

104TH CONGRESS
2^D SESSION

H. R. 3734

AN ACT

To provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997.

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To provide for reconciliation pursuant to section 201(a)(1)
of the concurrent resolution on the budget for fiscal
year 1997.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Welfare Reform Rec-
3 onciliation Act of 1996”.

4 **SEC. 2. TABLE OF TITLES.**

5 The table of titles of this Act is as follows:

Title I—Committee on Agriculture

Title II—Committee on Commerce

Title III—Committee on Economic and Educational Opportunities

Title IV—Committee on Ways and Means

6 **TITLE I—COMMITTEE ON**
7 **AGRICULTURE**

8 **SEC. 1001. SHORT TITLE.**

9 This title may be cited as the “Food Stamp Reform
10 and Commodity Distribution Act of 1996”.

11 **SEC. 1002. TABLE OF CONTENTS.**

12 The table of contents of this title is as follows:

Sec. 1001. Short title.

Sec. 1002. Table of contents.

Subtitle A—Food Stamp Program

Sec. 1011. Definition of certification period.

Sec. 1012. Definition of coupon.

Sec. 1013. Treatment of children living at home.

Sec. 1014. Optional additional criteria for separate household determinations.

Sec. 1015. Adjustment of thrifty food plan.

Sec. 1016. Definition of homeless individual.

Sec. 1017. State option for eligibility standards.

Sec. 1018. Earnings of students.

Sec. 1019. Energy assistance.

Sec. 1020. Deductions from income.

Sec. 1021. Vehicle allowance.

Sec. 1022. Vendor payments for transitional housing counted as income.

Sec. 1023. Doubled penalties for violating food stamp program requirements.

Sec. 1024. Disqualification of convicted individuals.

Sec. 1025. Disqualification.

Sec. 1026. Caretaker exemption.

Sec. 1027. Employment and training.

Sec. 1028. Comparable treatment for disqualification.

Sec. 1029. Disqualification for receipt of multiple food stamp benefits.

Sec. 1030. Disqualification of fleeing felons.

- Sec. 1031. Cooperation with child support agencies.
- Sec. 1032. Disqualification relating to child support arrears.
- Sec. 1033. Work requirement.
- Sec. 1034. Encourage electronic benefit transfer systems.
- Sec. 1035. Value of minimum allotment.
- Sec. 1036. Benefits on recertification.
- Sec. 1037. Optional combined allotment for expedited households.
- Sec. 1038. Failure to comply with other means-tested public assistance programs.
- Sec. 1039. Allotments for households residing in centers.
- Sec. 1040. Condition precedent for approval of retail food stores and wholesale food concerns.
- Sec. 1041. Authority to establish authorization periods.
- Sec. 1042. Information for verifying eligibility for authorization.
- Sec. 1043. Waiting period for stores that fail to meet authorization criteria.
- Sec. 1044. Operation of food stamp offices.
- Sec. 1045. State employee and training standards.
- Sec. 1046. Exchange of law enforcement information.
- Sec. 1047. Expedited coupon service.
- Sec. 1048. Withdrawing fair hearing requests.
- Sec. 1049. Income, eligibility, and immigration status verification systems.
- Sec. 1050. Disqualification of retailers who intentionally submit falsified applications.
- Sec. 1051. Disqualification of retailers who are disqualified under the WIC program.
- Sec. 1052. Collection of overissuances.
- Sec. 1053. Authority to suspend stores violating program requirements pending administrative and judicial review.
- Sec. 1054. Expanded criminal forfeiture for violations.
- Sec. 1055. Limitation of Federal match.
- Sec. 1056. Standards for administration.
- Sec. 1057. Work supplementation or support program.
- Sec. 1058. Waiver authority.
- Sec. 1059. Response to waivers.
- Sec. 1060. Employment initiatives program.
- Sec. 1061. Reauthorization.
- Sec. 1062. Simplified food stamp program.
- Sec. 1063. State food assistance block grant.
- Sec. 1064. A study of the use of food stamps to purchase vitamins and minerals.
- Sec. 1065. Investigations.
- Sec. 1066. Food stamp eligibility.
- Sec. 1067. Report by the Secretary.
- Sec. 1068. Deficit reduction.

Subtitle B—Commodity Distribution Programs

- Sec. 1071. Emergency food assistance program.
- Sec. 1072. Food bank demonstration project.
- Sec. 1073. Hunger prevention programs.
- Sec. 1074. Report on entitlement commodity processing.

Subtitle C—Electronic Benefit Transfer Systems

- Sec. 1091. Provisions to encourage electronic benefit transfer systems.

1 **Subtitle A—Food Stamp Program**

2 **SEC. 1011. DEFINITION OF CERTIFICATION PERIOD.**

3 Section 3(c) of the Food Stamp Act of 1977 (7
4 U.S.C. 2012(c)) is amended by striking “Except as pro-
5 vided” and all that follows and inserting the following:
6 “The certification period shall not exceed 12 months, ex-
7 cept that the certification period may be up to 24 months
8 if all adult household members are elderly or disabled. A
9 State agency shall have at least 1 contact with each cer-
10 tified household every 12 months.”.

11 **SEC. 1012. 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 in lieu of a coupon, or an access
16 device, including an electronic benefit transfer card or per-
17 sonal identification number,”.

18 **SEC. 1013. TREATMENT OF CHILDREN LIVING AT HOME.**

19 The second sentence of section 3(i) of the Food
20 Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by
21 striking “(who are not themselves parents living with their
22 children or married and living with their spouses)”.

1 **SEC. 1014. OPTIONAL ADDITIONAL CRITERIA FOR SEPA-**
2 **RATE HOUSEHOLD DETERMINATIONS.**

3 Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C.
4 2012(i)) is amended by inserting after the third sentence
5 the following: “Notwithstanding the preceding sentences,
6 a State may establish criteria that prescribe when individ-
7 uals who live together, and who would be allowed to par-
8 ticipate as separate households under the preceding sen-
9 tences, shall be considered a single household, without re-
10 gard to the common purchase of food and preparation of
11 meals.”.

12 **SEC. 1015. ADJUSTMENT OF THRIFTY FOOD PLAN.**

13 The second sentence of section 3(o) of the Food
14 Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

15 (1) by striking “shall (1) make” and inserting
16 the following: “shall—

17 “(1) make”;

18 (2) by striking “scale, (2) make” and inserting
19 “scale;

20 “(2) make”;

21 (3) by striking “Alaska, (3) make” and insert-
22 ing the following: “Alaska;

23 “(3) make”; and

24 (4) by striking “Columbia, (4) through” and all
25 that follows through the end of the subsection and
26 inserting the following: “Columbia; and

1 “(4) on October 1, 1996, and each October 1
2 thereafter, adjust the cost of the diet to reflect the
3 cost of the diet, in the preceding June, and round
4 the result to the nearest lower dollar increment for
5 each household size, except that on October 1, 1996,
6 the Secretary may not reduce the cost of the diet
7 in effect on September 30, 1996.”.

8 **SEC. 1016. DEFINITION OF HOMELESS INDIVIDUAL.**

9 Section 3(s)(2)(C) of the Food Stamp Act of 1977
10 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting “for not
11 more than 90 days” after “temporary accommodation”.

12 **SEC. 1017. STATE OPTION FOR ELIGIBILITY STANDARDS.**

13 Section 5(b) of the Food Stamp Act of 1977 (7
14 U.S.C. 2014(d)) is amended by striking “(b) The Sec-
15 retary” and inserting the following:

16 “(b) ELIGIBILITY STANDARDS.—Except as otherwise
17 provided in this Act, the Secretary”.

18 **SEC. 1018. EARNINGS OF STUDENTS.**

19 Section 5(d)(7) of the Food Stamp Act of 1977 (7
20 U.S.C. 2014(d)(7)) is amended by striking “21” and in-
21 serting “19”.

22 **SEC. 1019. ENERGY ASSISTANCE.**

23 (a) IN GENERAL.—Section 5(d) of the Food Stamp
24 Act of 1977 (7 U.S.C. 2014(d)) is amended by striking
25 paragraph (11) and inserting the following: “(11) a 1-time

1 payment or allowance made under a Federal or State law
2 for the costs of weatherization or emergency repair or re-
3 placement of an unsafe or inoperative furnace or other
4 heating or cooling device.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 5(k) of the Act (7 U.S.C. 2014(k))
7 is amended—

8 (A) in paragraph (1)—

9 (i) in subparagraph (A), by striking
10 “plan for aid to families with dependent
11 children approved” and inserting “program
12 funded”; and

13 (ii) in subparagraph (B), by striking
14 “, not including energy or utility-cost as-
15 sistance,”;

16 (B) in paragraph (2), by striking subpara-
17 graph (C) and inserting the following:

18 “(C) a payment or allowance described in sub-
19 section (d)(11);” and

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

21 “(4) THIRD PARTY ENERGY ASSISTANCE PAY-
22 MENTS.—

23 “(A) ENERGY ASSISTANCE PAYMENTS.—

24 For purposes of subsection (d)(1), a payment
25 made under a Federal or State law to provide

1 energy assistance to a household shall be con-
2 sidered money payable directly to the house-
3 hold.

4 “(B) ENERGY ASSISTANCE EXPENSES.—
5 For purposes of subsection (e)(7), an expense
6 paid on behalf of a household under a Federal
7 or State law to provide energy assistance shall
8 be considered an out-of-pocket expense incurred
9 and paid by the household.”.

10 (2) Section 2605(f) of the Low-Income Home
11 Energy Assistance Act of 1981 (42 U.S.C. 8624(f))
12 is amended—

13 (A) by striking “(f)(1) Notwithstanding”
14 and inserting “(f) Notwithstanding”;

15 (B) in paragraph (1), by striking “food
16 stamps,”; and

17 (C) by striking paragraph (2).

18 **SEC. 1020. DEDUCTIONS FROM INCOME.**

19 (a) IN GENERAL.—Section 5 of the Food Stamp Act
20 of 1977 (7 U.S.C. 2014) is amended by striking sub-
21 section (e) and inserting the following:

22 “(e) DEDUCTIONS FROM INCOME.—

23 “(1) STANDARD DEDUCTION.—The Secretary
24 shall allow a standard deduction for each household
25 in the 48 contiguous States and the District of Co-

1 lumbia, Alaska, Hawaii, Guam, and the Virgin Is-
2 lands of the United States of \$134, \$229, \$189,
3 \$269, and \$118, respectively.

4 “(2) EARNED INCOME DEDUCTION.—

5 “(A) DEFINITION OF EARNED INCOME.—

6 In this paragraph, the term ‘earned income’
7 does not include income excluded by subsection
8 (d) or any portion of income earned under a
9 work supplementation or support program, as
10 defined under section 16(b), that is attributable
11 to public assistance.

12 “(B) DEDUCTION.—Except as provided in
13 subparagraph (C), a household with earned in-
14 come shall be allowed a deduction of 20 percent
15 of all earned income to compensate for taxes,
16 other mandatory deductions from salary, and
17 work expenses.

18 “(C) EXCEPTION.—The deduction de-
19 scribed in subparagraph (B) shall not be al-
20 lowed with respect to determining an overissu-
21 ance due to the failure of a household to report
22 earned income in a timely manner.

23 “(3) DEPENDENT CARE DEDUCTION.—

24 “(A) IN GENERAL.—A household shall be
25 entitled, with respect to expenses (other than

1 excluded expenses described in subparagraph
2 (B)) for dependent care, to a dependent care
3 deduction, the maximum allowable level of
4 which shall be \$200 per month for each depend-
5 ent child under 2 years of age and \$175 per
6 month for each other dependent, for the actual
7 cost of payments necessary for the care of a de-
8 pendent if the care enables a household member
9 to accept or continue employment, or training
10 or education that is preparatory for employ-
11 ment.

12 “(B) EXCLUDED EXPENSES.—The ex-
13 cluded expenses referred to in subparagraph
14 (A) are—

15 “(i) expenses paid on behalf of the
16 household by a third party;

17 “(ii) amounts made available and ex-
18 cluded for the expenses referred to in sub-
19 paragraph (A) under subsection (d)(3);
20 and

21 “(iii) expenses that are paid under
22 section 6(d)(4).

23 “(4) DEDUCTION FOR CHILD SUPPORT PAY-
24 MENTS.—

1 “(A) IN GENERAL.—A household shall be
2 entitled to a deduction for child support pay-
3 ments made by a household member to or for
4 an individual who is not a member of the
5 household if the household member is legally
6 obligated to make the payments.

7 “(B) METHODS FOR DETERMINING
8 AMOUNT.—The Secretary may prescribe by reg-
9 ulation the methods, including calculation on a
10 retrospective basis, that a State agency shall
11 use to determine the amount of the deduction
12 for child support payments.

13 “(5) HOMELESS SHELTER ALLOWANCE.—A
14 State agency may develop a standard homeless shel-
15 ter allowance, which shall not exceed \$143 per
16 month, for such expenses as may reasonably be ex-
17 pected to be incurred by households in which all
18 members are homeless individuals but are not receiv-
19 ing free shelter throughout the month. A State agen-
20 cy that develops the allowance may use the allow-
21 ance in determining eligibility and allotments for the
22 households, except that the State agency may pro-
23 hibit the use of the allowance for households with
24 extremely low shelter costs.

25 “(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

1 “(A) IN GENERAL.—A household contain-
2 ing an elderly or disabled member shall be enti-
3 tled, with respect to expenses other than ex-
4 penses paid on behalf of the household by a
5 third party, to an excess medical expense de-
6 duction for the portion of the actual costs of al-
7 lowable medical expenses, incurred by the elder-
8 ly or disabled member, exclusive of special diets,
9 that exceeds \$35 per month.

10 “(B) METHOD OF CLAIMING DEDUC-
11 TION.—

12 “(i) IN GENERAL.—A State agency
13 shall offer an eligible household under sub-
14 paragraph (A) a method of claiming a de-
15 duction for recurring medical expenses that
16 are initially verified under the excess medi-
17 cal expense deduction in lieu of submitting
18 information or verification on actual ex-
19 penses on a monthly basis.

20 “(ii) METHOD.—The method de-
21 scribed in clause (i) shall—

22 “(I) be designed to minimize the
23 burden for the eligible elderly or dis-
24 abled household member choosing to
25 deduct the recurrent medical expenses

1 of the member pursuant to the meth-
2 od;

3 “(II) rely on reasonable estimates
4 of the expected medical expenses of
5 the member for the certification pe-
6 riod (including changes that can be
7 reasonably anticipated based on avail-
8 able information about the medical
9 condition of the member, public or
10 private medical insurance coverage,
11 and the current verified medical ex-
12 penses incurred by the member); and

13 “(III) not require further report-
14 ing or verification of a change in med-
15 ical expenses if such a change has
16 been anticipated for the certification
17 period.

18 “(7) EXCESS SHELTER EXPENSE DEDUC-
19 TION.—

20 “(A) IN GENERAL.—A household shall be
21 entitled, with respect to expenses other than ex-
22 penses paid on behalf of the household by a
23 third party, to an excess shelter expense deduc-
24 tion to the extent that the monthly amount ex-
25 pended by a household for shelter exceeds an

1 amount equal to 50 percent of monthly house-
2 hold income after all other applicable deduc-
3 tions have been allowed.

4 “(B) MAXIMUM AMOUNT OF DEDUC-
5 TION.—In the case of a household that does not
6 contain an elderly or disabled individual, the ex-
7 cess shelter expense deduction shall not ex-
8 ceed—

9 “(i) in the 48 contiguous States and
10 the District of Columbia, \$247 per month;
11 and

12 “(ii) in Alaska, Hawaii, Guam, and
13 the Virgin Islands of the United States,
14 \$429, \$353, \$300, and \$182 per month,
15 respectively.

16 “(C) STANDARD UTILITY ALLOWANCE.—

17 “(i) IN GENERAL.—In computing the
18 excess shelter expense deduction, a State
19 agency may use a standard utility allow-
20 ance in accordance with regulations pro-
21 mulgated by the Secretary, except that a
22 State agency may use an allowance that
23 does not fluctuate within a year to reflect
24 seasonal variations.

1 “(ii) RESTRICTIONS ON HEATING AND
2 COOLING EXPENSES.—An allowance for a
3 heating or cooling expense may not be used
4 in the case of a household that—

5 “(I) does not incur a heating or
6 cooling expense, as the case may be;

7 “(II) does incur a heating or
8 cooling expense but is located in a
9 public housing unit that has central
10 utility meters and charges households,
11 with regard to the expense, only for
12 excess utility costs; or

13 “(III) shares the expense with,
14 and lives with, another individual not
15 participating in the food stamp pro-
16 gram, another household participating
17 in the food stamp program, or both,
18 unless the allowance is prorated be-
19 tween the household and the other in-
20 dividual, household, or both.

21 “(iii) MANDATORY ALLOWANCE.—

22 “(I) IN GENERAL.—A State
23 agency may make the use of a stand-
24 ard utility allowance mandatory for all

1 households with qualifying utility
2 costs if—

3 “(aa) the State agency has
4 developed 1 or more standards
5 that include the cost of heating
6 and cooling and 1 or more stand-
7 ards that do not include the cost
8 of heating and cooling; and

9 “(bb) the Secretary finds
10 that the standards will not result
11 in an increased cost to the Sec-
12 retary.

13 “(II) HOUSEHOLD ELECTION.—
14 A State agency that has not made the
15 use of a standard utility allowance
16 mandatory under subclause (I) shall
17 allow a household to switch, at the
18 end of a certification period, between
19 the standard utility allowance and a
20 deduction based on the actual utility
21 costs of the household.

22 “(iv) AVAILABILITY OF ALLOWANCE
23 TO RECIPIENTS OF ENERGY ASSISTANCE.—

24 “(I) IN GENERAL.—Subject to
25 subclause (II), if a State agency elects

1 to use a standard utility allowance
2 that reflects heating or cooling costs,
3 the standard utility allowance shall be
4 made available to households receiving
5 a payment, or on behalf of which a
6 payment is made, under the Low-In-
7 come Home Energy Assistance Act of
8 1981 (42 U.S.C. 8621 et seq.) or
9 other similar energy assistance pro-
10 gram, if the household still incurs out-
11 of-pocket heating or cooling expenses
12 in excess of any assistance paid on be-
13 half of the household to an energy
14 provider.

