310 (42 U.S.C. 10409) is amended—

9 (1) in subsection (b), by striking “80” and in-
10 sserting “70”; and

11 (2) by adding at the end thereof the following
12 new subsections:

13 “(d) GRANTS FOR STATE COALITIONS.—Of the
14 amounts appropriated under subsection (a) for each fiscal
15 year, not less than 10 percent of such amounts shall be
16 used by the Secretary for making grants under section
17 311.

18 “(e) NON-SUPPLANTING REQUIREMENT.—Federal
19 funds made available to a State under this title shall be
20 used to supplement and not supplant other Federal, State,
21 and local public funds expended to provide services and
22 activities that promote the purposes of this title.”.

Subtitle D—Adoption Opportunities

SEC. 1151. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

SEC. 1152. FINDINGS AND PURPOSE.

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “50 percent between 1985 and 1990” and inserting “61 percent between 1986 and 1994”; and

(ii) by striking “400,000 children at the end of June, 1990” and inserting “452,000 as of June, 1994”; and

(B) in paragraph (5), by striking “local” and inserting “legal”; and

(C) in paragraph (7), to read as follows:

“(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

1 “(B) such children are typically school aged, in
2 sibling groups, have experienced neglect or abuse, or
3 have a physical, mental, or emotional disability; and

4 “(C) while the children are of all races, children
5 of color and older children (over the age of 10) are
6 over represented in such group;” and

7 (2) in subsection (b)—

8 (A) by striking “conditions, by—” and all
9 that follows through “providing a mechanism”
10 and inserting “conditions, by providing a mech-
11 anism”; and

12 (B) by redesignating subparagraphs (A)
13 through (C), as paragraphs (1) through (3), re-
14 spectively and by realigning the margins of such
15 paragraphs accordingly.

16 **SEC. 1153. INFORMATION AND SERVICES.**

17 Section 203 (42 U.S.C. 5113) is amended—

18 (1) in subsection (a), by striking the last sen-
19 tence;

20 (2) in subsection (b)—

21 (A) in paragraph (6), to read as follows:

22 “(6) study the nature, scope, and effects of the
23 placement of children in kinship care arrangements,
24 pre-adoptive, or adoptive homes;”;

1 (B) by redesignating paragraphs (7)
2 through (9) as paragraphs (8) through (10), re-
3 spectively; and

4 (C) by inserting after paragraph (6), the
5 following new paragraph:

6 “(7) study the efficacy of States contracting
7 with public or private nonprofit agencies (including
8 community-based and other organizations), or sec-
9 tarian institutions for the recruitment of potential
10 adoptive and foster families and to provide assist-
11 ance in the placement of children for adoption;”;

12 (3) in subsection (d)—

13 (A) in paragraph (2)—

14 (i) by striking “Each” and inserting
15 “(A) Each”;

16 (ii) by striking “for each fiscal year”
17 and inserting “that describes the manner
18 in which the State will use funds during
19 the 3-fiscal years subsequent to the date of
20 the application to accomplish the purposes
21 of this section. Such application shall be”;
22 and

23 (iii) by adding at the end thereof the
24 following new subparagraph:

1 “(B) The Secretary shall provide, directly or by grant
2 to or contract with public or private nonprofit agencies
3 or organizations—

4 “(i) technical assistance and resource and refer-
5 ral information to assist State or local governments
6 with termination of parental rights issues, in recruit-
7 ing and retaining adoptive families, in the successful
8 placement of children with special needs, and in the
9 provision of pre- and post-placement services, includ-
10 ing post-legal adoption services; and

11 “(ii) other assistance to help State and local
12 governments replicate successful adoption-related
13 projects from other areas in the United States.”.

14 **SEC. 1154. AUTHORIZATION OF APPROPRIATIONS.**

15 Section 205 (42 U.S.C. 5115) is amended—

16 (1) in subsection (a), by striking
17 “\$10,000,000,” and all that follows through
18 “203(c)(1)” and inserting “\$20,000,000 for fiscal
19 year 1996, and such sums as may be necessary for
20 each of the fiscal years 1997 through 2000 to carry
21 out programs and activities authorized”;

22 (2) by striking subsection (b); and

23 (3) by redesignating subsection (c) as sub-
24 section (b).

1 **Subtitle E—Abandoned Infants**
2 **Assistance Act of 1986**

3 **SEC. 1161. REAUTHORIZATION.**

4 Section 104(a)(1) of the Abandoned Infants Assist-
5 ance Act of 1988 (42 U.S.C. 670 note) is amended by
6 striking “\$20,000,000” and all that follows through the
7 end thereof and inserting “\$35,000,000 for each of the
8 fiscal years 1995 and 1996, and such sums as may be
9 necessary for each of the fiscal years 1997 through 2000”.

10 **Subtitle F—Reauthorization of**
11 **Various Programs**

12 **SEC. 1171. MISSING CHILDREN’S ASSISTANCE ACT.**

13 Section 408 of the Missing Children’s Assistance Act
14 (42 U.S.C. 5777) is amended—

15 (1) by striking “To” and inserting “(a) IN
16 GENERAL.—”

17 (2) by striking “and 1996” and inserting
18 “1996, and 1997”; and

19 (3) by adding at the end thereof the following
20 new subsection:

21 “(b) EVALUATION.—The Administrator shall use not
22 more than 5 percent of the amount appropriated for a fis-
23 cal year under subsection (a) to conduct an evaluation of
24 the effectiveness of the programs and activities established
25 and operated under this title.”.

1 **SEC. 1172. VICTIMS OF CHILD ABUSE ACT OF 1990.**

2 Section 214B of the Victims of Child Abuse Act of
3 1990 (42 U.S.C. 13004) is amended—

4 (1) in subsection (a)(2), by striking “and 1996”
5 and inserting “1996, and 1997”; and

6 (2) in subsection (b)(2), by striking “and
7 1996” and inserting “1996 and 1997”.

8 **TITLE XII—REDUCTIONS IN FED-**
9 **ERAL GOVERNMENT POSI-**
10 **TIONS**

11 **SEC. 1201. REDUCTIONS.**

12 (a) DEFINITIONS.—As used in this section:

13 (1) APPROPRIATE EFFECTIVE DATE.—The term
14 “appropriate effective date”, used with respect to a
15 Department referred to in this section, means the
16 date on which all provisions of this Act that the De-
17 partment is required to carry out, and amendments
18 and repeals made by this Act to provisions of Fed-
19 eral law that the Department is required to carry
20 out, are effective.

21 (2) COVERED ACTIVITY.—The term “covered
22 activity”, used with respect to a Department re-
23 ferred to in this section, means an activity that the
24 Department is required to carry out under—

25 (A) a provision of this Act; or

1 (B) a provision of Federal law that is
2 amended or repealed by this Act.

3 (b) REPORTS.—

4 (1) CONTENTS.—Not later than December 31,
5 1995, each Secretary referred to in paragraph (2)
6 shall prepare and submit to the relevant committees
7 described in paragraph (3) a report containing—

8 (A) the determinations described in sub-
9 section (c);

10 (B) appropriate documentation in support
11 of such determinations; and

12 (C) a description of the methodology used
13 in making such determinations.

14 (2) SECRETARY.—The Secretaries referred to in
15 this paragraph are—

16 (A) the Secretary of Agriculture;

17 (B) the Secretary of Education;

18 (C) the Secretary of Labor;

19 (D) the Secretary of Housing and Urban
20 Development; and

21 (E) the Secretary of Health and Human
22 Services.

23 (3) RELEVANT COMMITTEES.—The relevant
24 Committees described in this paragraph are the fol-
25 lowing:

1 (A) With respect to each Secretary de-
2 scribed in paragraph (2), the Committee on
3 Government Reform and Oversight of the
4 House of Representatives and the Committee
5 on Governmental Affairs of the Senate.