15 “(II) SEPARATE ALLOWANCE.—A
16 State agency may use a separate
17 standard utility allowance for house-
18 holds on behalf of which a payment
19 described in subclause (I) is made,
20 but may not be required to do so.

21 “(III) STATES NOT ELECTING TO
22 USE SEPARATE ALLOWANCE.—A State
23 agency that does not elect to use a
24 separate allowance but makes a single
25 standard utility allowance available to

1 households incurring heating or cool-
2 ing expenses (other than a household
3 described in subclause (I) or (II) of
4 subparagraph (C)(ii)) may not be re-
5 quired to reduce the allowance due to
6 the provision (directly or indirectly) of
7 assistance under the Low-Income
8 Home Energy Assistance Act of 1981
9 (42 U.S.C. 8621 et seq.).

10 “(IV) PRORATION OF ASSIST-
11 ANCE.—For the purpose of the food
12 stamp program, assistance provided
13 under the Low-Income Home Energy
14 Assistance Act of 1981 (42 U.S.C.
15 8621 et seq.) shall be considered to be
16 prorated over the entire heating or
17 cooling season for which the assist-
18 ance was provided.”.

19 (b) CONFORMING AMENDMENT.—Section 11(e)(3) of
20 the Act (7 U.S.C. 2020(e)(3)) is amended by striking
21 “Under rules prescribed” and all that follows through
22 “verifies higher expenses;”.

1 **SEC. 1021. VEHICLE ALLOWANCE.**

2 Section 5(g) of the Food Stamp Act of 1977 (7
3 U.S.C. 2014(g)) is amended by striking paragraph (2) and
4 inserting the following:

5 “(2) INCLUDED ASSETS.—

6 “(A) IN GENERAL.—Subject to the other
7 provisions of this paragraph, the Secretary
8 shall, in prescribing inclusions in, and exclu-
9 sions from, financial resources, follow the regu-
10 lations in force as of June 1, 1982 (other than
11 those relating to licensed vehicles and inacces-
12 sible resources).

13 “(B) ADDITIONAL INCLUDED ASSETS.—
14 The Secretary shall include in financial re-
15 sources—

16 “(i) any boat, snowmobile, or airplane
17 used for recreational purposes;

18 “(ii) any vacation home;

19 “(iii) any mobile home used primarily
20 for vacation purposes;

21 “(iv) subject to subparagraph (C), any
22 licensed vehicle that is used for household
23 transportation or to obtain or continue em-
24 ployment to the extent that the fair market
25 value of the vehicle exceeds \$4,600; and

1 “(v) any savings or retirement ac-
2 count (including an individual account), re-
3 gardless of whether there is a penalty for
4 early withdrawal.

5 “(C) EXCLUDED VEHICLES.—A vehicle
6 (and any other property, real or personal, to the
7 extent the property is directly related to the
8 maintenance or use of the vehicle) shall not be
9 included in financial resources under this para-
10 graph if the vehicle is—

11 “(i) used to produce earned income;

12 “(ii) necessary for the transportation
13 of a physically disabled household member;
14 or

15 “(iii) depended on by a household to
16 carry fuel for heating or water for home
17 use and provides the primary source of fuel
18 or water, respectively, for the household.”.

19 **SEC. 1022. VENDOR PAYMENTS FOR TRANSITIONAL HOUS-**
20 **ING COUNTED AS INCOME.**

21 Section 5(k)(2) of the Food Stamp Act of 1977 (7
22 U.S.C. 2014(k)(2)) is amended—

23 (1) by striking subparagraph (F); and

24 (2) by redesignating subparagraphs (G) and
25 (H) as subparagraphs (F) and (G), respectively.

1 **SEC. 1023. DOUBLED PENALTIES FOR VIOLATING FOOD**
2 **STAMP PROGRAM REQUIREMENTS.**

3 Section 6(b)(1) of the Food Stamp Act of 1977 (7
4 U.S.C. 2015(b)(1)) is amended—

5 (1) in clause (i), by striking “six months” and
6 inserting “1 year”; and

7 (2) in clause (ii), by striking “1 year” and in-
8 serting “2 years”.

9 **SEC. 1024. DISQUALIFICATION OF CONVICTED INDIVID-**
10 **UALS.**

11 Section 6(b)(1)(iii) of the Food Stamp Act of 1977
12 (7 U.S.C. 2015(b)(1)(iii)) is amended—

13 (1) in subclause (II), by striking “or” at the
14 end;

15 (2) in subclause (III), by striking the period at
16 the end and inserting “; or”; and

17 (3) by inserting after subclause (III) the follow-
18 ing:

19 “(IV) a conviction of an offense under sub-
20 section (b) or (c) of section 15 involving an
21 item covered by subsection (b) or (c) of section
22 15 having a value of \$500 or more.”.

23 **SEC. 1025. DISQUALIFICATION.**

24 (a) IN GENERAL.—Section 6(d) of the Food Stamp
25 Act of 1977 (7 U.S.C. 2015(d)) is amended by striking
26 “(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. 1026. 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. 1027. 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 a statewide workforce
18 development system, unless the component is
19 not available locally through the statewide
20 workforce development system.”;

21 (2) in subparagraph (B)—

22 (A) in the matter preceding clause (i), by
23 striking the colon at the end and inserting the
24 following: “, except that the State agency shall
25 retain the option to apply employment require-

1 ments prescribed under this subparagraph to a
2 program applicant at the time of application.”;

3 (B) in clause (i), by striking “with terms
4 and conditions” and all that follows through
5 “time of application”; and

6 (C) in clause (iv)—

7 (i) by striking subclauses (I) and (II);

8 and

9 (ii) by redesignating subclauses (III)

10 and (IV) as subclauses (I) and (II), respec-

11 tively;

12 (3) in subparagraph (D)—

13 (A) in clause (i), by striking “to which the
14 application” and all that follows through “30
15 days or less”;

16 (B) in clause (ii), by striking “but with re-
17 spect” and all that follows through “child
18 care”; and

19 (C) in clause (iii), by striking “, on the
20 basis of” and all that follows through “clause
21 (ii)” and inserting “the exemption continues to
22 be valid”;

23 (4) in subparagraph (E), by striking the third
24 sentence;

25 (5) in subparagraph (G)—

1 (A) by striking “(G)(i) The State” and in-
2 serting “(G) The State”; and

3 (B) by striking clause (ii);

4 (6) in subparagraph (H), by striking “(H)(i)
5 The Secretary” and all that follows through “(ii)
6 Federal funds” and inserting “(H) Federal funds”;

7 (7) in subparagraph (I)(i)(II), by striking “, or
8 was in operation,” and all that follows through “So-
9 cial Security Act” and inserting the following: “),
10 except that no such payment or reimbursement shall
11 exceed the applicable local market rate”;

12 (8)(A) by striking subparagraphs (K) and (L)
13 and inserting the following:

14 “(K) LIMITATION ON FUNDING.—Notwith-
15 standing any other provision of this paragraph,
16 the amount of funds a State agency uses to
17 carry out this paragraph (including under sub-
18 paragraph (I)) for participants who are receiv-
19 ing benefits under a State program funded
20 under part A of title IV of the Social Security
21 Act (42 U.S.C. 601 et seq.) shall not exceed the
22 amount of funds the State agency used in fiscal
23 year 1995 to carry out this paragraph for par-
24 ticipants who were receiving benefits in fiscal
25 year 1995 under a State program funded under

1 part A of title IV of the Act (42 U.S.C. 601 et
2 seq.).”; and

3 (B) by redesignating subparagraphs (M) and
4 (N) as subparagraphs (L) and (M), respectively; and
5 (9) in subparagraph (L), as redesignated by
6 paragraph (8)(B)—

7 (A) by striking “(L)(i) The Secretary” and
8 inserting “(L) The Secretary”; and

9 (B) by striking clause (ii).

10 (b) FUNDING.—Section 16(h) of the Act (7 U.S.C.
11 2025(h)) is amended by striking “(h)(1)(A) The Sec-
12 retary” and all that follows through the end of paragraph
13 (1) and inserting the following:

14 “(h) FUNDING OF EMPLOYMENT AND TRAINING
15 PROGRAMS.—

16 “(1) IN GENERAL.—

17 “(A) AMOUNTS.—To carry out employ-
18 ment and training programs, the Secretary
19 shall reserve for allocation to State agencies
20 from funds made available for each fiscal year
21 under section 18(a)(1) the amount of—

22 “(i) for fiscal year 1996, \$75,000,000;

23 “(ii) for fiscal year 1997,
24 \$79,000,000;

1 “(iii) for fiscal year 1998,
2 \$81,000,000;

3 “(iv) for fiscal year 1999,
4 \$84,000,000;

5 “(v) for fiscal year 2000,
6 \$86,000,000;

7 “(vi) for fiscal year 2001,
8 \$88,000,000; and

9 “(vii) for fiscal year 2002,
10 \$90,000,000.

11 “(B) ALLOCATION.—The Secretary shall
12 allocate the amounts reserved under subpara-
13 graph (A) among the State agencies using a
14 reasonable formula (as determined by the Sec-
15 retary) that gives consideration to the popu-
16 lation in each State affected by section 6(o).

17 “(C) REALLOCATION.—

18 “(i) NOTIFICATION.—A State agency
19 shall promptly notify the Secretary if the
20 State agency determines that the State
21 agency will not expend all of the funds al-
22 located to the State agency under subpara-
23 graph (B).

24 “(ii) REALLOCATION.—On notification
25 under clause (i), the Secretary shall reallo-

1 cate the funds that the State agency will
2 not expend as the Secretary considers ap-
3 propriate and equitable.

4 “(D) MINIMUM ALLOCATION.—Notwith-
5 standing subparagraphs (A) through (C), the
6 Secretary shall ensure that each State agency
7 operating an employment and training program
8 shall receive not less than \$50,000 in each fis-
9 cal year.”.

10 (c) ADDITIONAL MATCHING FUNDS.—Section
11 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by
12 inserting before the period at the end the following: “, in-
13 cluding the costs for case management and casework to
14 facilitate the transition from economic dependency to self-
15 sufficiency through work”.

16 (d) REPORTS.—Section 16(h) of the Act (7 U.S.C.
17 2025(h)) is amended—

18 (1) in paragraph (5)—

19 (A) by striking “(5)(A) The Secretary”
20 and inserting “(5) The Secretary”; and

21 (B) by striking subparagraph (B); and

22 (2) by striking paragraph (6).

1 **SEC. 1028. COMPARABLE TREATMENT FOR DISQUALIFICA-**
2 **TION.**

3 (a) IN GENERAL.—Section 6 of the Food Stamp Act
4 of 1977 (7 U.S.C. 2015) is amended by adding at the end
5 the following:

6 “(i) COMPARABLE TREATMENT FOR DISQUALIFICA-
7 TION.—

8 “(1) IN GENERAL.—If a disqualification is im-
9 posed on a member of a household for a failure of
10 the member to perform an action required under a
11 Federal, State, or local law relating to a means-test-
12 ed public assistance program, the State agency may
13 impose the same disqualification on the member of
14 the household under the food stamp program.

15 “(2) RULES AND PROCEDURES.—If a disquali-
16 fication is imposed under paragraph (1) for a failure
17 of an individual to perform an action required under
18 part A of title IV of the Social Security Act (42
19 U.S.C. 601 et seq.), the State agency may use the
20 rules and procedures that apply under part A of title
21 IV of the Act to impose the same disqualification
22 under the food stamp program.

23 “(3) APPLICATION AFTER DISQUALIFICATION
24 PERIOD.—A member of a household disqualified
25 under paragraph (1) may, after the disqualification
26 period has expired, apply for benefits under this Act

1 and shall be treated as a new applicant, except that
 2 a prior disqualification under subsection (d) shall be
 3 considered in determining eligibility.”.

4 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
 5 Act (7 U.S.C. 2020(e)) is amended—

6 (1) in paragraph (24), by striking “and” at the
 7 end;

8 (2) in paragraph (25), by striking the period at
 9 the end and inserting a semicolon; and

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

11 “(26) the guidelines the State agency uses in
 12 carrying out section 6(i); and”.

13 (c) CONFORMING AMENDMENT.—Section 6(d)(2)(A)
 14 of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by strik-
 15 ing “that is comparable to a requirement of paragraph
 16 (1)”.

17 **SEC. 1029. DISQUALIFICATION FOR RECEIPT OF MULTIPLE**
 18 **FOOD STAMP BENEFITS.**

19 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
 20 2015), as amended by section 1028, is amended by adding
 21 at the end the following:

22 “(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE
 23 FOOD STAMP BENEFITS.—An individual shall be ineligible
 24 to participate in the food stamp program as a member
 25 of any household for a 10-year period if the individual is

1 found by a State agency to have made, or is convicted
2 in a Federal or State court of having made, a fraudulent
3 statement or representation with respect to the identity
4 or place of residence of the individual in order to receive
5 multiple benefits simultaneously under the food stamp
6 program.”.

7 **SEC. 1030. DISQUALIFICATION OF FLEEING FELONS.**

8 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
9 2015), as amended by sections 1028 and 1029, is amend-
10 ed by adding at the end the following:

11 “(k) DISQUALIFICATION OF FLEEING FELONS.—No
12 member of a household who is otherwise eligible to partici-
13 pate in the food stamp program shall be eligible to partici-
14 pate in the program as a member of that or any other
15 household during any period during which the individual
16 is—

17 “(1) fleeing to avoid prosecution, or custody or
18 confinement after conviction, under the law of the
19 place from which the individual is fleeing, for a
20 crime, or attempt to commit a crime, that is a felony
21 under the law of the place from which the individual
22 is fleeing or that, in the case of New Jersey, is a
23 high misdemeanor under the law of New Jersey; or

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

1 **SEC. 1031. COOPERATION WITH CHILD SUPPORT AGENCIES.**

2 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
3 2015), as amended by sections 1028 through 1030, is
4 amended by adding at the end the following:

5 “(1) 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 “(m) 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. 1032. DISQUALIFICATION RELATING TO CHILD SUP-**
22 **PORT ARREARS.**

23 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
24 2015), as amended by sections 1028 through 1031, is
25 amended by adding at the end the following:

1 “(n) DISQUALIFICATION FOR CHILD SUPPORT AR-
2 REARS.—

3 “(1) IN GENERAL.—At the option of the State
4 agency, no individual shall be eligible to participate
5 in the food stamp program as a member of any
6 household during any month that the individual is
7 delinquent in any payment due under a court order
8 for the support of a child of the individual.

9 “(2) EXCEPTIONS.—Paragraph (1) shall not
10 apply if—

11 “(A) a court is allowing the individual to
12 delay payment; or

13 “(B) the individual is complying with a
14 payment plan approved by a court or the State
15 agency designated under part D of title IV of
16 the Social Security Act (42 U.S.C. 651 et seq.)
17 to provide support for the child of the individ-
18 ual.”.

19 **SEC. 1033. WORK REQUIREMENT.**

20 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
21 2015), as amended by sections 1028 through 1032, is
22 amended by adding at the end the following:

23 “(o) WORK REQUIREMENT.—

24 “(1) DEFINITION OF WORK PROGRAM.—In this
25 subsection, the term ‘work program’ means—

1 “(A) a program under the Job Training
2 Partnership Act (29 U.S.C. 1501 et seq.);

3 “(B) a program under section 236 of the
4 Trade Act of 1974 (19 U.S.C. 2296); or

5 “(C) a program of employment and train-
6 ing operated or supervised by a State or politi-
7 cal subdivision of a State that meets standards
8 approved by the Governor of the State, includ-
9 ing a program under section 6(d)(4), other than
10 a job search program or a job search training
11 program.

12 “(2) WORK REQUIREMENT.—Subject to the
13 other provisions of this subsection, no individual
14 shall be eligible to participate in the food stamp pro-
15 gram as a member of any household if the individual
16 received after the effective date of this subsection
17 food stamp benefits for not less than 3 months dur-
18 ing which the individual did not—

19 “(A) work 20 hours or more per week,
20 averaged monthly; or

21 “(B) participate in and comply with the re-
22 quirements of a work program for 20 hours or
23 more per week, as determined by the State
24 agency; or

1 “(C) participate in a program under sec-
2 tion 20 or a comparable program established by
3 a State or political subdivision of a State.

4 “(3) EXCEPTION.—Paragraph (2) shall not
5 apply to an individual if the individual is—

6 “(A) under 18 or over 50 years of age;

7 “(B) medically certified as physically or
8 mentally unfit for employment;

9 “(C) a parent or other member of a house-
10 hold with responsibility for a dependent child;

11 “(D) otherwise exempt under section
12 6(d)(2); or

13 “(E) a pregnant woman.

14 “(4) WAIVER.—

15 “(A) IN GENERAL.—On the request of a
16 State agency, the Secretary may waive the ap-
17 plicability of paragraph (2) to any group of in-
18 dividuals in the State if the Secretary makes a
19 determination that the area in which the indi-
20 viduals reside—

21 “(i) has an unemployment rate of over
22 10 percent; or

23 “(ii) does not have a sufficient num-
24 ber of jobs to provide employment for the
25 individuals.

1 “(B) REPORT.—The Secretary shall report
 2 the basis for a waiver under subparagraph (A)
 3 to the Committee on Agriculture of the House
 4 of Representatives and the Committee on Agri-
 5 culture, Nutrition, and Forestry of the Senate.

6 “(5) SUBSEQUENT ELIGIBILITY.—Paragraph
 7 (2) shall cease to apply to an individual if, during
 8 a 30-day period, the individual—

9 “(A) works 80 or more hours;

10 “(B) participates in and complies with the
 11 requirements of a work program for 80 or more
 12 hours, as determined by a State agency; or

13 “(C) participates in a program under sec-
 14 tion 20 or a comparable program established by
 15 a State or political subdivision of a State.