6 (B) With respect to the Secretary of Agri-
7 culture, the Committee on Agriculture and the
8 Committee on Economic and Educational Op-
9 portunities of the House of Representatives and
10 the Committee on Agriculture, Nutrition, and
11 Forestry of the Senate.

12 (C) With respect to the Secretary of Edu-
13 cation, the Committee on Economic and Edu-
14 cational Opportunities of the House of Rep-
15 resentatives and the Committee on Labor and
16 Human Resources of the Senate.

17 (D) With respect to the Secretary of
18 Labor, the Committee on Economic and Edu-
19 cational Opportunities of the House of Rep-
20 resentatives and the Committee on Labor and
21 Human Resources of the Senate.

22 (E) With respect to the Secretary of Hous-
23 ing and Urban Development, the Committee on
24 Banking and Financial Services of the House of

1 Representatives and the Committee on Bank-
2 ing, Housing, and Urban Affairs of the Senate.

3 (F) With respect to the Secretary of
4 Health and Human Services, the Committee on
5 Economic and Educational Opportunities of the
6 House of Representatives, the Committee on
7 Labor and Human Resources of the Senate, the
8 Committee on Ways and Means of the House of
9 Representatives, and the Committee on Finance
10 of the Senate.

11 (4) REPORT ON CHANGES.—Not later than De-
12 cember 31, 1996, and each December 31 thereafter,
13 each Secretary referred to in paragraph (2) shall
14 prepare and submit to the relevant Committees de-
15 scribed in paragraph (3), a report concerning any
16 changes with respect to the determinations made
17 under subsection (c) for the year in which the report
18 is being submitted.

19 (c) DETERMINATIONS.—Not later than December 31,
20 1995, each Secretary referred to in subsection (b)(2) shall
21 determine—

22 (1) the number of full-time equivalent positions
23 required by the Department (or the Federal Part-
24 nership established under section 771) headed by
25 such Secretary to carry out the covered activities of

1 the Department (or Federal Partnership), as of the
2 day before the date of enactment of this Act;

3 (2) the number of such positions required by
4 the Department (or Federal Partnership) to carry
5 out the activities, as of the appropriate effective date
6 for the Department (or Federal Partnership); and

7 (3) the difference obtained by subtracting the
8 number referred to in paragraph (2) from the num-
9 ber referred to in paragraph (1).

10 (d) ACTIONS.—Not later than 30 days after the ap-
11 propriate effective date for the Department involved, each
12 Secretary referred to in subsection (b)(2) shall take such
13 actions as may be necessary, including reduction in force
14 actions, consistent with sections 3502 and 3595 of title
15 5, United States Code, to reduce the number of positions
16 of personnel of the Department by at least the difference
17 referred to in subsection (c)(3).

18 (e) CONSISTENCY.—

19 (1) EDUCATION.—The Secretary of Education
20 shall carry out this section in a manner that enables
21 the Secretary to meet the requirements of this sec-
22 tion and section 776(i)(2).

23 (2) LABOR.—The Secretary of Labor shall
24 carry out this section in a manner that enables the

1 Secretary to meet the requirements of this section
2 and section 776(i)(2).

3 (3) HEALTH AND HUMAN SERVICES.—The Sec-
4 retary of Health and Human Services shall carry out
5 this section in a manner that enables the Secretary
6 to meet the requirements of this section and section
7 1202.

8 (f) CALCULATION.—In determining, under subsection
9 (c), the number of full-time equivalent positions required
10 by a Department to carry out a covered activity, a Sec-
11 retary referred to in subsection (b)(2), shall include the
12 number of such positions occupied by personnel carrying
13 out program functions or other functions (including budg-
14 etary, legislative, administrative, planning, evaluation, and
15 legal functions) related to the activity.