16 **SEC. 1034. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
 17 **SYSTEMS.**

18 (a) IN GENERAL.—Section 7(i) of the Food Stamp
 19 Act of 1977 (7 U.S.C. 2016(i)) is amended—

20 (1) by striking paragraph (1) and inserting the
 21 following:

22 “(1) ELECTRONIC BENEFIT TRANSFERS.—

23 “(A) IMPLEMENTATION.—Each State
 24 agency shall implement an electronic benefit
 25 transfer system in which household benefits de-

1 terminated under section 8(a) or 26 are issued
2 from and stored in a central databank before
3 October 1, 2002, unless the Secretary provides
4 a waiver for a State agency that faces unusual
5 barriers to implementing an electronic benefit
6 transfer system.

7 “(B) TIMELY IMPLEMENTATION.—State
8 agencies are encouraged to implement an elec-
9 tronic benefit transfer system under subpara-
10 graph (A) as soon as practicable.

11 “(C) STATE FLEXIBILITY.—Subject to
12 paragraph (2), a State agency may procure and
13 implement an electronic benefit transfer system
14 under the terms, conditions, and design that
15 the State agency considers appropriate.

16 “(D) OPERATION.—An electronic benefit
17 transfer system should take into account gen-
18 erally accepted standard operating rules based
19 on—

20 “(i) commercial electronic funds
21 transfer technology;

22 “(ii) the need to permit interstate op-
23 eration and law enforcement monitoring;
24 and

1 “(iii) the need to permit monitoring
2 and investigations by authorized law en-
3 forcement agencies.”;

4 (2) in paragraph (2)—

5 (A) by striking “effective no later than
6 April 1, 1992,”;

7 (B) in subparagraph (A)—

8 (i) by striking “, in any 1 year,”; and

9 (ii) by striking “on-line”;

10 (C) by striking subparagraph (D) and in-
11 serting the following:

12 “(D)(i) measures to maximize the security of a
13 system using the most recent technology available
14 that the State agency considers appropriate and cost
15 effective and which may include personal identifica-
16 tion numbers, photographic identification on elec-
17 tronic benefit transfer cards, and other measures to
18 protect against fraud and abuse; and

19 “(ii) effective not later than 2 years after the
20 effective date of this clause, to the extent prac-
21 ticable, measures that permit a system to differen-
22 tiate items of food that may be acquired with an al-
23 lotment from items of food that may not be acquired
24 with an allotment.”;

1 (D) in subparagraph (G), by striking
2 “and” at the end;

3 (E) in subparagraph (H), by striking the
4 period at the end and inserting “; and”; and

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

6 “(I) procurement standards.”; and

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

8 “(7) REPLACEMENT OF BENEFITS.—Regula-
9 tions issued by the Secretary regarding the replace-
10 ment of benefits and liability for replacement of ben-
11 efits under an electronic benefit transfer system
12 shall be similar to the regulations in effect for a
13 paper food stamp issuance system.

14 “(8) REPLACEMENT CARD FEE.—A State agen-
15 cy may collect a charge for replacement of an elec-
16 tronic benefit transfer card by reducing the monthly
17 allotment of the household receiving the replacement
18 card.

19 “(9) OPTIONAL PHOTOGRAPHIC IDENTIFICA-
20 TION.—

21 “(A) IN GENERAL.—A State agency may
22 require that an electronic benefit card contain
23 a photograph of 1 or more members of a house-
24 hold.

1 “(B) OTHER AUTHORIZED USERS.—If a
2 State agency requires a photograph on an elec-
3 tronic benefit card under subparagraph (A), the
4 State agency shall establish procedures to en-
5 sure that any other appropriate member of the
6 household or any authorized representative of
7 the household may utilize the card.

8 “(10) APPLICATION OF ANTI-TYING RESTRIC-
9 TIONS TO ELECTRONIC BENEFIT TRANSFER SYS-
10 TEMS.—

11 “(A) IN GENERAL.—A company shall not
12 sell or provide electronic benefit transfer serv-
13 ices, or fix or vary the consideration for such
14 services, on the condition or requirement that
15 the customer—

16 “(i) obtain some additional point-of-
17 sale service from the company or any affili-
18 ate of the company; or

19 “(ii) not obtain some additional point-
20 of-sale service from a competitor of the
21 company or competitor of any affiliate of
22 the company.

23 “(B) DEFINITIONS.—In this paragraph—

1 “(i) AFFILIATE.—The term ‘affiliate’
2 shall have the same meaning as in section
3 2(k) of the Bank Holding Company Act.

4 “(ii) COMPANY.—The term ‘company’
5 shall have the same meaning as in section
6 106(a) of the Bank Holding Company Act
7 Amendments of 1970, but shall not include
8 a bank, bank holding company, or any sub-
9 sidiary of a bank holding company.

10 “(iii) ELECTRONIC BENEFIT TRANS-
11 FER SERVICE.—The term ‘electronic bene-
12 fit transfer service’ means the processing
13 of electronic transfers of household bene-
14 fits determined under section 8(a) or 26
15 where the benefits are—

16 “(I) issued from and stored in a
17 central databank;

18 “(II) electronically accessed by
19 household members at the point of
20 sale; and

21 “(III) provided by a Federal or
22 state government.

23 “(iv) POINT-OF-SALE SERVICE.—The
24 term ‘point-of-sale service’ means any
25 product or service related to the electronic

1 authorization and processing of payments
2 for merchandise at a retail food store, in-
3 cluding but not limited to credit or debit
4 card services, automated teller machines,
5 point-of-sale terminals, or access to on-line
6 systems.

7 “(C) CONSULTATION WITH THE FEDERAL
8 RESERVE BOARD.—Before promulgating regula-
9 tions or interpretations of regulations to carry
10 out this paragraph, the Secretary shall consult
11 with the Board of Governors of the Federal Re-
12 serve System.”.

13 (b) SENSE OF CONGRESS.—It is the sense of Con-
14 gress that a State that operates an electronic benefit
15 transfer system under the Food Stamp Act of 1977 (7
16 U.S.C. 2011 et seq.) should operate the system in a man-
17 ner that is compatible with electronic benefit transfer sys-
18 tems operated by other States.

19 **SEC. 1035. VALUE OF MINIMUM ALLOTMENT.**

20 The proviso in section 8(a) of the Food Stamp Act
21 of 1977 (7 U.S.C. 2017(a)) is amended by striking “, and
22 shall be adjusted” and all that follows through “\$5”.

1 **SEC. 1036. BENEFITS ON RECERTIFICATION.**

2 Section 8(c)(2)(B) of the Food Stamp Act of 1977
3 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
4 than one month”.

5 **SEC. 1037. OPTIONAL COMBINED ALLOTMENT FOR EXPE-**
6 **DITED HOUSEHOLDS.**

7 Section 8(c) of the Food Stamp Act of 1977 (7
8 U.S.C. 2017(c)) is amended by striking paragraph (3) and
9 inserting the following:

10 “(3) OPTIONAL COMBINED ALLOTMENT FOR
11 EXPEDITED HOUSEHOLDS.—A State agency may
12 provide to an eligible household applying after the
13 15th day of a month, in lieu of the initial allotment
14 of the household and the regular allotment of the
15 household for the following month, an allotment that
16 is equal to the total amount of the initial allotment
17 and the first regular allotment. The allotment shall
18 be provided in accordance with section 11(e)(3) in
19 the case of a household that is not entitled to expe-
20 dited service and in accordance with paragraphs (3)
21 and (9) of section 11(e) in the case of a household
22 that is entitled to expedited service.”.

1 **SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-**
2 **TESTED 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 means-tested public assistance program
11 for the failure of a member of the household to per-
12 form an action required under the law or program,
13 for the duration of the reduction—

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) **RULES AND PROCEDURES.—**If the allot-
22 ment of a household is reduced under this subsection
23 for a failure to perform an action required under
24 part A of title IV of the Social Security Act (42
25 U.S.C. 601 et seq.), the State agency may use the
26 rules and procedures that apply under part A of title

1 IV of the Act to reduce the allotment under the food
2 stamp program.”.

3 **SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN**
4 **CENTERS.**

5 Section 8 of the Food Stamp Act of 1977 (7 U.S.C.
6 2017) is amended by adding at the end the following:

7 “(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN
8 CENTERS.—

9 “(1) IN GENERAL.—In the case of an individual
10 who resides in a center for the purpose of a drug or
11 alcoholic treatment program described in the last
12 sentence of section 3(i), a State agency may provide
13 an allotment for the individual to—

14 “(A) the center as an authorized represent-
15 ative of the individual for a period that is less
16 than 1 month; and

17 “(B) the individual, if the individual leaves
18 the center.

19 “(2) DIRECT PAYMENT.—A State agency may
20 require an individual referred to in paragraph (1) to
21 designate the center in which the individual resides
22 as the authorized representative of the individual for
23 the purpose of receiving an allotment.”.

1 **SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RE-**
2 **TAIL FOOD STORES AND WHOLESALE FOOD**
3 **CONCERNS.**

4 Section 9(a)(1) of the Food Stamp Act of 1977 (7
5 U.S.C. 2018(a)(1)) is amended by adding at the end the
6 following: “No retail food store or wholesale food concern
7 of a type determined by the Secretary, based on factors
8 that include size, location, and type of items sold, shall
9 be approved to be authorized or reauthorized for participa-
10 tion in the food stamp program unless an authorized em-
11 ployee of the Department of Agriculture, a designee of the
12 Secretary, or, if practicable, an official of the State or local
13 government designated by the Secretary has visited the
14 store or concern for the purpose of determining whether
15 the store or concern should be approved or reauthorized,
16 as appropriate.”.

17 **SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PE-**
18 **RIODS.**

19 Section 9(a) of the Food Stamp Act of 1977 (7
20 U.S.C. 2018(a)) is amended by adding at the end the fol-
21 lowing:

22 “(3) AUTHORIZATION PERIODS.—The Secretary
23 shall establish specific time periods during which au-
24 thorization to accept and redeem coupons, or to re-
25 deem benefits through an electronic benefit transfer

1 system, shall be valid under the food stamp pro-
2 gram.”.

3 **SEC. 1042. INFORMATION FOR VERIFYING ELIGIBILITY FOR**
4 **AUTHORIZATION.**

5 Section 9(c) of the Food Stamp Act of 1977 (7
6 U.S.C. 2018(c)) is amended—

7 (1) in the first sentence, by inserting “, which
8 may include relevant income and sales tax filing doc-
9 uments,” after “submit information”; and

10 (2) by inserting after the first sentence the fol-
11 lowing: “The regulations may require retail food
12 stores and wholesale food concerns to provide writ-
13 ten authorization for the Secretary to verify all rel-
14 evant tax filings with appropriate agencies and to
15 obtain corroborating documentation from other
16 sources so that the accuracy of information provided
17 by the stores and concerns may be verified.”.

18 **SEC. 1043. WAITING PERIOD FOR STORES THAT FAIL TO**
19 **MEET AUTHORIZATION CRITERIA.**

20 Section 9(d) of the Food Stamp Act of 1977 (7
21 U.S.C. 2018(d)) is amended by adding at the end the fol-
22 lowing: “A retail food store or wholesale food concern that
23 is denied approval to accept and redeem coupons because
24 the store or concern does not meet criteria for approval
25 established by the Secretary may not, for at least 6

1 months, submit a new application to participate in the
2 program. The Secretary may establish a longer time pe-
3 riod under the preceding sentence, including permanent
4 disqualification, that reflects the severity of the basis of
5 the denial.”.

6 **SEC. 1044. OPERATION OF FOOD STAMP OFFICES.**

7 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
8 2020), as amended by sections 1020(b) and 1028(b), is
9 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 areas in
21 which a substantial number of members of low-in-
22 come households speak a language other than Eng-
23 lish;

24 “(B) that in carrying out subparagraph (A), a
25 State 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 develop an application contain-
5 ing the information necessary to comply with
6 this Act;

7 “(iii) shall permit an applicant household
8 to apply to participate in the program on the
9 same day that the household first contacts a
10 food stamp office in person during office hours;

11 “(iv) shall consider an application that
12 contains the name, address, and signature of
13 the applicant to be filed on the date the appli-
14 cant submits the application;

15 “(v) shall require that an adult representa-
16 tive of each applicant household certify in writ-
17 ing, under penalty of perjury, that—

18 “(I) the information contained in the
19 application is true; and

20 “(II) all members of the household
21 are citizens or are aliens eligible to receive
22 food stamps under section 6(f);

23 “(vi) shall provide a method of certifying
24 and issuing coupons to eligible homeless individ-
25 uals, to ensure that participation in the food

1 stamp program is limited to eligible households;
2 and

3 “(vii) may establish operating procedures
4 that vary for local food stamp offices to reflect
5 regional and local differences within the State;

6 “(C) that nothing in this Act shall prohibit the
7 use of signatures provided and maintained electroni-
8 cally, storage of records using automated retrieval
9 systems only, or any other feature of a State agen-
10 cy’s application system that does not rely exclusively
11 on the collection and retention of paper applications
12 or other records;

13 “(D) that the signature of any adult under this
14 paragraph shall be considered sufficient to comply
15 with any provision of Federal law requiring a house-
16 hold member to sign an application or statement;”;

17 (B) in paragraph (3), as amended by sec-
18 tion 1020(b)—

19 (i) by striking “shall—” and all that
20 follows through “provide each” and insert-
21 ing “shall provide each”; and

22 (ii) by striking “(B) assist” and all
23 that follows through “representative of the
24 State agency;”;

25 (C) by striking paragraphs (14) and (25);

1 (D)(i) by redesignating paragraphs (15)
2 through (24) as paragraphs (14) through (23),
3 respectively; and

4 (ii) by redesignating paragraph (26), as
5 added by section 1028(b), as paragraph (24);
6 and

7 (2) in subsection (i)—

8 (A) by striking “(i) Notwithstanding” and
9 all that follows through “(2)” and inserting the
10 following:

11 “(i) APPLICATION AND DENIAL PROCEDURES.—

12 “(1) APPLICATION PROCEDURES.—Notwith-
13 standing any other provision of law,”; and

14 (B) by striking “; (3) households” and all
15 that follows through “title IV of the Social Se-
16 curity Act. No” and inserting a period and the
17 following:

18 “(2) DENIAL AND TERMINATION.—Other than
19 in a case of disqualification as a penalty for failure
20 to comply with a public assistance program rule or
21 regulation, no”.

22 **SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.**

23 Section 11(e)(6) of the Food Stamp Act of 1977 (7
24 U.S.C. 2020(e)(6)) is amended—

1 (1) by striking “that (A) the” and inserting
2 “that—

3 “(A) the”;

4 (2) by striking “Act; (B) the” and inserting
5 “Act; and

6 “(B) the”;

7 (3) in subparagraph (B), by striking “United
8 States Civil Service Commission” and inserting “Of-
9 fice of Personnel Management”; and

10 (4) by striking subparagraphs (C) through (E).

11 **SEC. 1046. EXCHANGE OF LAW ENFORCEMENT INFORMA-**
12 **TION.**

13 Section 11(e)(8) of the Food Stamp Act of 1977 (7
14 U.S.C. 2020(e)(8)) is amended—

15 (1) by striking “that (A) such” and inserting
16 the following: “that—

17 “(A) the”;

18 (2) by striking “law, (B) notwithstanding” and
19 inserting the following: “law;

20 “(B) notwithstanding”;

21 (3) by striking “Act, and (C) such” and insert-
22 ing the following: “Act;

23 “(C) the”; and

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

1 “(D) notwithstanding any other provision
2 of law, the address, social security number, and,
3 if available, photograph of any member of a
4 household shall be made available, on request,
5 to any Federal, State, or local law enforcement
6 officer if the officer furnishes the State agency
7 with the name of the member and notifies the
8 agency that—

9 “(i) the member—

10 “(I) is fleeing to avoid prosecu-
11 tion, or custody or confinement after
12 conviction, for a crime (or attempt to
13 commit a crime) that, under the law
14 of the place the member is fleeing, is
15 a felony (or, in the case of New Jer-
16 sey, a high misdemeanor), or is violat-
17 ing a condition of probation or parole
18 imposed under Federal or State law;
19 or

20 “(II) has information that is nec-
21 essary for the officer to conduct an of-
22 ficial duty related to subclause (I);

23 “(ii) locating or apprehending the
24 member is an official duty; and

1 “(iii) the request is being made in the
2 proper exercise of an official duty; and

3 “(E) the safeguards shall not prevent com-
4 pliance with paragraph (16);”.

5 **SEC. 1047. EXPEDITED COUPON SERVICE.**

6 Section 11(e)(9) of the Food Stamp Act of 1977 (7
7 U.S.C. 2020(e)(9)) is amended—

8 (1) in subparagraph (A)—

9 (A) by striking “five days” and inserting
10 “7 days”; and

11 (B) by inserting “and” at the end;

12 (2) by striking subparagraphs (B) and (C);

13 (3) by redesignating subparagraph (D) as sub-
14 paragraph (B); and

15 (4) in subparagraph (B), as redesignated by
16 paragraph (3), by striking “, (B), or (C)”.

17 **SEC. 1048. WITHDRAWING FAIR HEARING REQUESTS.**

18 Section 11(e)(10) of the Food Stamp Act of 1977 (7
19 U.S.C. 2020(e)(10)) is amended by inserting before the
20 semicolon at the end a period and the following: “At the
21 option of a State, at any time prior to a fair hearing deter-
22 mination under this paragraph, a household may with-
23 draw, orally or in writing, a request by the household for
24 the fair hearing. If the withdrawal request is an oral re-
25 quest, the State agency shall provide a written notice to

1 the household confirming the withdrawal request and pro-
2 viding the household with an opportunity to request a
3 hearing”.

4 **SEC. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STA-**
5 **TUS VERIFICATION SYSTEMS.**

6 Section 11 of the Food Stamp Act of 1977 (7 U.S.C.
7 2020) is amended—

8 (1) in subsection (e)(18), as redesignated by
9 section 1044(1)(D)—

10 (A) by striking “that information is” and
11 inserting “at the option of the State agency,
12 that information may be”; and

13 (B) by striking “shall be requested” and
14 inserting “may be requested”; and

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

16 “(p) STATE VERIFICATION OPTION.—Notwithstand-
17 ing any other provision of law, in carrying out the food
18 stamp program, a State agency shall not be required to
19 use an income and eligibility or an immigration status ver-
20 ification system established under section 1137 of the So-
21 cial Security Act (42 U.S.C. 1320b–7).”.

22 **SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTEN-**
23 **TIONALLY SUBMIT FALSIFIED APPLICATIONS.**

24 Section 12(b) of the Food Stamp Act of 1977 (7
25 U.S.C. 2021(b)) is amended—

1 (1) in paragraph (2), by striking “and” at the
2 end;

3 (2) in paragraph (3), by striking the period at
4 the end and inserting “; and”; and

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

6 “(4) for a reasonable period of time to be deter-
7 mined by the Secretary, including permanent dis-
8 qualification, on the knowing submission of an appli-
9 cation for the approval or reauthorization to accept
10 and redeem coupons that contains false information
11 about a substantive matter that was a part of the
12 application.”.

13 **SEC. 1051. DISQUALIFICATION OF RETAILERS WHO ARE**
14 **DISQUALIFIED UNDER THE WIC PROGRAM.**

15 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
16 2021) is amended by adding at the end the following:

17 “(g) DISQUALIFICATION OF RETAILERS WHO ARE
18 DISQUALIFIED UNDER THE WIC PROGRAM.—

19 “(1) IN GENERAL.—The Secretary shall issue
20 regulations providing criteria for the disqualification
21 under this Act of an approved retail food store and
22 a wholesale food concern that is disqualified from
23 accepting benefits under the special supplemental
24 nutrition program for women, infants, and children

1 established under section 17 of the Child Nutrition
2 Act of 1966 (7 U.S.C. 1786).

3 “(2) TERMS.—A disqualification under para-
4 graph (1)—

5 “(A) shall be for the same length of time
6 as the disqualification from the program re-
7 ferred to in paragraph (1);

8 “(B) may begin at a later date than the
9 disqualification from the program referred to in
10 paragraph (1); and

11 “(C) notwithstanding section 14, shall not
12 be subject to judicial or administrative review.”.

13 **SEC. 1052. COLLECTION OF OVERISSUANCES.**

14 (a) COLLECTION OF OVERISSUANCES.—Section 13 of
15 the Food Stamp Act of 1977 (7 U.S.C. 2022) is amend-
16 ed—

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 amounts from unemploy-
2 ment compensation from a member of the
3 household under 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) MAXIMUM REDUCTION ABSENT FRAUD.—
14 If a household received an overissuance of coupons
15 without any member of the household being found
16 ineligible to participate in the program under section
17 6(b)(1) and a State agency elects to reduce the allot-
18 ment of the household under paragraph (1)(A), the
19 State agency shall not reduce the monthly allotment
20 of the household under paragraph (1)(A) by an
21 amount in excess of the greater of—

22 “(A) 10 percent of the monthly allotment
23 of the household; or

24 “(B) \$10.

1 “(4) PROCEDURES.—A State agency shall col-
2 lect an overissuance of coupons issued to a house-
3 hold under paragraph (1) in accordance with the re-
4 quirements established by the State agency for pro-
5 viding notice, electing a means of payment, and es-
6 tablishing a time schedule for payment.”; and

7 (2) in subsection (d)—

8 (A) by striking “as determined under sub-
9 section (b) and except for claims arising from
10 an error of the State agency,” and inserting “,
11 as determined under subsection (b)(1),”; and

12 (B) by inserting before the period at the
13 end the following: “or a Federal income tax re-
14 fund as authorized by section 3720A of title 31,
15 United States Code”.

16 (b) CONFORMING AMENDMENTS.—Section 11(e)(8)
17 of the Act (7 U.S.C. 2020(e)(8)) is amended—

18 (1) by striking “and excluding claims” and all
19 that follows through “such section”; and

20 (2) by inserting before the semicolon at the end
21 the following: “or a Federal income tax refund as
22 authorized by section 3720A of title 31, United
23 States Code”.

24 (c) RETENTION RATE.—Section 16(a) of the Act (7
25 U.S.C. 2025(a)) is amended by striking “25 percent dur-

1 ing the period beginning October 1, 1990” and all that
2 follows through “error of a State agency” and inserting
3 the following: “25 percent of the overissuances collected
4 by the State agency under section 13, except those
5 overissuances arising from an error of the State agency”.

6 **SEC. 1053. AUTHORITY TO SUSPEND STORES VIOLATING**
7 **PROGRAM REQUIREMENTS PENDING ADMIN-**
8 **ISTRATIVE AND JUDICIAL REVIEW.**

9 Section 14(a) of the Food Stamp Act of 1977 (7
10 U.S.C. 2023(a)) is amended—

11 (1) by redesignating the first through seven-
12 teenth sentences as paragraphs (1) through (17), re-
13 spectively; and

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

15 “(18) SUSPENSION OF STORES PENDING RE-
16 VIEW.—Notwithstanding any other provision of this
17 subsection, any permanent disqualification of a retail
18 food store or wholesale food concern under para-
19 graph (3) or (4) of section 12(b) shall be effective
20 from the date of receipt of the notice of disqualifica-
21 tion. If the disqualification is reversed through ad-
22 ministrative or judicial review, the Secretary shall
23 not be liable for the value of any sales lost during
24 the disqualification period.”.

1 **SEC. 1054. EXPANDED CRIMINAL FORFEITURE FOR VIOLA-**
2 **TIONS.**

3 (a) **FORFEITURE OF ITEMS EXCHANGED IN FOOD**
4 **STAMP TRAFFICKING.**—The first sentence of section
5 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g))
6 is amended by striking “or intended to be furnished”.

7 (b) **CRIMINAL FORFEITURE.**—Section 15 of the Act
8 (7 U.S.C. 2024) is amended by adding at the end the fol-
9 lowing:

10 “(h) **CRIMINAL FORFEITURE.**—

11 “(1) **IN GENERAL.**—In imposing a sentence on
12 a person convicted of an offense in violation of sub-
13 section (b) or (c), a court shall order, in addition to
14 any other sentence imposed under this subsection,
15 that the person forfeit to the United States all prop-
16 erty described in paragraph (2).

17 “(2) **PROPERTY SUBJECT TO FORFEITURE.**—All
18 property, real and personal, used in a transaction or
19 attempted transaction, to commit, or to facilitate the
20 commission of, a violation (other than a mis-
21 demeanor) of subsection (b) or (c), or proceeds
22 traceable to a violation of subsection (b) or (c), shall
23 be subject to forfeiture to the United States under
24 paragraph (1).

25 “(3) **INTEREST OF OWNER.**—No interest in
26 property shall be forfeited under this subsection as

1 the result of any act or omission established by the
2 owner of the interest to have been committed or
3 omitted without the knowledge or consent of the
4 owner.

5 “(4) PROCEEDS.—The proceeds from any sale
6 of forfeited property and any monies forfeited under
7 this subsection shall be used—

8 “(A) first, to reimburse the Department of
9 Justice for the costs incurred by the Depart-
10 ment to initiate and complete the forfeiture pro-
11 ceeding;

12 “(B) second, to reimburse the Department
13 of Agriculture Office of Inspector General for
14 any costs the Office incurred in the law enforce-
15 ment effort resulting in the forfeiture;

16 “(C) third, to reimburse any Federal or
17 State law enforcement agency for any costs in-
18 curred in the law enforcement effort resulting
19 in the forfeiture; and

20 “(D) fourth, by the Secretary to carry out
21 the approval, reauthorization, and compliance
22 investigations of retail stores and wholesale
23 food concerns under section 9.”.

1 **SEC. 1055. LIMITATION OF FEDERAL MATCH.**

2 Section 16(a)(4) of the Food Stamp Act of 1977 (7
3 U.S.C. 2025(a)(4)) is amended by inserting after the
4 comma at the end the following: “but not including re-
5 cruitment activities,”.

6 **SEC. 1056. STANDARDS FOR ADMINISTRATION.**

7 (a) IN GENERAL.—Section 16 of the Food Stamp Act
8 of 1977 (7 U.S.C. 2025) is amended by striking sub-
9 section (b).

10 (b) CONFORMING AMENDMENTS.—

11 (1) The first sentence of section 11(g) of the
12 Act (7 U.S.C. 2020(g)) is amended by striking “the
13 Secretary’s standards for the efficient and effective
14 administration of the program established under sec-
15 tion 16(b)(1) or”.

16 (2) Section 16(c)(1)(B) of the Act (7 U.S.C.
17 2025(c)(1)(B)) is amended by striking “pursuant to
18 subsection (b)”.

19 **SEC. 1057. WORK SUPPLEMENTATION OR SUPPORT PRO-**
20 **GRAM.**

21 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
22 2025), as amended by section 1056(a), is amended by in-
23 serting after subsection (a) the following:

24 “(b) WORK SUPPLEMENTATION OR SUPPORT PRO-
25 GRAM.—

1 “(1) DEFINITION OF WORK SUPPLEMENTATION
2 OR SUPPORT PROGRAM.—In this subsection, the
3 term ‘work supplementation or support program’
4 means a program under which, as determined by the
5 Secretary, public assistance (including any benefits
6 provided under a program established by the State
7 and the food stamp program) is provided to an em-
8 ployer to be used for hiring and employing a public
9 assistance recipient who was not employed by the
10 employer at the time the public assistance recipient
11 entered the program.

12 “(2) PROGRAM.—A State agency may elect to
13 use an amount equal to the allotment that would
14 otherwise be issued to a household under the food
15 stamp program, but for the operation of this sub-
16 section, for the purpose of subsidizing or supporting
17 a job under a work supplementation or support pro-
18 gram established by the State.

19 “(3) PROCEDURE.—If a State agency makes an
20 election under paragraph (2) and identifies each
21 household that participates in the food stamp pro-
22 gram that contains an individual who is participat-
23 ing in the work supplementation or support pro-
24 gram—

1 “(A) the Secretary shall pay to the State
2 agency an amount equal to the value of the al-
3 lotment that the household would be eligible to
4 receive but for the operation of this subsection;

5 “(B) the State agency shall expend the
6 amount received under subparagraph (A) in ac-
7 cordance with the work supplementation or sup-
8 port program in lieu of providing the allotment
9 that the household would receive but for the op-
10 eration of this subsection;

11 “(C) for purposes of—

12 “(i) sections 5 and 8(a), the amount
13 received under this subsection shall be ex-
14 cluded from household income and re-
15 sources; and

16 “(ii) section 8(b), the amount received
17 under this subsection shall be considered to
18 be the value of an allotment provided to
19 the household; and

20 “(D) the household shall not receive an al-
21 lotment from the State agency for the period
22 during which the member continues to partici-
23 pate in the work supplementation or support
24 program.

1 “(4) OTHER WORK REQUIREMENTS.—No indi-
2 vidual shall be excused, by reason of the fact that
3 a State has a work supplementation or support pro-
4 gram, from any work requirement under section
5 6(d), except during the periods in which the individ-
6 ual is employed under the work supplementation or
7 support program.

8 “(5) LENGTH OF PARTICIPATION.—A State
9 agency shall provide a description of how the public
10 assistance recipients in the program shall, within a
11 specific period of time, be moved from supplemented
12 or supported employment to employment that is not
13 supplemented or supported.

14 “(6) DISPLACEMENT.—A work supplementation
15 or support program shall not displace the employ-
16 ment of individuals who are not supplemented or
17 supported.”.

18 **SEC. 1058. WAIVER AUTHORITY.**

19 Section 17(b)(1) of the Food Stamp Act of 1977 (7
20 U.S.C. 2026(b)(1)) is amended—

21 (1) by redesignating subparagraph (B) as sub-
22 paragraph (C); and

23 (2) in subparagraph (A)—

24 (A) by striking the second sentence; and

1 (B) by striking “benefits to eligible house-
2 holds, including” and inserting the following:
3 “benefits to eligible households, and may waive
4 any requirement of this Act to the extent nec-
5 essary for the project to be conducted.

6 “(B) PROJECT REQUIREMENTS.—

7 “(i) PROGRAM GOAL.—The Secretary
8 may not conduct a project under subpara-
9 graph (A) unless the project is consistent
10 with the goal of the food stamp program of
11 providing food assistance to raise levels of
12 nutrition among low-income individuals.

13 “(ii) PERMISSIBLE PROJECTS.—The
14 Secretary may conduct a project under
15 subparagraph (A) to—

16 “(I) improve program adminis-
17 tration;

18 “(II) increase the self-sufficiency
19 of food stamp recipients;

20 “(III) test innovative welfare re-
21 form strategies; and

22 “(IV) allow greater conformity
23 with the rules of other programs than
24 would be allowed but for this para-
25 graph.

1 “(iii) IMPERMISSIBLE PROJECTS.—

2 The Secretary may not conduct a project
3 under subparagraph (A) that—

4 “(I) involves the payment of the
5 value of an allotment in the form of
6 cash, unless the project was approved
7 prior to the date of enactment of this
8 subparagraph;

9 “(II) substantially transfers
10 funds made available under this Act
11 to services or benefits provided pri-
12 marily through another public assist-
13 ance program; or

14 “(III) is not limited to a specific
15 time period.

16 “(iv) ADDITIONAL INCLUDED
17 PROJECTS.—Pilot or experimental projects
18 may include”.

19 **SEC. 1059. RESPONSE TO WAIVERS.**

20 Section 17(b)(1) of the Food Stamp Act of 1977 (7
21 U.S.C. 2026(b)(1)), as amended by section 1058, is
22 amended by adding at the end the following:

23 “(D) RESPONSE TO WAIVERS.—

24 “(i) RESPONSE.—Not later than 60
25 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 in
14 accordance with clause (i), the waiver shall
15 be considered approved, unless the ap-
16 proval is specifically prohibited by this Act.

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 a description of the
21 reasons for the denial to the Committee on
22 Agriculture of the House of Representa-
23 tives and the Committee on Agriculture,
24 Nutrition, and Forestry of the Senate.”.

1 **SEC. 1060. EMPLOYMENT INITIATIVES PROGRAM.**

2 Section 17 of the Food Stamp Act of 1977 (7 U.S.C.
3 2026) is amended by striking subsection (d) and inserting
4 the following:

5 “(d) EMPLOYMENT INITIATIVES PROGRAM.—

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 an employment initiatives program
10 under this subsection.

11 “(B) REQUIREMENT.—A State shall be eli-
12 gible to carry out an employment initiatives
13 program 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.—

21 “(A) IN GENERAL.—A State that has
22 elected to carry out an employment initiatives
23 program under paragraph (1) may use amounts
24 equal to the food stamp allotments that would
25 otherwise be issued to a household under the
26 food stamp program, but for the operation of

1 this subsection, to provide cash benefits in lieu
2 of the food stamp allotments to the household
3 if the household is eligible under paragraph (3).

4 “(B) PAYMENT.—The Secretary shall pay
5 to each State that has elected to carry out an
6 employment initiatives program under para-
7 graph (1) an amount equal to the value of the
8 allotment that each household would be eligible
9 to receive under this Act but for the operation
10 of this subsection.

11 “(C) OTHER PROVISIONS.—For purposes
12 of the food stamp program (other than this
13 subsection)—

14 “(i) cash assistance under this sub-
15 section shall be considered to be an allot-
16 ment; and

17 “(ii) each household receiving cash
18 benefits under this subsection shall not re-
19 ceive any other food stamp benefit for the
20 period for which the cash assistance is pro-
21 vided.

22 “(D) ADDITIONAL PAYMENTS.—Each
23 State that has elected to carry out an employ-
24 ment initiatives program under paragraph (1)
25 shall—

1 “(i) increase the cash benefits pro-
2 vided to each household under this sub-
3 section to compensate for any State or
4 local sales tax that may be collected on
5 purchases of food by any household receiv-
6 ing cash benefits under this subsection, un-
7 less the Secretary determines on the basis
8 of information provided by the State that
9 the increase is unnecessary on the basis of
10 the limited nature of the items subject to
11 the State or local sales tax; and

12 “(ii) pay the cost of any increase in
13 cash benefits required by clause (i).

14 “(3) ELIGIBILITY.—A household shall be eligi-
15 ble to receive cash benefits under paragraph (2) if
16 an adult member of the household—

17 “(A) has worked in unsubsidized employ-
18 ment for not less than the preceding 90 days;

19 “(B) has earned not less than \$350 per
20 month from the employment referred to in sub-
21 paragraph (A) for not less than the preceding
22 90 days;

23 “(C)(i) is receiving benefits under a State
24 program funded under part A of title IV of the
25 Social Security Act (42 U.S.C. 601 et seq.); or

1 “(ii) was receiving benefits under a State
2 program funded under part A of title IV of the
3 Social Security Act (42 U.S.C. 601 et seq.) at
4 the time the member first received cash benefits
5 under this subsection and is no longer eligible
6 for the State program because of earned in-
7 come;

8 “(D) is continuing to earn not less than
9 \$350 per month from the employment referred
10 to in subparagraph (A); and

11 “(E) elects to receive cash benefits in lieu
12 of food stamp benefits under this subsection.

13 “(4) EVALUATION.—A State that operates a
14 program under this subsection for 2 years shall pro-
15 vide to the Secretary a written evaluation of the im-
16 pact of cash assistance under this subsection. The
17 State agency, with the concurrence of the Secretary,
18 shall determine the content of the evaluation.”.

19 **SEC. 1061. REAUTHORIZATION.**

20 The first sentence of section 18(a)(1) of the Food
21 Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by
22 striking “1991 through 1997” and inserting “1996
23 through 2002”.

1 **SEC. 1062. SIMPLIFIED FOOD STAMP PROGRAM.**

2 (a) IN GENERAL.—The Food Stamp Act of 1977 (7
3 U.S.C. 2011 et seq.) is amended by adding at the end
4 the following:

5 **“SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.**

6 “(a) DEFINITION OF FEDERAL COSTS.—In this sec-
7 tion, the term ‘Federal costs’ does not include any Federal
8 costs incurred under section 17.