16 (g) GENERAL ACCOUNTING OFFICE REPORT.—Not
17 later than July 1, 1996, the Comptroller General of the
18 United States shall prepare and submit to the committees
19 described in subsection (b)(3), a report concerning the de-
20 terminations made by each Secretary under subsection (c).
21 Such report shall contain an analysis of the determina-
22 tions made by each Secretary under subsection (c) and
23 a determination as to whether further reductions in full-
24 time equivalent positions are appropriate.

1 **SEC. 1202. REDUCTIONS IN FEDERAL BUREAUCRACY.**

2 (a) IN GENERAL.—The Secretary of Health and
3 Human Services shall reduce the Federal workforce within
4 the Department of Health and Human Services by an
5 amount equal to the sum of—

6 (1) 75 percent of the full-time equivalent posi-
7 tions at each such Department that relate to any di-
8 rect spending program, or any program funded
9 through discretionary spending, that has been con-
10 verted into a block grant program under this Act
11 and the amendments made by this Act; and

12 (2) an amount equal to 75 percent of that por-
13 tion of the total full-time equivalent departmental
14 management positions at each such Department that
15 bears the same relationship to the amount appro-
16 priated for the programs referred to in paragraph
17 (1) as such amount relates to the total amount ap-
18 propriated for use by each such Department.

19 (b) REDUCTIONS IN THE DEPARTMENT OF HEALTH
20 AND HUMAN SERVICES.—Notwithstanding any other pro-
21 vision of this Act, the Secretary of Health and Human
22 Services shall take such actions as may be necessary, in-
23 cluding reductions in force actions, consistent with sec-
24 tions 3502 and 3595 of title 5, United States Code, to
25 reduce the full-time equivalent positions within the De-
26 partment of Health and Human Services—

1 (1) by 245 full-time equivalent positions related
2 to the program converted into a block grant under
3 the amendment made by section 101(b); and

4 (2) by 60 full-time equivalent managerial posi-
5 tions in the Department.

6 **SEC. 1203. REDUCING PERSONNEL IN WASHINGTON, DC,**
7 **AREA.**

8 In making reductions in full-time equivalent posi-
9 tions, the Secretary is encouraged to reduce personnel in
10 the Washington, DC, area office (agency headquarters)
11 before reducing field personnel.

12 **TITLE XIII—MISCELLANEOUS**
13 **PROVISIONS**

14 **SEC. 1301. EXPENDITURE OF FEDERAL FUNDS IN ACCORD-**
15 **ANCE WITH LAWS AND PROCEDURES APPLI-**
16 **CABLE TO EXPENDITURE OF STATE FUNDS.**

17 (a) IN GENERAL.—Notwithstanding any other provi-
18 sion of law, any funds received by a State under the provi-
19 sions of law specified in subsection (b) shall be expended
20 only in accordance with the laws and procedures applicable
21 to expenditures of the State's own revenues, including ap-
22 propriation by the State legislature, consistent with the
23 terms and conditions required under such provisions of
24 law.

1 (b) PROVISIONS OF LAW.—The provisions of law
2 specified in this subsection are the following:

3 (1) Part A of title IV of the Social Security Act
4 (relating to block grants for temporary assistance to
5 needy families).

6 (2) Section 25 of the Food Stamp Act of 1977
7 (relating to the optional State food assistance block
8 grant).

9 (3) The Child Care and Development Block
10 Grant Act of 1990 (relating to block grants for child
11 care).