9 “(b) ELECTION.—Subject to subsection (d), a State
10 may elect to carry out a Simplified Food Stamp Program
11 (referred to in this section as a ‘Program’), statewide or
12 in a political subdivision of the State, in accordance with
13 this section.

14 “(c) OPERATION OF PROGRAM.—If a State elects to
15 carry out a Program, within the State or a political sub-
16 division of the State—

17 “(1) a household in which all members receive
18 assistance under a State program funded under part
19 A of title IV of the Social Security Act (42 U.S.C.
20 601 et seq.) shall automatically be eligible to partici-
21 pate in the Program; and

22 “(2) subject to subsection (f), benefits under
23 the Program shall be determined under rules and
24 procedures established by the State under—

1 “(A) a State program funded under part A
2 of title IV of the Social Security Act (42 U.S.C.
3 601 et seq.);

4 “(B) the food stamp program (other than
5 section 27); or

6 “(C) a combination of a State program
7 funded under part A of title IV of the Social
8 Security Act (42 U.S.C. 601 et seq.) and the
9 food stamp program (other than section 27).

10 “(d) APPROVAL OF PROGRAM.—

11 “(1) STATE PLAN.—A State agency may not
12 operate a Program unless the Secretary approves a
13 State plan for the operation of the Program under
14 paragraph (2).

15 “(2) APPROVAL OF PLAN.—The Secretary shall
16 approve any State plan to carry out a Program if
17 the Secretary determines that the plan—

18 “(A) complies with this section; and

19 “(B) contains sufficient documentation
20 that the plan will not increase Federal costs for
21 any fiscal year.

22 “(e) INCREASED FEDERAL COSTS.—

23 “(1) DETERMINATION.—During each fiscal
24 year and not later than 90 days after the end of
25 each fiscal year, the Secretary shall determine

1 whether a Program being carried out by a State
2 agency is increasing Federal costs under this Act
3 above the Federal costs incurred under the food
4 stamp program in operation in the State or political
5 subdivision of the State for the fiscal year prior to
6 the implementation of the Program, adjusted for any
7 changes in—

8 “(A) participation;

9 “(B) the income of participants in the food
10 stamp program that is not attributable to pub-
11 lic assistance; and

12 “(C) the thrifty food plan under section
13 3(o).

14 “(2) NOTIFICATION.—If the Secretary deter-
15 mines that the Program has increased Federal costs
16 under this Act for any fiscal year or any portion of
17 any fiscal year, the Secretary shall notify the State
18 not later than 30 days after the Secretary makes the
19 determination under paragraph (1).

20 “(3) ENFORCEMENT.—

21 “(A) CORRECTIVE ACTION.—Not later
22 than 90 days after the date of a notification
23 under paragraph (2), the State shall submit a
24 plan for approval by the Secretary for prompt
25 corrective action that is designed to prevent the

1 Program from increasing Federal costs under
2 this Act.

3 “(B) TERMINATION.—If the State does not
4 submit a plan under subparagraph (A) or carry
5 out a plan approved by the Secretary, the Sec-
6 retary shall terminate the approval of the State
7 agency operating the Program and the State
8 agency shall be ineligible to operate a future
9 Program.

10 “(f) RULES AND PROCEDURES.—

11 “(1) IN GENERAL.—In operating a Program, a
12 State or political subdivision of a State may follow
13 the rules and procedures established by the State or
14 political subdivision under a State program funded
15 under part A of title IV of the Social Security Act
16 (42 U.S.C. 601 et seq.) or under the food stamp
17 program.

18 “(2) STANDARDIZED DEDUCTIONS.—In operat-
19 ing a Program, a State or political subdivision of a
20 State may standardize the deductions provided
21 under section 5(e). In developing the standardized
22 deduction, the State shall consider the work ex-
23 penses, dependent care costs, and shelter costs of
24 participating households.

1 “(3) REQUIREMENTS.—In operating a Pro-
2 gram, a State or political subdivision shall comply
3 with the requirements of—

4 “(A) subsections (a) through (g) of section
5 7;

6 “(B) section 8(a) (except that the income
7 of a household may be determined under a
8 State program funded under part A of title IV
9 of the Social Security Act (42 U.S.C. 601 et
10 seq.));

11 “(C) subsection (b) and (d) of section 8;

12 “(D) subsections (a), (c), (d), and (n) of
13 section 11;

14 “(E) paragraphs (8), (12), (16), (18),
15 (20), (24), and (25) of section 11(e);

16 “(F) section 11(e)(10) (or a comparable
17 requirement established by the State under a
18 State program funded under part A of title IV
19 of the Social Security Act (42 U.S.C. 601 et
20 seq.)); and

21 “(G) section 16.

22 “(4) LIMITATION ON ELIGIBILITY.—Notwith-
23 standing any other provision of this section, a house-
24 hold may not receive benefits under this section as
25 a result of the eligibility of the household under a

1 State program funded under part A of title IV of the
2 Social Security Act (42 U.S.C. 601 et seq.), unless
3 the Secretary determines that any household with in-
4 come above 130 percent of the poverty guidelines is
5 not eligible for the program.”.

6 (b) STATE PLAN PROVISIONS.—Section 11(e) of the
7 Act (7 U.S.C. 2020(e)), as amended by sections 1020(b),
8 1028(b), and 1044, is amended by adding at the end the
9 following:

10 “(25) if a State elects to carry out a Simplified
11 Food Stamp Program under section 26, the plans of
12 the State agency for operating the program, includ-
13 ing—

14 “(A) the rules and procedures to be fol-
15 lowed by the State agency to determine food
16 stamp benefits;

17 “(B) how the State agency will address the
18 needs of households that experience high shelter
19 costs in relation to the incomes of the house-
20 holds; and

21 “(C) a description of the method by which
22 the State agency will carry out a quality control
23 system under section 16(e).”.

24 (c) CONFORMING AMENDMENTS.—

1 (1) Section 8 of the Act (7 U.S.C. 2017), as
2 amended by section 1039, is amended—

3 (A) by striking subsection (e); and

4 (B) by redesignating subsection (f) as sub-
5 section (e).

6 (2) Section 17 of the Act (7 U.S.C. 2026) is
7 amended—

8 (A) by striking subsection (i); and

9 (B) by redesignating subsections (j)
10 through (l) as subsections (i) through (k), re-
11 spectively.

12 **SEC. 1063. STATE FOOD ASSISTANCE BLOCK GRANT.**

13 (a) IN GENERAL.—The Food Stamp Act of 1977 (7
14 U.S.C. 2011 et seq.), as amended by section 1062, is
15 amended by adding at the end the following:

16 **“SEC. 27. STATE FOOD ASSISTANCE BLOCK GRANT.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) FOOD ASSISTANCE.—The term ‘food as-
19 sistance’ means assistance that may be used only to
20 obtain food, as defined in section 3(g).

21 “(2) STATE.—The term ‘State’ means each of
22 the 50 States, the District of Columbia, Guam, and
23 the Virgin Islands of the United States.

1 “(b) ESTABLISHMENT.—The Secretary shall estab-
2 lish a program to make grants to States in accordance
3 with this section to provide—

4 “(1) food assistance to needy individuals and
5 families residing in the State; and

6 “(2) funds for administrative costs incurred in
7 providing the assistance.

8 “(c) ELECTION.—

9 “(1) IN GENERAL.—A State may annually elect
10 to participate in the program established under sub-
11 section (b) if the State—

12 “(A) has fully implemented an electronic
13 benefit transfer system that operates in the en-
14 tire State;

15 “(B) has a payment error rate under sec-
16 tion 16(c) that is not more than 6 percent as
17 announced most recently by the Secretary; or

18 “(C) has a payment error rate in excess of
19 6 percent and agrees to contribute non-Federal
20 funds for the fiscal year of the grant, for bene-
21 fits and administration of the State’s food as-
22 sistance program, the amount determined under
23 paragraph (2).

24 “(2) STATE MANDATORY CONTRIBUTIONS.—

1 “(A) IN GENERAL.—In the case of a State
2 that elects to participate in the program under
3 paragraph (1)(C), the State shall agree to con-
4 tribute, for a fiscal year, an amount equal to—

5 “(i) the benefits issued in the State;
6 multiplied by

7 “(ii) the payment error rate of the
8 State; minus

9 “(B)(i) the benefits issued in the State;
10 multiplied by

11 “(ii) 6 percent.

12 “(B) DETERMINATION.—Notwithstanding
13 sections 13 and 14, the calculation of the con-
14 tribution shall be based solely on the determina-
15 tion of the Secretary of the payment error rate.

16 “(C) DATA.—For purposes of implement-
17 ing subparagraph (A) for a fiscal year, the Sec-
18 retary shall use the data for the most recent
19 fiscal year available.

20 “(3) ELECTION LIMITATION.—

21 “(A) RE-ENTERING FOOD STAMP PRO-
22 GRAM.—A State that elects to participate in the
23 program under paragraph (1) may in a subse-
24 quent year decline to elect to participate in the
25 program and instead participate in the food

1 stamp program in accordance with the other
2 sections of this Act.

3 “(B) LIMITATION.—Subsequent to re-en-
4 tering the food stamp program under subpara-
5 graph (A), the State shall only be eligible to
6 participate in the food stamp program in ac-
7 cordance with the other sections of this Act and
8 shall not be eligible to elect to participate in the
9 program established under subsection (b).

10 “(4) PROGRAM EXCLUSIVE.—

11 “(A) IN GENERAL.—A State that is par-
12 ticipating in the program established under sub-
13 section (b) shall not be subject to, or receive
14 any benefit under, this Act except as provided
15 in this section.

16 “(B) CONTRACT WITH FEDERAL GOVERN-
17 MENT.—Nothing in this section shall prohibit a
18 State from contracting with the Federal Gov-
19 ernment for the provision of services or mate-
20 rials necessary to carry out a program under
21 this section.

22 “(d) LEAD AGENCY.—A State desiring to receive a
23 grant under this section shall designate, in an application
24 submitted to the Secretary under subsection (e)(1), an ap-

1 appropriate State agency responsible for the administration
2 of the program under this section as the lead agency.

3 “(e) APPLICATION AND PLAN.—

4 “(1) APPLICATION.—To be eligible to receive
5 assistance under this section, a State shall prepare
6 and submit to the Secretary an application at such
7 time, in such manner, and containing such informa-
8 tion as the Secretary shall by regulation require, in-
9 cluding—

10 “(A) an assurance that the State will com-
11 ply with the requirements of this section;

12 “(B) a State plan that meets the require-
13 ments of paragraph (3); and

14 “(C) an assurance that the State will com-
15 ply with the requirements of the State plan
16 under paragraph (3).

17 “(2) ANNUAL PLAN.—The State plan contained
18 in the application under paragraph (1) shall be sub-
19 mitted for approval annually.

20 “(3) REQUIREMENTS OF PLAN.—

21 “(A) LEAD AGENCY.—The State plan shall
22 identify the lead agency.

23 “(B) USE OF BLOCK GRANT FUNDS.—The
24 State plan shall provide that the State shall use

1 the amounts provided to the State for each fis-
2 cal year under this section—

3 “(i) to provide food assistance to
4 needy individuals and families residing in
5 the State, other than residents of institu-
6 tions who are ineligible for food stamps
7 under section 3(i); and

8 “(ii) to pay administrative costs in-
9 curred in providing the assistance.

10 “(C) GROUPS SERVED.—The State plan
11 shall describe how and to what extent the pro-
12 gram will serve specific groups of individuals
13 and families and how the treatment will differ
14 from treatment under the food stamp program
15 under the other sections of this Act of the indi-
16 viduals and families, including—

17 “(i) elderly individuals and families;

18 “(ii) migrants or seasonal farm-
19 workers;

20 “(iii) homeless individuals and fami-
21 lies;

22 “(iv) individuals and families who live
23 in institutions eligible under section 3(i);

24 “(v) individuals and families with
25 earnings; and

1 “(vi) members of Indian tribes or trib-
2 al organizations.

3 “(D) ASSISTANCE FOR ENTIRE STATE.—
4 The State plan shall provide that benefits under
5 this section shall be available throughout the
6 entire State.

7 “(E) NOTICE AND HEARINGS.—The State
8 plan shall provide that an individual or family
9 who applies for, or receives, assistance under
10 this section shall be provided with notice of, and
11 an opportunity for a hearing on, any action
12 under this section that adversely affects the in-
13 dividual or family.

14 “(F) ASSESSMENT OF NEEDS.—The State
15 plan shall assess the food and nutrition needs
16 of needy persons residing in the State.

17 “(G) ELIGIBILITY STANDARDS.—The State
18 plan shall describe the income, resource, and
19 other eligibility standards that are established
20 for the receipt of assistance under this section.

21 “(H) DISQUALIFICATION OF FLEEING FEL-
22 ONS.—The State plan shall provide for the dis-
23 qualification of any individual who would be
24 disqualified from participating in the food
25 stamp program under section 6(k).

1 “(I) RECEIVING BENEFITS IN MORE THAN
2 1 JURISDICTION.—The State plan shall estab-
3 lish a system for the exchange of information
4 with other States to verify the identity and re-
5 ceipt of benefits by recipients.

6 “(J) PRIVACY.—The State plan shall pro-
7 vide for safeguarding and restricting the use
8 and disclosure of information about any individ-
9 ual or family receiving assistance under this
10 section.

11 “(K) OTHER INFORMATION.—The State
12 plan shall contain such other information as
13 may be required by the Secretary.

14 “(4) APPROVAL OF APPLICATION AND PLAN.—
15 The Secretary shall approve an application and
16 State plan that satisfies the requirements of this
17 section.

18 “(f) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO
19 ASSISTANCE.—Nothing in this section—

20 “(1) entitles any individual or family to assist-
21 ance under this section; or

22 “(2) limits the right of a State to impose addi-
23 tional limitations or conditions on assistance under
24 this section.

25 “(g) BENEFITS FOR ALIENS.—

1 “(1) ELIGIBILITY.—No individual who is an
2 alien shall be eligible to receive benefits under a
3 State plan approved under subsection (e)(4) if the
4 individual is not eligible to participate in the food
5 stamp program due to the alien status of the indi-
6 vidual.

7 “(2) INCOME.—The State plan shall provide
8 that the income of an alien shall be determined in
9 accordance with section 5(i).

10 “(h) EMPLOYMENT AND TRAINING.—

11 “(1) WORK REQUIREMENTS.—No individual or
12 household shall be eligible to receive benefits under
13 a State plan funded under this section if the individ-
14 ual or household is not eligible to participate in the
15 food stamp program under subsection (d) or (o) of
16 section 6.

17 “(2) WORK PROGRAMS.—Each State shall im-
18 plement an employment and training program in ac-
19 cordance with the terms and conditions of section
20 6(d)(4) for individuals under the program and shall
21 be eligible to receive funding under section 16(h).

22 “(i) ENFORCEMENT.—

23 “(1) REVIEW OF COMPLIANCE WITH STATE
24 PLAN.—The Secretary shall review and monitor

1 State compliance with this section and the State
2 plan approved under subsection (e)(4).

3 “(2) NONCOMPLIANCE.—

4 “(A) IN GENERAL.—If the Secretary, after
5 reasonable notice to a State and opportunity for
6 a hearing, finds that—

7 “(i) there has been a failure by the
8 State to comply substantially with any pro-
9 vision or requirement set forth in the State
10 plan approved under subsection (e)(4); or

11 “(ii) in the operation of any program
12 or activity for which assistance is provided
13 under this section, there is a failure by the
14 State to comply substantially with any pro-
15 vision of this section;

16 the Secretary shall notify the State of the find-
17 ing and that no further grants will be made to
18 the State under this section (or, in the case of
19 noncompliance in the operation of a program or
20 activity, that no further grants to the State will
21 be made with respect to the program or activ-
22 ity) until the Secretary is satisfied that there is
23 no longer any failure to comply or that the non-
24 compliance will be promptly corrected.

1 “(B) OTHER PENALTIES.—In the case of a
2 finding of noncompliance made pursuant to
3 subparagraph (A), the Secretary may, in addi-
4 tion to, or in lieu of, imposing the penalties de-
5 scribed in subparagraph (A), impose other ap-
6 propriate penalties, including recoupment of
7 money improperly expended for purposes pro-
8 hibited or not authorized by this section and
9 disqualification from the receipt of financial as-
10 sistance under this section.

11 “(C) NOTICE.—The notice required under
12 subparagraph (A) shall include a specific identi-
13 fication of any additional penalty being imposed
14 under subparagraph (B).

15 “(3) ISSUANCE OF REGULATIONS.—The Sec-
16 retary shall establish by regulation procedures for—

17 “(A) receiving, processing, and determin-
18 ing the validity of complaints made to the Sec-
19 retary concerning any failure of a State to com-
20 ply with the State plan or any requirement of
21 this section; and

22 “(B) imposing penalties under this section.

23 “(j) GRANT.—

24 “(1) IN GENERAL.—For each fiscal year, the
25 Secretary shall pay to a State that has an applica-

1 tion approved by the Secretary under subsection
2 (e)(4) an amount that is equal to the grant of the
3 State under subsection (m) for the fiscal year.

4 “(2) METHOD OF GRANT.—The Secretary shall
5 make a grant to a State for a fiscal year under this
6 section by issuing 1 or more letters of credit for the
7 fiscal year, with necessary adjustments on account
8 of overpayments or underpayments, as determined
9 by the Secretary.

10 “(3) SPENDING OF GRANTS BY STATE.—

11 “(A) IN GENERAL.—Except as provided in
12 subparagraph (B), a grant to a State deter-
13 mined under subsection (m)(1) for a fiscal year
14 may be expended by the State only in the fiscal
15 year.

16 “(B) CARRYOVER.—The State may reserve
17 up to 10 percent of a grant determined under
18 subsection (m)(1) for a fiscal year to provide
19 assistance under this section in subsequent fis-
20 cal years, except that the reserved funds may
21 not exceed 30 percent of the total grant re-
22 ceived under this section for a fiscal year.