12 **SEC. 1302. ELIMINATION OF HOUSING ASSISTANCE WITH**
13 **RESPECT TO FUGITIVE FELONS AND PROBA-**
14 **TION AND PAROLE VIOLATORS.**

15 (a) ELIGIBILITY FOR ASSISTANCE.—The United
16 States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is
17 amended—

18 (1) in section 6(l)—

19 (A) in paragraph (5), by striking “and” at
20 the end;

21 (B) in paragraph (6), by striking the pe-
22 riod at the end and inserting “; and”; and

23 (C) by inserting immediately after para-
24 graph (6) the following new paragraph:

1 “(7) provide that it shall be cause for imme-
2 diate termination of the tenancy of a public housing
3 tenant if such tenant—

4 “(A) is fleeing to avoid prosecution, or cus-
5 tody or confinement after conviction, under the
6 laws of the place from which the individual
7 flees, for a crime, or attempt to commit a
8 crime, which is a felony under the laws of the
9 place from which the individual flees, or which,
10 in the case of the State of New Jersey, is a
11 high misdemeanor under the laws of such State;
12 or

13 “(2) is violating a condition of probation or pa-
14 role imposed under Federal or State law.”; and

15 (2) in section 8(d)(1)(B)—

16 (A) in clause (iii), by striking “and” at the
17 end;

18 (B) in clause (iv), by striking the period at
19 the end and inserting “; and”; and

20 (C) by adding after clause (iv) the follow-
21 ing new clause:

22 “(v) it shall be cause for termination
23 of the tenancy of a tenant if such tenant—

24 “(I) is fleeing to avoid prosecu-
25 tion, or custody or confinement after

1 conviction, under the laws of the place
2 from which the individual flees, for a
3 crime, or attempt to commit a crime,
4 which is a felony under the laws of
5 the place from which the individual
6 flees, or which, in the case of the
7 State of New Jersey, is a high mis-
8 demeanor under the laws of such
9 State; or

10 “(II) is violating a condition of
11 probation or parole imposed under
12 Federal or State law;”.

13 (b) PROVISION OF INFORMATION TO LAW ENFORCE-
14 MENT AGENCIES.—Section 28 of the United States Hous-
15 ing Act of 1937, as added by section 504(c) of this Act,
16 is amended by adding at the end the following new sub-
17 section:

18 “(b) EXCHANGE OF INFORMATION WITH LAW EN-
19 FORCEMENT AGENCIES.—Notwithstanding any other pro-
20 vision of law, each public housing agency that enters into
21 a contract for assistance under section 6 or 8 of this Act
22 with the Secretary shall furnish any Federal, State, or
23 local law enforcement officer, upon the request of the offi-
24 cer, with the current address, Social Security number, and

1 photograph (if applicable) of any recipient of assistance
2 under this Act, if the officer—

3 “(1) furnishes the public housing agency with
4 the name of the recipient; and

5 “(2) notifies the agency that—

6 “(A) such recipient—

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

16 “(ii) is violating a condition of proba-
17 tion or parole imposed under Federal or
18 State law; or

19 “(iii) has information that is nec-
20 essary for the officer to conduct the offi-
21 cer’s official duties;

22 “(B) the location or apprehension of the
23 recipient is within such officer’s official duties;
24 and

1 “(C) the request is made in the proper ex-
2 ercise of the officer’s official duties.”.

3 **SEC. 1303. SENSE OF THE SENATE REGARDING ENTER-**
4 **PRISE ZONES.**

5 (a) FINDINGS.—The Senate finds that—

6 (1) many of the Nation’s urban centers are
7 places with high levels of poverty, high rates of wel-
8 fare dependency, high crime rates, poor schools, and
9 joblessness;

10 (2) Federal tax incentives and regulatory re-
11 forms can encourage economic growth, job creation
12 and small business formation in many urban centers;

13 (3) encouraging private sector investment in
14 America’s economically distressed urban and rural
15 areas is essential to breaking the cycle of poverty
16 and the related ills of crime, drug abuse, illiteracy,
17 welfare dependency, and unemployment; and

18 (4) the empowerment zones enacted in 1993
19 should be enhanced by providing incentives to in-
20 crease entrepreneurial growth, capital formation, job
21 creation, educational opportunities, and home owner-
22 ship in the designated communities and zones.

23 (b) SENSE OF THE SENATE.—Therefore, it is the
24 Sense of the Senate that the Congress should adopt enter-
25 prise zone legislation in the One Hundred Fourth Con-

1 gress, and that such enterprise zone legislation provide the
2 following incentives and provisions:

3 (1) Federal tax incentives that expand access to
4 capital, increase the formation and expansion of
5 small businesses, and promote commercial revitaliza-
6 tion.

7 (2) Regulatory reforms that allow localities to
8 petition Federal agencies, subject to the relevant
9 agencies' approval, for waivers or modifications of
10 regulations to improve job creation, small business
11 formation and expansion, community development,
12 or economic revitalization objectives of the enterprise
13 zones.

14 (3) Home ownership incentives and grants to
15 encourage resident management of public housing
16 and home ownership of public housing.

17 (4) School reform pilot projects in certain des-
18 ignated enterprise zones to provide low-income par-
19 ents with new and expanded educational options for
20 their children's elementary and secondary schooling.

21 **SEC. 1304. SENSE OF THE SENATE REGARDING THE INABIL-**
22 **ITY OF THE NON-CUSTODIAL PARENT TO PAY**
23 **CHILD SUPPORT.**

24 It is the sense of the Senate that—

1 (a) States should diligently continue their efforts to
2 enforce child support payments by the non-custodial par-
3 ent to the custodial parent, regardless of the employment
4 status or location of the non-custodial parent; and

5 (b) States are encouraged to pursue pilot programs
6 in which the parents of a non-adult, non-custodial parent
7 who refuses to or is unable to pay child support must—

8 (1) pay or contribute to the child support owed
9 by the non-custodial parent; or

10 (2) otherwise fulfill all financial obligations and
11 meet all conditions imposed on the non-custodial
12 parent, such as participation in a work program or
13 other related activity.

14 **SEC. 1305. FOOD STAMP ELIGIBILITY.**

15 Section 6(f) of the Food Stamp Act of 1977 (7
16 U.S.C. 2015(f)) is amended by striking the third sentence
17 and inserting the following:

18 “The State agency shall, at its option, consider either
19 all income and financial resources of the individual ren-
20 dered ineligible to participate in the food stamp program
21 under this subsection, or such income, less a pro rata
22 share, and the financial resources of the ineligible individ-
23 ual, to determine the eligibility and the value of the allot-
24 ment of the household of which such individual is a mem-
25 ber.”.

1 **SEC. 1306. SENSE OF THE SENATE ON LEGISLATIVE AC-**
2 **COUNTABILITY FOR UNFUNDED MANDATES**
3 **IN WELFARE REFORM LEGISLATION.**

4 (a) FINDINGS.—The Senate finds that the purposes
5 of the Unfunded Mandates Reform Act of 1995 are—

6 (1) to strengthen the partnership between the
7 Federal Government and State, local and tribal gov-
8 ernments;

9 (2) to end the imposition, in the absence of full
10 consideration by Congress, of Federal mandates on
11 State, local and tribal governments without adequate
12 Federal funding, in a manner that may displace
13 other essential State, local and tribal governmental
14 priorities;

15 (3) to assist Congress in its consideration of
16 proposed legislation establishing or revising Federal
17 programs containing Federal mandates affecting
18 State, local and tribal governments, and the private
19 sector by—

20 (A) providing for the development of infor-
21 mation about the nature and size of mandates
22 in proposed legislation; and

23 (B) establishing a mechanism to bring
24 such information to the attention of the Senate
25 and the House of Representatives before the

1 Senate and the House of Representatives vote
2 on proposed legislation;

3 (4) to promote informed and deliberate deci-
4 sions by Congress on the appropriateness of Federal
5 mandates in any particular instance; and

6 (5) to require that Congress consider whether
7 to provide funding to assist State, local and tribal
8 governments in complying with Federal mandates.