23 “(4) FOOD ASSISTANCE AND ADMINISTRATIVE
24 EXPENDITURES.—In each fiscal year, not more than
25 6 percent of the Federal and State funds required

1 to be expended by a State under this section shall
2 be used for administrative expenses.

3 “(5) PROVISION OF FOOD ASSISTANCE.—A
4 State may provide food assistance under this section
5 in any manner determined appropriate by the State,
6 such as electronic benefit transfer limited to food
7 purchases, coupons limited to food purchases, or di-
8 rect provision of commodities.

9 “(k) QUALITY CONTROL.—Each State participating
10 in the program established under this section shall main-
11 tain a system in accordance with, and shall be subject to
12 section 16(e), including sanctions and eligibility for incen-
13 tive payment under section 16(e), adjusted for State spe-
14 cific characteristics under regulations issued by the Sec-
15 retary.

16 “(l) NONDISCRIMINATION.—

17 “(1) IN GENERAL.—The Secretary shall not
18 provide financial assistance for any program,
19 project, or activity under this section if any person
20 with responsibilities for the operation of the pro-
21 gram, project, or activity discriminates with respect
22 to the program, project, or activity because of race,
23 religion, color, national origin, sex, or disability.

24 “(2) ENFORCEMENT.—The powers, remedies,
25 and procedures set forth in title VI of the Civil

1 Rights Act of 1964 (42 U.S.C. 2000d et seq.) may
2 be used by the Secretary to enforce paragraph (1).

3 “(m) GRANT CALCULATION.—

4 “(1) STATE GRANT.—

5 “(A) IN GENERAL.—Except as provided in
6 subparagraph (B), from the amounts made
7 available under section 18 for each fiscal year,
8 the Secretary shall provide a grant to each
9 State participating in the program established
10 under this section an amount that is equal to
11 the sum of—

12 “(i) the greater of, as determined by
13 the Secretary—

14 “(I) the total dollar value of all
15 benefits issued under the food stamp
16 program established under this Act by
17 the State during fiscal year 1994; or

18 “(II) the average per fiscal year
19 of the total dollar value of all benefits
20 issued under the food stamp program
21 by the State during each of fiscal
22 years 1992 through 1994; and

23 “(ii) the greater of, as determined by
24 the Secretary—

1 “(I) the total amount received by
2 the State for administrative costs
3 under section 16(a) (not including any
4 adjustment under section 16(c)) for
5 fiscal year 1994; or

6 “(II) the average per fiscal year
7 of the total amount received by the
8 State for administrative costs under
9 section 16(a) (not including any ad-
10 justment under section 16(c)) for each
11 of fiscal years 1992 through 1994.

12 “(B) INSUFFICIENT FUNDS.—If the Sec-
13 retary finds that the total amount of grants to
14 which States would otherwise be entitled for a
15 fiscal year under subparagraph (A) will exceed
16 the amount of funds that will be made available
17 to provide the grants for the fiscal year, the
18 Secretary shall reduce the grants made to
19 States under this subsection, on a pro rata
20 basis, to the extent necessary.

21 “(2) REDUCTION.—The Secretary shall reduce
22 the grant of a State by the amount a State has
23 agreed to contribute under subsection (c)(1)(C).”.

24 (b) EMPLOYMENT AND TRAINING FUNDING.—Sec-
25 tion 16(h) of the Act (7 U.S.C. 2025(a)), as amended by

1 section 1027(d)(2), is amended by adding at the end the
2 following:

3 “(6) BLOCK GRANT STATES.—Each State elect-
4 ing to operate a program under section 27 shall—

5 “(A) receive the greater of—

6 “(i) the total dollar value of the funds
7 received under paragraph (1) by the State
8 during fiscal year 1994; or

9 “(ii) the average per fiscal year of the
10 total dollar value of all funds received
11 under paragraph (1) by the State during
12 each of fiscal years 1992 through 1994;
13 and

14 “(B) be eligible to receive funds under
15 paragraph (2), within the limitations in section
16 6(d)(4)(K).”.

17 (c) RESEARCH ON OPTIONAL STATE FOOD ASSIST-
18 ANCE BLOCK GRANT.—Section 17 of the Act (7 U.S.C.
19 2026), as amended by section 1062(c)(2), is amended by
20 adding at the end the following:

21 “(l) RESEARCH ON OPTIONAL STATE FOOD ASSIST-
22 ANCE BLOCK GRANT.—The Secretary may conduct re-
23 search on the effects and costs of a State program carried
24 out under section 27.”.

1 **SEC. 1064. A STUDY OF THE USE OF FOOD STAMPS TO PUR-**
2 **CHASE VITAMINS AND MINERALS.**

3 The Secretary of Agriculture shall, in consultation
4 with the National Academy of Sciences and the Center for
5 Disease Control and Prevention, conduct a study of the
6 use of food stamps to purchase vitamins and minerals.
7 The study shall include an analysis of scientific findings
8 on the efficacy of and need for vitamins and minerals, in-
9 cluding the adequacy of vitamin and mineral intake in low
10 income populations, as shown by existing research and
11 surveys, and the potential value of nutritional supplements
12 in filling nutrient gaps that may exist in the population
13 as a whole or in vulnerable subgroups in the U.S. popu-
14 lation; the impact of nutritional improvements (including
15 vitamin or mineral supplementation) on health status and
16 health care costs for women of childbearing age, pregnant
17 or lactating women, and the elderly; the cost of vitamin
18 and mineral supplements commercially available; the pur-
19 chasing habits of low income populations with regard to
20 vitamins and minerals; the impact on the food purchases
21 of low income households; and the economic impact on ag-
22 ricultural commodities. The Secretary shall report the re-
23 sults of the study to the Committee on Agriculture of the
24 U.S. House of Representatives not later than December
25 15, 1996.”.

1 **SEC. 1065. INVESTIGATIONS.**

2 Section 12(a) of the Food Stamp Act of 1977 (7
3 U.S.C. 2021(a)) is amended by adding at the end the fol-
4 lowing:

5 “Regulations issued pursuant to this Act shall provide cri-
6 teria for the finding of violations and the suspension or
7 disqualification of a retail food store or wholesale food con-
8 cern on the basis of evidence which may include, but is
9 not limited to, facts established through on-site investiga-
10 tions, inconsistent redemption data or evidence obtained
11 through transaction reports under electronic benefit trans-
12 fer systems.”.

13 **SEC. 1066. FOOD STAMP ELIGIBILITY.**

14 Section 6(f) of the Food Stamp Act of 1977 (7
15 U.S.C. 2015(f)) is amended by striking the third sentence
16 and inserting the following:

17 “The State agency shall, at its option, consider either all
18 income and financial resources of the individual rendered
19 ineligible to participate in the food stamp program under
20 this subsection, or such income, less a pro rata share, and
21 the financial resources of the ineligible individual, to deter-
22 mine the eligibility and the value of the allotment of the
23 household of which such individual is a member.”.

24 **SEC. 1067. REPORT BY THE SECRETARY.**

25 The Secretary of Agriculture may report to the Com-
26 mittee on Agriculture of the House of Representatives, not

1 later than January 1, 2000, on the effect of the food
2 stamp reforms in the Welfare and Medicaid Reform Act
3 of 1996 and the ability of State and local governments
4 to deal with people in poverty. The report must answer
5 the question: “Did people become more personally respon-
6 sible and were work opportunities provided such that pov-
7 erty in America is better managed?”.

8 **SEC. 1068. DEFICIT REDUCTION.**

9 It is the sense of the Committee on Agriculture of
10 the House of Representatives that reductions in outlays
11 resulting from this title shall not be taken into account
12 for purposes of section 552 of the Balanced Budget and
13 Emergency Deficit Control Act of 1985.

14 **Subtitle B—Commodity**
15 **Distribution Programs**

16 **SEC. 1071. EMERGENCY FOOD ASSISTANCE PROGRAM.**

17 (a) DEFINITIONS.—Section 201A of the Emergency
18 Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C.
19 612c note) is amended to read as follows:

20 **“SEC. 201A. DEFINITIONS.**

21 “In this Act:

22 “(1) ADDITIONAL COMMODITIES.—The term
23 ‘additional commodities’ means commodities made
24 available under section 214 in addition to the com-

1 modities made available under sections 202 and
2 203D.

3 “(2) AVERAGE MONTHLY NUMBER OF UNEM-
4 EMPLOYED PERSONS.—The term ‘average monthly
5 number of unemployed persons’ means the average
6 monthly number of unemployed
7 persons in each State in the most recent fiscal year
8 for which information concerning the number of un-
9 employed persons is available, as determined by the
10 Bureau of Labor Statistics of the Department of
11 Labor.

12 “(3) ELIGIBLE RECIPIENT AGENCY.—The term
13 ‘eligible recipient agency’ means a public or non-
14 profit organization—

15 “(A) that administers—

16 “(i) an emergency feeding organiza-
17 tion;

18 “(ii) a charitable institution (including
19 a hospital and a retirement home, but ex-
20 cluding a penal institution) to the extent
21 that the institution serves needy persons;

22 “(iii) a summer camp for children, or
23 a child nutrition program providing food
24 service;

1 “(iv) a nutrition project operating
2 under the Older Americans Act of 1965
3 (42 U.S.C. 3001 et seq.), including a
4 project that operates a congregate nutri-
5 tion site and a project that provides home-
6 delivered meals; or

7 “(v) a disaster relief program;

8 “(B) that has been designated by the ap-
9 propriate State agency, or by the Secretary;
10 and

11 “(C) that has been approved by the Sec-
12 retary for participation in the program estab-
13 lished under this Act.

14 “(4) EMERGENCY FEEDING ORGANIZATION.—
15 The term ‘emergency feeding organization’ means a
16 public or nonprofit organization that administers ac-
17 tivities and projects (including the activities and
18 projects of a charitable institution, a food bank, a
19 food pantry, a hunger relief center, a soup kitchen,
20 or a similar public or private nonprofit eligible recip-
21 ient agency) providing nutrition assistance to relieve
22 situations of emergency and distress through the
23 provision of food to needy persons, including low-in-
24 come and unemployed persons.

1 “(5) FOOD BANK.—The term ‘food bank’
2 means a public or charitable institution that main-
3 tains an established operation involving the provision
4 of food or edible commodities, or the products of
5 food or edible commodities, to food pantries, soup
6 kitchens, hunger relief centers, or other food or feed-
7 ing centers that, as an integral part of their normal
8 activities, provide meals or food to feed needy per-
9 sons on a regular basis.

10 “(6) FOOD PANTRY.—The term ‘food pantry’
11 means a public or private nonprofit organization
12 that distributes food to low-income and unemployed
13 households, including food from sources other than
14 the Department of Agriculture, to relieve situations
15 of emergency and distress.

16 “(7) POVERTY LINE.—The term ‘poverty line’
17 has the same meaning given the term in section
18 673(2) of the Community Services Block Grant Act
19 (42 U.S.C. 9902(2)).

20 “(8) SOUP KITCHEN.—The term ‘soup kitchen’
21 means a public or charitable institution that, as an
22 integral part of the normal activities of the institu-
23 tion, maintains an established feeding operation to
24 provide food to needy homeless persons on a regular
25 basis.

1 “(9) TOTAL VALUE OF ADDITIONAL COMMOD-
2 ITIES.—The term ‘total value of additional commod-
3 ities’ means the actual cost of all additional com-
4 modities made available under section 214 that are
5 paid by the Secretary (including the distribution and
6 processing costs incurred by the Secretary).

7 “(10) VALUE OF ADDITIONAL COMMODITIES
8 ALLOCATED TO EACH STATE.—The term ‘value of
9 additional commodities allocated to each State’
10 means the actual cost of additional commodities
11 made available under section 214 and allocated to
12 each State that are paid by the Secretary (including
13 the distribution and processing costs incurred by the
14 Secretary).”.

15 (b) STATE PLAN.—Section 202A of the Act (7 U.S.C.
16 612c note) is amended to read as follows:

17 **“SEC. 202A. STATE PLAN.**

18 “(a) IN GENERAL.—To receive commodities under
19 this Act, a State shall submit a plan of operation and ad-
20 ministration every 4 years to the Secretary for approval.
21 The plan may be amended at any time, with the approval
22 of the Secretary.

23 “(b) REQUIREMENTS.—Each plan shall—

24 “(1) designate the State agency responsible for
25 distributing the commodities received under this Act;

1 “(2) set forth a plan of operation and adminis-
2 tration to expeditiously distribute commodities under
3 this Act;

4 “(3) set forth the standards of eligibility for re-
5 cipient agencies; and

6 “(4) set forth the standards of eligibility for in-
7 dividual or household recipients of commodities,
8 which shall require—

9 “(A) individuals or households to be com-
10 prised of needy persons; and

11 “(B) individual or household members to
12 be residing in the geographic location served by
13 the distributing agency at the time of applying
14 for assistance.

15 “(c) STATE ADVISORY BOARD.—The Secretary shall
16 encourage each State receiving commodities under this Act
17 to establish a State advisory board consisting of represent-
18 atives of all interested entities, both public and private,
19 in the distribution of commodities received under this Act
20 in the State.”.

21 (c) AUTHORIZATION OF APPROPRIATIONS FOR AD-
22 MINISTRATIVE FUNDS.—Section 204(a)(1) of the Act (7
23 U.S.C. 612c note) is amended—

24 (1) in the first sentence by striking “for State
25 and local” and all that follows through “under this

1 title” and inserting “to pay for the direct and indi-
2 rect administrative costs of the State related to the
3 processing, transporting, and distributing to eligible
4 recipient agencies of commodities provided by the
5 Secretary under this Act and commodities secured
6 from other sources”; and

7 (2) by striking the fourth sentence.

8 (d) DELIVERY OF COMMODITIES.—Section 214 of the
9 Act (7 U.S.C. 612c note) is amended—

10 (1) by striking subsections (a) through (e) and
11 (j);

12 (2) by redesignating subsections (f) through (i)
13 as subsections (a) through (d), respectively;

14 (3) in subsection (b), as redesignated by para-
15 graph (2)—

16 (A) in the first sentence, by striking “sub-
17 section (f) or subsection (j) if applicable,” and
18 inserting “subsection (a)”; and

19 (B) in the second sentence, by striking
20 “subsection (f)” and inserting “subsection (a)”;
21

22 (4) by striking subsection (c), as redesignated
23 by paragraph (2), and inserting the following:

24 “(c) ADMINISTRATION.—

25 “(1) IN GENERAL.—Commodities made avail-
able for each fiscal year under this section shall be

1 delivered at reasonable intervals to States based on
2 the grants calculated under subsection (a), or reallo-
3 cated under subsection (b), before December 31 of
4 the following fiscal year.

5 “(2) ENTITLEMENT.—Each State shall be enti-
6 tled to receive the value of additional commodities
7 determined under subsection (a).”; and

8 (5) in subsection (d), as redesignated by para-
9 graph (2), by striking “or reduce” and all that fol-
10 lows through “each fiscal year”.

11 (e) TECHNICAL AMENDMENTS.—The Act (7 U.S.C.
12 612c note) is amended—

13 (1) in the first sentence of section 203B(a), by
14 striking “203 and 203A of this Act” and inserting
15 “203A”;

16 (2) in section 204(a), by striking “title” each
17 place it appears and inserting “Act”;

18 (3) in the first sentence of section 210(e), by
19 striking “(except as otherwise provided for in section
20 214(j))”; and

21 (4) by striking section 212.

22 (f) REPORT ON EFAP.—Section 1571 of the Food
23 Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c
24 note) is repealed.

1 (g) AVAILABILITY OF COMMODITIES UNDER THE
2 FOOD STAMP PROGRAM.—The Food Stamp Act of 1977
3 (7 U.S.C. 2011 et seq.), as amended by sections 1062 and
4 1063, is amended by adding at the end the following:

5 **“SEC. 28. AVAILABILITY OF COMMODITIES FOR THE EMER-**
6 **GENCY FOOD ASSISTANCE PROGRAM.**

7 “(a) PURCHASE OF COMMODITIES.—From amounts
8 appropriated under this Act, for each of fiscal years 1997
9 through 2002, the Secretary shall purchase \$300,000,000
10 of a variety of nutritious and useful commodities of the
11 types that the Secretary has the authority to acquire
12 through the Commodity Credit Corporation or under sec-
13 tion 32 of the Act entitled ‘An Act to amend the Agricul-
14 tural Adjustment Act, and for other purposes’, approved
15 August 24, 1935 (7 U.S.C. 612c), and distribute the com-
16 modities to States for distribution in accordance with sec-
17 tion 214 of the Emergency Food Assistance Act of 1983
18 (Public Law 98–8; 7 U.S.C. 612c note).

19 “(b) BASIS FOR COMMODITY PURCHASES.—In pur-
20 chasing commodities under subsection (a), the Secretary
21 shall, to the extent practicable and appropriate, make pur-
22 chases based on—

23 “(1) agricultural market conditions;

24 “(2) preferences and needs of States and dis-
25 tributing agencies; and

1 “(3) preferences of recipients.”.

2 (h) **EFFECTIVE DATE.**—The amendments made by
3 subsection (d) shall become effective on October 1, 1996.

4 **SEC. 1072. FOOD BANK DEMONSTRATION PROJECT.**

5 Section 3 of the Charitable Assistance and Food
6 Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c
7 note) is repealed.

8 **SEC. 1073. HUNGER PREVENTION PROGRAMS.**

9 The Hunger Prevention Act of 1988 (Public Law
10 100–435; 7 U.S.C. 612c note) is amended—

11 (1) by striking section 110;

12 (2) by striking subtitle C of title II; and

13 (3) by striking section 502.

14 **SEC. 1074. REPORT ON ENTITLEMENT COMMODITY PROC-**
15 **ESSING.**

16 Section 1773 of the Food, Agriculture, Conservation,
17 and Trade Act of 1990 (Public Law 101–624; 7 U.S.C.
18 612c note) is amended by striking subsection (f).