9 (b) SENSE OF THE SENATE.—It is the sense of the
10 Senate that prior to the Senate acting on the conference
11 report on either H.R. 4 or any other legislation including
12 welfare reform provisions, the Congressional Budget Of-
13 fice shall prepare an analysis of the conference report to
14 include—

15 (1) estimates, over each of the next 7 fiscal
16 years, by State and in total, of—

17 (A) the costs to States of meeting all work
18 requirements in the conference report, including
19 those for single-parent families, two-parent
20 families, and those who have received cash as-
21 sistance for 2 years;

22 (B) the resources available to the States to
23 meet these work requirements, defined as Fed-
24 eral appropriations authorized in the conference
25 report for this purpose in addition to what

1 States are projected to spend under current
2 welfare law;

3 (C) the amount of any additional revenue
4 needed by the States to meet the work require-
5 ments in the conference report, beyond re-
6 sources available as defined under subpara-
7 graph (b)(1)(B);

8 (2) an estimate, based on the analysis in para-
9 graph (b)(1), of how many States would opt to pay
10 any penalty provided for by the conference report
11 rather than raise the additional revenue needed to
12 meet the work requirements in the conference re-
13 port; and

14 (3) estimates, over each of the next 7 fiscal
15 years, of the costs to States of any other require-
16 ments imposed on them by such legislation.

17 **SEC. 1307. SENSE OF THE SENATE REGARDING COMPETI-**
18 **TIVE BIDDING FOR INFANT FORMULA.**

19 (a) IN GENERAL.—The Senate finds that—

20 (1) the Federal Supplemental Nutrition Pro-
21 gram for Women, Infants and Children (WIC) is a
22 proven success story, providing special nutrition and
23 health assistance to at-risk pregnant women, infants
24 and children;

1 (2) WIC has been shown to reduce the inci-
2 dence of fetal death, low birthweight, infant mortal-
3 ity and anemia, to increase the nutritional and
4 health status of pregnant women, infants and chil-
5 dren and to improve the cognitive development of in-
6 fants and children;

7 (3) research has shown that each dollar spent
8 on WIC for pregnant women results in savings of
9 \$1.92 to \$4.21 in medicaid expenditures;

10 (4) because of funding limitations not all indi-
11 viduals eligible for WIC assistance are served by the
12 program;

13 (5) infant formula is a significant item in the
14 cost of WIC monthly food packages, amounting to
15 approximately 26 percent of WIC food costs after
16 subtracting manufacturer's rebates, but approxi-
17 mately 48 percent of food costs prior to applying re-
18 bates;

19 (6) rebates obtained through competitive bid-
20 ding for infant formula have reduced the cost of in-
21 fant formula for WIC participants by approximately
22 \$4,100,000,000 through the end of fiscal year 1994,
23 allowing millions of additional pregnant women, in-
24 fants and children to be served by WIC with the lim-
25 ited funds available;

1 (2) assuring that at least 25 percent of the
2 communities in the United States have teenage preg-
3 nancy prevention programs in place.

4 (b) REPORT.—Not later than June 30, 1998, and an-
5 nually thereafter, the Secretary shall report to the Con-
6 gress with respect to the progress that has been made in
7 meeting the goals described in paragraphs (1) and (2) of
8 subsection (a).

9 (c) OUT-OF-WEDLOCK AND TEENAGE PREGNANCY
10 PREVENTION PROGRAMS.—Section 2002 of the Social Se-
11 curity Act (42 U.S.C. 1397a) is amended by adding at
12 the end the following new subsection:

13 “(2) The Secretary shall conduct a study with respect
14 to the State programs implemented under paragraph (1)
15 to determine the relative effectiveness of the different ap-
16 proaches for preventing out-of-wedlock and teenage preg-
17 nancy utilized in the programs conducted under this sub-
18 section and the approaches that can be best replicated by
19 other States.

20 “(3) Each State conducting a program under this
21 subsection shall provide to the Secretary, in such form and
22 with such frequency as the Secretary requires, data from
23 the programs conducted under this subsection. The Sec-
24 retary shall report to the Congress annually on the
25 progress of the programs and shall, not later than June

1 30, 1998, submit to the Congress a report on the study
2 required under paragraph (2).”.