19 **Subtitle C—Electronic Benefit**
20 **Transfer Systems**

21 **SEC. 1091. PROVISIONS TO ENCOURAGE ELECTRONIC BEN-**
22 **EFIT TRANSFER SYSTEMS.**

23 Section 904 of the Electronic Fund Transfer Act (15
24 U.S.C. 1693b) is amended—

1 (1) by striking “(d) In the event” and inserting
2 “(d) APPLICABILITY TO SERVICE PROVIDERS
3 OTHER THAN CERTAIN FINANCIAL INSTITU-
4 TIONS.—

5 “(1) IN GENERAL.—In the event”; and

6 (2) by adding at the end the following new
7 paragraph:

8 “(2) STATE AND LOCAL GOVERNMENT ELEC-
9 TRONIC BENEFIT TRANSFER PROGRAMS.—

10 “(A) EXEMPTION GENERALLY.—The dis-
11 closures, protections, responsibilities, and rem-
12 edies established under this title, and any regu-
13 lation prescribed or order issued by the Board
14 in accordance with this title, shall not apply to
15 any electronic benefit transfer program estab-
16 lished under State or local law or administered
17 by a State or local government.

18 “(B) EXCEPTION FOR DIRECT DEPOSIT
19 INTO RECIPIENT’S ACCOUNT.—Subparagraph
20 (A) shall not apply with respect to any elec-
21 tronic funds transfer under an electronic benefit
22 transfer program for deposits directly into a
23 consumer account held by the recipient of the
24 benefit.

1 “(C) RULE OF CONSTRUCTION.—No provi-
2 sion of this paragraph may be construed as—

3 “(i) affecting or altering the protec-
4 tions otherwise applicable with respect to
5 benefits established by Federal, State, or
6 local law; or

7 “(ii) otherwise superseding the appli-
8 cation of any State or local law.

9 “(D) ELECTRONIC BENEFIT TRANSFER
10 PROGRAM DEFINED.—For purposes of this
11 paragraph, the term ‘electronic benefit transfer
12 program’—

13 “(i) means a program under which a
14 government agency distributes needs-tested
15 benefits by establishing accounts to be
16 accessed by recipients electronically, such
17 as through automated teller machines, or
18 point-of-sale terminals; and

19 “(ii) does not include employment-re-
20 lated payments, including salaries and pen-
21 sion, retirement, or unemployment benefits
22 established by Federal, State, or local gov-
23 ernments.”.

1 **TITLE II—COMMITTEE ON**
 2 **COMMERCE**

3 **SEC. 2000. TABLE OF CONTENTS.**

4 The table of contents of this title is as follows:

Sec. 2000. Table of contents.

 Subtitle A—Involvement of Commerce Committee in Federal Government
 Position Reductions

Sec. 2001. Involvement of Commerce Committee in Federal government posi-
 tion reductions.

 Subtitle B—Restricting Public Benefits for Aliens

 CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

Sec. 2101. Aliens who are not qualified aliens ineligible for Federal public bene-
 fits.

Sec. 2102. Five-year limited eligibility of qualified aliens for Federal means-
 tested public benefit.

Sec. 2103. Notification.

 CHAPTER 2—GENERAL PROVISIONS

Sec. 2111. Definitions.

Sec. 2112. Verification of eligibility for Federal public benefits.

 Subtitle C—Energy Assistance

Sec. 2201. Energy assistance.

 Subtitle D—Abstinence Education

Sec. 2301. Abstinence education.

1 **Subtitle A—Involvement of Com-**
2 **merce Committee in Federal**
3 **Government Position Reduc-**
4 **tions**

5 **SEC. 2001. INVOLVEMENT OF COMMERCE COMMITTEE IN**
6 **FEDERAL GOVERNMENT POSITION REDUC-**
7 **TIONS.**

8 In any provision of law that provides for consultation
9 with (or a report to) a relevant committee of Congress
10 respecting reductions in Federal Government positions, a
11 reference to the Committee on Commerce of the House
12 of Representatives shall be deemed to have been made in
13 relation to matters within the jurisdiction of such Commit-
14 tee.

15 **Subtitle B—Restricting Public**
16 **Benefits for Aliens**

17 **CHAPTER 1—ELIGIBILITY FOR FEDERAL**
18 **BENEFITS**

19 **SEC. 2101. ALIENS WHO ARE NOT QUALIFIED ALIENS INELI-**
20 **GIBLE FOR FEDERAL PUBLIC BENEFITS.**

21 (a) IN GENERAL.—Notwithstanding any other provi-
22 sion of law and except as provided in subsection (b), an
23 alien who is not a qualified alien (as defined in section
24 2111) is not eligible for any Federal public benefit (as de-
25 fined in subsection (c)).

1 (b) EXCEPTIONS.—Subsection (a) shall not apply
2 with respect to the following Federal public benefits:

3 (1) Emergency medical services under title XIX
4 of the Social Security Act.

5 (2)(A) Public health assistance for immuniza-
6 tions.

7 (B) Public health assistance for testing and
8 treatment of a serious communicable disease if the
9 Secretary of Health and Human Services determines
10 that it is necessary to prevent the spread of such
11 disease.

12 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

13 (1) Except as provided in paragraph (2), for
14 purposes of this part, the term “Federal public ben-
15 efit” means—

16 (A) any grant, contract, loan, professional
17 license, or commercial license provided by an
18 agency of the United States or by appropriated
19 funds of the United States; and

20 (B) any retirement, welfare, health, dis-
21 ability, or any other similar benefit for which
22 payments or assistance are provided to an indi-
23 vidual, household, or family eligibility unit by
24 an agency of the United States or by appro-
25 priated funds of the United States,

1 but only if such grant, contract, loan, or license
2 under subparagraph (A) or program providing bene-
3 fits under subparagraph (B) is under the jurisdic-
4 tion of the Committee on Commerce of the House of
5 Representatives.

6 (2) Such term shall not apply—

7 (A) to any contract, professional license, or
8 commercial license for a nonimmigrant whose
9 visa for entry is related to such employment in
10 the United States; or

11 (B) with respect to benefits for an alien
12 who as a work authorized nonimmigrant or as
13 an alien lawfully admitted for permanent resi-
14 dence under the Immigration and Nationality
15 Act qualified for such benefits and for whom
16 the United States under reciprocal treaty agree-
17 ments is required to pay benefits, as determined
18 by the Attorney General, after consultation with
19 the Secretary of State.

20 **SEC. 2102. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**
21 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**
22 **LIC BENEFIT.**

23 (a) **IN GENERAL.**—Notwithstanding any other provi-
24 sion of law and except as provided in subsection (b), an
25 alien who is a qualified alien (as defined in section 2111)

1 and who enters the United States on or after the date
2 of the enactment of this Act is not eligible for any Federal
3 means-tested public benefit (as defined in subsection (c))
4 for a period of five years beginning on the date of the
5 alien's entry into the United States with a status within
6 the meaning of the term "qualified alien".

7 (b) EXCEPTIONS.—The limitation under subsection
8 (a) shall not apply to the following aliens:

9 (1) EXCEPTION FOR REFUGEES AND
10 ASYLEES.—

11 (A) An alien who is admitted to the United
12 States as a refugee under section 207 of the
13 Immigration and Nationality Act.

14 (B) An alien who is granted asylum under
15 section 208 of such Act.

16 (C) An alien whose deportation is being
17 withheld under section 243(h) of such Act.

18 (2) VETERAN AND ACTIVE DUTY EXCEPTION.—
19 An alien who is lawfully residing in any State and
20 is—

21 (A) a veteran (as defined in section 101 of
22 title 38, United States Code) with a discharge
23 characterized as an honorable discharge and not
24 on account of alienage,

1 (B) on active duty (other than active duty
2 for training) in the Armed Forces of the United
3 States, or

4 (C) the spouse or unmarried dependent
5 child of an individual described in subparagraph
6 (A) or (B).

7 (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-
8 FINED.—

9 (1) Except as provided in paragraph (2), for
10 purposes of this part, the term “Federal means-test-
11 ed public benefit” means a Federal public benefit
12 described in section 2101(c) in which the eligibility
13 of an individual, household, or family eligibility unit
14 for benefits, or the amount of such benefits, or both
15 are determined on the basis of income, resources, or
16 financial need of the individual, household, or unit.

17 (2) Such term does not include the following:

18 (A) Emergency medical services under title
19 XIX of the Social Security Act.

20 (B)(i) Public health assistance for immuni-
21 zations.

22 (ii) Public health assistance for testing and
23 treatment of a serious communicable disease if
24 the Secretary of Health and Human Services

1 determines that it is necessary to prevent the
2 spread of such disease.

3 **SEC. 2103. NOTIFICATION.**

4 Each Federal agency that administers a program to
5 which section 2101 or 2102 applies shall, directly or
6 through the States, post information and provide general
7 notification to the public and to program recipients of the
8 changes regarding eligibility for any such program pursu-
9 ant to this subpart.

10 **CHAPTER 2—GENERAL PROVISIONS**

11 **SEC. 2111. DEFINITIONS.**

12 (a) IN GENERAL.—Except as otherwise provided in
13 this part, the terms used in this part have the same mean-
14 ing given such terms in section 101(a) of the Immigration
15 and Nationality Act.

16 (b) QUALIFIED ALIEN.—For purposes of this part,
17 the term “qualified alien” means an alien who, at the time
18 the alien applies for, receives, or attempts to receive a
19 Federal public benefit, is—

20 (1) an alien who is lawfully admitted for perma-
21 nent residence under the Immigration and National-
22 ity Act,

23 (2) an alien who is granted asylum under sec-
24 tion 208 of such Act,

1 (3) a refugee who is admitted to the United
2 States under section 207 of such Act,

3 (4) an alien who is paroled into the United
4 States under section 212(d)(5) of such Act for a pe-
5 riod of at least 1 year,

6 (5) an alien whose deportation is being withheld
7 under section 243(h) of such Act, or

8 (6) an alien who is granted conditional entry
9 pursuant to section 203(a)(7) of such Act as in ef-
10 fect prior to April 1, 1980.

11 **SEC. 2112. VERIFICATION OF ELIGIBILITY FOR FEDERAL**
12 **PUBLIC BENEFITS.**

13 (a) IN GENERAL.—Not later than 18 months after
14 the date of the enactment of this Act, the Attorney Gen-
15 eral of the United States, after consultation with the Sec-
16 retary of Health and Human Services, shall promulgate
17 regulations requiring verification that a person applying
18 for a Federal public benefit (as defined in section
19 2101(c)), to which the limitation under section 2101 ap-
20 plies, is a qualified alien and is eligible to receive such
21 benefit. Such regulations shall, to the extent feasible, re-
22 quire that information requested and exchanged be similar
23 in form and manner to information requested and ex-
24 changed under section 1137 of the Social Security Act.

1 (b) STATE COMPLIANCE.—Not later than 24 months
 2 after the date the regulations described in subsection (a)
 3 are adopted, a State that administers a program that pro-
 4 vides a Federal public benefit shall have in effect a ver-
 5 ification system that complies with the regulations.

6 (c) AUTHORIZATION OF APPROPRIATIONS.—There
 7 are authorized to be appropriated such sums as may be
 8 necessary to carry out the purpose of this section.

9 **Subtitle C—Energy Assistance**

10 **SEC. 2201. ENERGY ASSISTANCE.**

11 Section 2605(f) of the Low-Income Home Energy As-
 12 sistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

13 (1) by striking “(f)(1) Notwithstanding” and
 14 inserting “(f) Notwithstanding”; and

15 (2) by striking paragraph (2).

16 **Subtitle D—Abstinence Education**

17 **SEC. 2301. ABSTINENCE EDUCATION.**

18 (a) INCREASES IN FUNDING.—Section 501(a) of the
 19 Social Security Act (42 U.S.C. 701(a)) is amended in the
 20 matter preceding paragraph (1) by striking “Fiscal year
 21 1990 and each fiscal year thereafter” and inserting “Fis-
 22 cal years 1990 through 1995 and \$761,000,000 for fiscal
 23 year 1996 and each fiscal year thereafter”.

24 (b) ABSTINENCE EDUCATION.—Section 501(a)(1) of
 25 such Act (42 U.S.C. 701(a)(1)) is amended—

1 (1) in subparagraph (C), by striking “and” at
2 the end;

3 (2) in subparagraph (D), by adding “and” at
4 the end; and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(E) to provide abstinence education, and
8 at the option of the State, where appropriate,
9 mentoring, counseling, and adult supervision to
10 promote abstinence from sexual activity, with a
11 focus on those groups which are most likely to
12 bear children out-of-wedlock.”.

13 (c) ABSTINENCE EDUCATION DEFINED.—Section
14 501(b) of such Act (42 U.S.C. 701(b)) is amended by add-
15 ing at the end the following new paragraph:

16 “(5) ABSTINENCE EDUCATION.—For purposes
17 of this subsection, the term ‘abstinence education’
18 means an educational or motivational program
19 which—

20 “(A) has as its exclusive purpose, teaching
21 the social, psychological, and health gains to be
22 realized by abstaining from sexual activity;

23 “(B) teaches abstinence from sexual activ-
24 ity outside marriage as the expected standard
25 for all school age children;

1 “(C) teaches that abstinence from sexual
2 activity is the only certain way to avoid out-of-
3 wedlock pregnancy, sexually transmitted dis-
4 eases, and other associated health problems;

5 “(D) teaches that a mutually faithful
6 monogamous relationship in context of marriage
7 is the expected standard of human sexual activ-
8 ity;

9 “(E) teaches that sexual activity outside of
10 the context of marriage is likely to have harm-
11 ful psychological and physical effects;

12 “(F) teaches that bearing children out-of-
13 wedlock is likely to have harmful consequences
14 for the child, the child’s parents, and society;

15 “(G) teaches young people how to reject
16 sexual advances and how alcohol and drug use
17 increases vulnerability to sexual advances; and

18 “(H) teaches the importance of attaining
19 self-sufficiency before engaging in sexual activ-
20 ity.”.

21 (d) SET-ASIDE.—

22 (1) IN GENERAL.—Section 502(e) of such Act
23 (42 U.S.C. 702(e)) is amended in the matter preced-
24 ing paragraph (1) by striking “From” and inserting
25 “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).”.

8 **TITLE III—COMMITTEE ON ECO-**
9 **NOMIC AND EDUCATIONAL**
10 **OPPORTUNITIES**

11 **SEC. 3001. SHORT TITLE.**

12 This title may be cited as the “Personal Responsibil-
13 ity and Work Opportunity Act of 1996”.

14 **SEC. 3002. TABLE OF CONTENTS.**

15 The table of contents of this title is as follows:

Sec. 3001. Short title.

Sec. 3002. Table of contents.

Subtitle A—Child Care

Sec. 3101. Short title and references.

Sec. 3102. Goals.

Sec. 3103. Authorization of appropriations and entitlement authority.

Sec. 3104. Lead agency.

Sec. 3105. Application and plan.

Sec. 3106. Limitation on State allotments.

Sec. 3107. Activities to improve the quality of child care.

Sec. 3108. Repeal of early childhood development and before- and after-school
care requirement.

Sec. 3109. Administration and enforcement.

Sec. 3110. Payments.

Sec. 3111. Annual report and audits.

Sec. 3112. Report by the Secretary.

Sec. 3113. Allotments.

Sec. 3114. Definitions.

Sec. 3115. Repeals.

Sec. 3116. Effective date.

Subtitle B—Child Nutrition Programs

CHAPTER 1—NATIONAL SCHOOL LUNCH ACT

- Sec. 3201. State disbursement to schools.
- Sec. 3202. Nutritional and other program requirements.
- Sec. 3203. Free and reduced price policy statement.
- Sec. 3204. Special assistance.
- Sec. 3205. Miscellaneous provisions and definitions.
- Sec. 3206. Summer food service program for children.
- Sec. 3207. Commodity distribution.
- Sec. 3208. Child care food program.
- Sec. 3209. Pilot projects.
- Sec. 3210. Reduction of paperwork.
- Sec. 3211. Information on income eligibility.
- Sec. 3212. Nutrition guidance for child nutrition programs.
- Sec. 3213. Information clearinghouse.

CHAPTER 2—CHILD NUTRITION ACT OF 1966

- Sec. 3221. Special milk program.
- Sec. 3222. Free and reduced price policy statement.
- Sec. 3223. School breakfast program authorization.
- Sec. 3224. State administrative expenses.
- Sec. 3225. Regulations.
- Sec. 3226. Prohibitions.
- Sec. 3227. Miscellaneous provisions and definitions.
- Sec. 3228. Accounts and records.
- Sec. 3229. Special supplemental nutrition program for women, infants, and children.
- Sec. 3230. Cash grants for nutrition education.
- Sec. 3231. Nutrition education and training.

CHAPTER 3—MISCELLANEOUS PROVISIONS

- Sec. 3241. Coordination of school lunch, school breakfast, and summer food service programs.

Subtitle C—Related Provisions

- Sec. 3301. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
- Sec. 3302. Sense of the Congress.
- Sec. 3303. Legislative accountability.

1 **Subtitle A—Child Care**

2 **SEC. 3101. SHORT TITLE AND REFERENCES.**

- 3 (a) **SHORT TITLE.**—This subtitle may be cited as the
- 4 “Child Care and Development Block Grant Amendments
- 5 of 1996”.

1 (b) REFERENCES.—Except as otherwise expressly
2 provided, whenever in this subtitle an amendment or re-
3 peal is expressed in terms of an amendment to, or repeal
4 of, a section or other provision, the reference shall be con-
5 sidered to be made to a section or other provision of the
6 Child Care and Development Block Grant Act of 1990 (42
7 U.S.C. 9858 et seq.).