3 **SEC. 1309. SENSE OF THE SENATE REGARDING ENFORCE-**
4 **MENT OF STATUTORY RAPE LAWS.**

5 It is the sense of the Senate that States and local
6 jurisdictions should aggressively enforce statutory rape
7 laws.

8 **SEC. 1310. SANCTIONING FOR TESTING POSITIVE FOR CON-**
9 **TROLLED SUBSTANCES.**

10 Notwithstanding any other provision of law, States
11 shall not be prohibited by the Federal Government from
12 sanctioning welfare recipients who test positive for use of
13 controlled substances.

14 **SEC. 1311. ABSTINENCE EDUCATION.**

15 (a) INCREASES IN FUNDING.—Section 501(a) of the
16 Social Security Act (42 U.S.C. 701(a)) is amended in the
17 matter preceding paragraph (1) by striking “Fiscal year
18 1990 and each fiscal year thereafter” and inserting “Fis-
19 cal years 1990 through 1995 and \$761,000,000 for fiscal
20 year 1996 and each fiscal year thereafter”.

21 (b) ABSTINENCE EDUCATION.—Section 501(a)(1) of
22 such Act (42 U.S.C. 701(a)(1)) is amended—

23 (1) in subparagraph (C), by striking “and” at
24 the end;

1 (2) in subparagraph (D), by adding “and” at
2 the end; and

3 (3) by adding at the end the following new sub-
4 paragraph:

5 “(E) to provide abstinence education, and
6 at the option of the State, where appropriate,
7 mentoring, counseling, and adult supervision to
8 promote abstinence from sexual activity, with a
9 focus on those groups which are most likely to
10 bear children out-of-wedlock.”.

11 (c) ABSTINENCE EDUCATION DEFINED.—Section
12 501(b) of such Act (42 U.S.C. 701(b)) is amended by add-
13 ing at the end the following new paragraph:

14 “(5) ABSTINENCE EDUCATION.—For purposes
15 of this subsection, the term ‘abstinence education’
16 shall mean an educational or motivational program
17 which—

18 “(A) has as its exclusive purpose, teaching
19 the social, psychological, and health gains to be
20 realized by abstaining from sexual activity;

21 “(B) teaches abstinence from sexual activ-
22 ity outside marriage as the expected standard
23 for all school age children;

24 “(C) teaches that abstinence from sexual
25 activity is the only certain way to avoid out-of-

1 wedlock pregnancy, sexually transmitted dis-
2 eases, and other associated health problems;

3 “(D) teaches that a mutually faithful
4 monogamous relationship in context of marriage
5 is the expected standard of human sexual activ-
6 ity;

7 “(E) teaches that sexual activity outside of
8 the context of marriage is likely to have harm-
9 ful psychological and physical effects;

10 “(F) teaches that bearing children out-of-
11 wedlock is likely to have harmful consequences
12 for the child, the child’s parents, and society;

13 “(G) teaches young people how to reject
14 sexual advances and how alcohol and drug use
15 increases vulnerability to sexual advances; and

16 “(H) teaches the importance of attaining
17 self-sufficiency before engaging in sexual activ-
18 ity.”.

19 (d) SET-ASIDE.—

20 (1) IN GENERAL.—Section 502(e) of such Act
21 (42 U.S.C. 702(e)) is amended in the matter preced-
22 ing paragraph (1) by striking “From” and inserting
23 “Except as provided in subsection (e), from”.

1 (2) SET-ASIDE.—Section 502 of such Act (42
2 U.S.C. 702) is amended by adding at the end the
3 following new subsection:

4 “(e) Of the amounts appropriated under section
5 501(a) for any fiscal year, the Secretary shall set aside
6 \$75,000,000 for abstinence education in accordance with
7 section 501(a)(1)(E).

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