8 **SEC. 3102. GOALS.**

9 Section 658A (42 U.S.C. 9801 note) is amended—

10 (1) in the section heading by inserting “AND
11 GOALS” after “TITLE”;

12 (2) by inserting “(a) SHORT TITLE.—” before
13 “This”; and

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

15 “(b) GOALS.—The goals of this subchapter are—

16 “(1) to allow each State maximum flexibility in
17 developing child care programs and policies that best
18 suit the needs of children and parents within such
19 State;

20 “(2) to promote parental choice to empower
21 working parents to make their own decisions on the
22 child care that best suits their family’s needs;

23 “(3) to encourage States to provide consumer
24 education information to help parents make in-
25 formed choices about child care;

1 “(4) to assist States to provide child care to
2 parents trying to achieve independence from public
3 assistance; and

4 “(5) to assist States in implementing the
5 health, safety, licensing, and registration standards
6 established in State regulations.”.

7 **SEC. 3103. AUTHORIZATION OF APPROPRIATIONS AND EN-**
8 **TITLEMENT AUTHORITY.**

9 (a) IN GENERAL.—Section 658B (42 U.S.C. 9858)
10 is amended to read as follows:

11 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

12 “‘There is authorized to be appropriated to carry out
13 this subchapter \$1,000,000,000 for each of the fiscal
14 years 1996 through 2002.’”.

15 (b) SOCIAL SECURITY ACT.—Part A of title IV of
16 the Social Security Act (42 U.S.C. 601–617) is amended
17 by adding at the end the following new section:

18 **“SEC. 418. FUNDING FOR CHILD CARE.**

19 “(a) GENERAL CHILD CARE ENTITLEMENT.—

20 “(1) GENERAL ENTITLEMENT.—Subject to the
21 amount appropriated under paragraph (3), each
22 State shall, for the purpose of providing child care
23 assistance, be entitled to payments under a grant
24 under this subsection for a fiscal year in an amount
25 equal to—

1 “(A) the sum of the total amount required
2 to be paid to the State under section 403 for
3 fiscal year 1994 or 1995 (whichever is greater)
4 with respect to amounts expended for child care
5 under section—

6 “(i) 402(g) of this Act (as such sec-
7 tion was in effect before October 1, 1995);
8 and

9 “(ii) 402(i) of this Act (as so in ef-
10 fect); or

11 “(B) the average of the total amounts re-
12 quired to be paid to the State for fiscal years
13 1992 through 1994 under the sections referred
14 to in subparagraph (A);

15 whichever is greater.

16 “(2) REMAINDER.—

17 “(A) GRANTS.—The Secretary shall use
18 any amounts appropriated for a fiscal year
19 under paragraph (3), and remaining after the
20 reservation described in paragraph (4) and
21 after grants are awarded under paragraph (1),
22 to make grants to States under this paragraph.

23 “(B) AMOUNT.—Subject to subparagraph
24 (C), the amount of a grant awarded to a State
25 for a fiscal year under this paragraph shall be

1 based on the formula used for determining the
2 amount of Federal payments to the State under
3 section 403(n) (as such section was in effect be-
4 fore October 1, 1995).

5 “(C) MATCHING REQUIREMENT.—The Sec-
6 retary shall pay to each eligible State in a fiscal
7 year an amount, under a grant under subpara-
8 graph (A), equal to the Federal medical assist-
9 ance percentage for such State for fiscal year
10 1995 (as defined in section 1905(b)) of so
11 much of the expenditures by the State for child
12 care in such year as exceed the State set-aside
13 for such State under paragraph (1)(A) for such
14 year and the amount of State expenditures in
15 fiscal year 1994 or 1995 (whichever is greater)
16 that equal the non-Federal share for the pro-
17 grams described in subparagraph (A) of para-
18 graph (1).

19 “(D) REDISTRIBUTION.—

20 “(i) IN GENERAL.—With respect to
21 any fiscal year, if the Secretary determines
22 (in accordance with clause (ii)) that
23 amounts under any grant awarded to a
24 State under this paragraph for such fiscal
25 year will not be used by such State during

1 such fiscal year for carrying out the pur-
2 pose for which the grant is made, the Sec-
3 retary shall make such amounts available
4 in the subsequent fiscal year for carrying
5 out such purpose to 1 or more States
6 which apply for such funds to the extent
7 the Secretary determines that such States
8 will be able to use such additional amounts
9 for carrying out such purpose. Such avail-
10 able amounts shall be redistributed to a
11 State pursuant to section 402(i) (as such
12 section was in effect before October 1,
13 1995) by substituting ‘the number of chil-
14 dren residing in all States applying for
15 such funds’ for ‘the number of children re-
16 siding in the United States in the second
17 preceding fiscal year’.

18 “(ii) TIME OF DETERMINATION AND
19 DISTRIBUTION.—The determination of the
20 Secretary under clause (i) for a fiscal year
21 shall be made not later than the end of the
22 first quarter of the subsequent fiscal year.
23 The redistribution of amounts under clause
24 (i) shall be made as close as practicable to
25 the date on which such determination is

1 made. Any amount made available to a
2 State from an appropriation for a fiscal
3 year in accordance with this subparagraph
4 shall, for purposes of this part, be re-
5 garded as part of such State's payment (as
6 determined under this subsection) for the
7 fiscal year in which the redistribution is
8 made.

9 “(3) APPROPRIATION.—For grants under this
10 section, there are appropriated—

11 “(A) \$1,967,000,000 for fiscal year 1997;

12 “(B) \$2,067,000,000 for fiscal year 1998;

13 “(C) \$2,167,000,000 for fiscal year 1999;

14 “(D) \$2,367,000,000 for fiscal year 2000;

15 “(E) \$2,567,000,000 for fiscal year 2001;

16 and

17 “(F) \$2,717,000,000 for fiscal year 2002.

18 “(4) INDIAN TRIBES.—The Secretary shall re-
19 serve not more than 1 percent of the aggregate
20 amount appropriated to carry out this section in
21 each fiscal year for payments to Indian tribes and
22 tribal organizations.

23 “(b) USE OF FUNDS.—

24 “(1) IN GENERAL.—Amounts received by a
25 State under this section shall only be used to provide

1 child care assistance. Amounts received by a State
2 under a grant under subsection (a)(1) shall be avail-
3 able for use by the State without fiscal year limita-
4 tion.

5 “(2) USE FOR CERTAIN POPULATIONS.—A
6 State shall ensure that not less than 70 percent of
7 the total amount of funds received by the State in
8 a fiscal year under this section are used to provide
9 child care assistance to families who are receiving
10 assistance under a State program under this part,
11 families who are attempting through work activities
12 to transition off of such assistance program, and
13 families who are at risk of becoming dependent on
14 such assistance program.

15 “(c) APPLICATION OF CHILD CARE AND DEVELOP-
16 MENT BLOCK GRANT ACT of 1990.—Notwithstanding any
17 other provision of law, amounts provided to a State under
18 this section shall be transferred to the lead agency under
19 the Child Care and Development Block Grant Act of 1990,
20 integrated by the State into the programs established by
21 the State under such Act, and be subject to requirements
22 and limitations of such Act.

23 “(d) DEFINITION.—As used in this section, the term
24 ‘State’ means each of the 50 States or the District of Co-
25 lumbia.”.

1 **SEC. 3104. LEAD AGENCY.**

2 Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

3 (1) in paragraph (1)—

4 (A) in subparagraph (A), by striking
5 “State” the first place that such appears and
6 inserting “governmental or nongovernmental”;
7 and

8 (B) in subparagraph (C), by inserting
9 “with sufficient time and Statewide distribution
10 of the notice of such hearing,” after “hearing in
11 the State”; and

12 (2) in paragraph (2), by striking the second
13 sentence.

14 **SEC. 3105. APPLICATION AND PLAN.**

15 Section 658E (42 U.S.C. 9858c) is amended—

16 (1) in subsection (b)—

17 (A) by striking “implemented—” and all
18 that follows through “(2)” and inserting “im-
19 plemented”; and

20 (B) by striking “for subsequent State
21 plans”;

22 (2) in subsection (c)—

23 (A) in paragraph (2)—

24 (i) in subparagraph (A)—

- 1 (I) in clause (i) by striking “,
2 other than through assistance pro-
3 vided under paragraph (3)(C),”; and
- 4 (II) by striking “except” and all
5 that follows through “1992”, and in-
6 sserting “and provide a detailed de-
7 scription of the procedures the State
8 will implement to carry out the re-
9 quirements of this subparagraph”;
- 10 (ii) in subparagraph (B)—
- 11 (I) by striking “Provide assur-
12 ances” and inserting “Certify”; and
- 13 (II) by inserting before the pe-
14 riod at the end “and provide a de-
15 tailed description of such procedures”;
- 16 (iii) in subparagraph (C)—
- 17 (I) by striking “Provide assur-
18 ances” and inserting “Certify”; and
- 19 (II) by inserting before the pe-
20 riod at the end “and provide a de-
21 tailed description of how such record
22 is maintained and is made available”;
- 23 (iv) by amending subparagraph (D) to
24 read as follows:

1 “(D) CONSUMER EDUCATION INFORMA-
2 TION.—Certify that the State will collect and
3 disseminate to parents of eligible children and
4 the general public, consumer education informa-
5 tion that will promote informed child care
6 choices.”;

7 (v) in subparagraph (E), to read as
8 follows:

9 “(E) COMPLIANCE WITH STATE LICENSING
10 REQUIREMENTS.—

11 “(i) IN GENERAL.—Certify that the
12 State has in effect licensing requirements
13 applicable to child care services provided
14 within the State, and provide a detailed de-
15 scription of such requirements and of how
16 such requirements are effectively enforced.
17 Nothing in the preceding sentence shall be
18 construed to require that licensing require-
19 ments be applied to specific types of pro-
20 viders of child care services.

21 “(ii) INDIAN TRIBES AND TRIBAL OR-
22 GANIZATIONS.—In lieu of any licensing
23 and regulatory requirements applicable
24 under State and local law, the Secretary,
25 in consultation with Indian tribes and trib-

1 al organizations, shall develop minimum
2 child care standards (that appropriately re-
3 flect tribal needs and available resources)
4 that shall be applicable to Indian tribes
5 and tribal organization receiving assistance
6 under this subchapter.”;

7 (vi) in subparagraph (G) by striking
8 “Provide assurances” and inserting “Cer-
9 tify”; and

10 (vii) by striking subparagraphs (H),
11 (I), and (J) and inserting the following:

12 “(H) MEETING THE NEEDS OF CERTAIN
13 POPULATIONS.—Demonstrate the manner in
14 which the State will meet the specific child care
15 needs of families who are receiving assistance
16 under a State program under part A of title IV
17 of the Social Security Act, families who are at-
18 tempting through work activities to transition
19 off of such assistance program, and families
20 that are at risk of becoming dependent on such
21 assistance program.”;

22 (B) in paragraph (3)—

23 (i) in subparagraph (A), by striking
24 “(B) and (C)” and inserting “(B) through
25 (D)”;

1 (ii) in subparagraph (B)—

2 (I) by striking “.—Subject to the
3 reservation contained in subparagraph
4 (C), the” and inserting “AND RELAT-
5 ED ACTIVITIES.—The”;

6 (II) in clause (i) by striking “;
7 and” at the end and inserting a pe-
8 riod;

9 (III) by striking “for—” and all
10 that follows through “section
11 658E(c)(2)(A)” and inserting “for
12 child care services on sliding fee scale
13 basis, activities that improve the qual-
14 ity or availability of such services, and
15 any other activity that the State
16 deems appropriate to realize any of
17 the goals specified in paragraphs (2)
18 through (5) of section 658A(b)”;

19 (IV) by striking clause (ii);

20 (iii) by amending subparagraph (C) to
21 read as follows:

22 “(C) LIMITATION ON ADMINISTRATIVE
23 COSTS.—Not more than 5 percent of the aggre-
24 gate amount of funds available to the State to
25 carry out this subchapter by a State in each fis-

1 cal year may be expended for administrative
2 costs incurred by such State to carry out all of
3 its functions and duties under this subchapter.
4 As used in the preceding sentence, the term
5 ‘administrative costs’ shall not include the costs
6 of providing direct services.”; and

7 (iv) by adding at the end thereof the
8 following:

9 “(D) ASSISTANCE FOR CERTAIN FAMI-
10 LIES.—A State shall ensure that a substantial
11 portion of the amounts available (after the
12 State has complied with the requirement of sec-
13 tion 418(b)(2) of the Social Security Act with
14 respect to each of the fiscal years 1997 through
15 2002) to the State to carry out activities under
16 this subchapter in each fiscal year is used to
17 provide assistance to low-income working fami-
18 lies other than families described in paragraph
19 (2)(H).”; and

20 (C) in paragraph (4)(A)—

21 (i) by striking “provide assurances”
22 and inserting “certify”;

23 (ii) in the first sentence by inserting
24 “and shall provide a summary of the facts
25 relied on by the State to determine that

1 such rates are sufficient to ensure such ac-
2 cess” before the period; and

3 (iii) by striking the last sentence.

4 **SEC. 3106. LIMITATION ON STATE ALLOTMENTS.**

5 Section 658F(b)(1) (42 U.S.C. 9858d(b)(1)) is
6 amended by striking “No” and inserting “Except as pro-
7 vided for in section 658O(c)(6), no”.

8 **SEC. 3107. ACTIVITIES TO IMPROVE THE QUALITY OF**
9 **CHILD CARE.**

10 Section 658G (42 U.S.C. 9858e) is amended to read
11 as follows:

12 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**
13 **CHILD CARE.**

14 “A State that receives funds to carry out this sub-
15 chapter for a fiscal year, shall use not less than 4 percent
16 of the amount of such funds for activities that are de-
17 signed to provide comprehensive consumer education to
18 parents and the public, activities that increase parental
19 choice, and activities designed to improve the quality and
20 availability of child care (such as resource and referral
21 services).”.

22 **SEC. 3108. REPEAL OF EARLY CHILDHOOD DEVELOPMENT**
23 **AND BEFORE- AND AFTER-SCHOOL CARE RE-**
24 **QUIREMENT.**

25 Section 658H (42 U.S.C. 9858f) is repealed.

1 **SEC. 3109. ADMINISTRATION AND ENFORCEMENT.**

2 Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

3 (1) in paragraph (1), by striking “, and shall
4 have” and all that follows through “(2)”; and

5 (2) in the matter following clause (ii) of para-
6 graph (2)(A), by striking “finding and that” and all
7 that follows through the period and inserting “find-
8 ing and shall require that the State reimburse the
9 Secretary for any funds that were improperly ex-
10 pended for purposes prohibited or not authorized by
11 this subchapter, that the Secretary deduct from the
12 administrative portion of the State allotment for the
13 following fiscal year an amount that is less than or
14 equal to any improperly expended funds, or a com-
15 bination of such options.”.

16 **SEC. 3110. PAYMENTS.**

17 Section 658J(c) (42 U.S.C. 9858h(c)) is amended by
18 striking “expended” and inserting “obligated”.

19 **SEC. 3111. ANNUAL REPORT AND AUDITS.**

20 Section 658K (42 U.S.C. 9858i) is amended—

21 (1) in the section heading by striking “ANNUAL
22 REPORT” and inserting “REPORTS”;

23 (2) in subsection (a), to read as follows:

24 “(a) REPORTS.—

25 “(1) COLLECTION OF INFORMATION BY
26 STATES.—

1 “(A) IN GENERAL.—A State that receives
2 funds to carry out this subchapter shall collect
3 the information described in subparagraph (B)
4 on a monthly basis.

5 “(B) REQUIRED INFORMATION.—The in-
6 formation required under this subparagraph
7 shall include, with respect to a family unit re-
8 ceiving assistance under this subchapter infor-
9 mation concerning—

10 “(i) family income;

11 “(ii) county of residence;

12 “(iii) the gender, race, and age of
13 children receiving such assistance;

14 “(iv) whether the family includes only
15 1 parent;

16 “(v) the sources of family income, in-
17 cluding the amount obtained from (and
18 separately identified)—

19 “(I) employment, including self-
20 employment;

21 “(II) cash or other assistance
22 under part A of title IV of the Social
23 Security Act;

24 “(III) housing assistance;

1 “(IV) assistance under the Food
2 Stamp Act of 1977; and

3 “(V) other assistance programs;
4 “(vi) the number of months the family
5 has received benefits;

6 “(vii) the type of child care in which
7 the child was enrolled (such as family child
8 care, home care, or center-based child
9 care);

10 “(viii) whether the child care provider
11 involved was a relative;

12 “(ix) the cost of child care for such
13 families; and

14 “(x) the average hours per week of
15 such care;

16 during the period for which such information is
17 required to be submitted.

18 “(C) SUBMISSION TO SECRETARY.—A
19 State described in subparagraph (A) shall, on a
20 quarterly basis, submit the information required
21 to be collected under subparagraph (B) to the
22 Secretary.

23 “(D) SAMPLING.—The Secretary may dis-
24 approve the information collected by a State

1 under this paragraph if the State uses sampling
2 methods to collect such information.

3 “(2) BIENNIAL REPORTS.—Not later than De-
4 cember 31, 1997, and every 6 months thereafter, a
5 State described in paragraph (1)(A) shall prepare
6 and submit to the Secretary a report that includes
7 aggregate data concerning—

8 “(A) the number of child care providers
9 that received funding under this subchapter as
10 separately identified based on the types of pro-
11 viders listed in section 658P(5);

12 “(B) the monthly cost of child care serv-
13 ices, and the portion of such cost that is paid
14 for with assistance provided under this sub-
15 chapter, listed by the type of child care services
16 provided;

17 “(C) the number of payments made by the
18 State through vouchers, contracts, cash, and
19 disregards under public benefit programs, listed
20 by the type of child care services provided;

21 “(D) the manner in which consumer edu-
22 cation information was provided to parents and
23 the number of parents to whom such informa-
24 tion was provided; and

1 “(E) the total number (without duplica-
2 tion) of children and families served under this
3 subchapter;
4 during the period for which such report is required
5 to be submitted.”; and

6 (2) in subsection (b)—

7 (A) in paragraph (1) by striking “a appli-
8 cation” and inserting “an application”;

9 (B) in paragraph (2) by striking “any
10 agency administering activities that receive”
11 and inserting “the State that receives”; and

12 (C) in paragraph (4) by striking “entitles”
13 and inserting “entitled”.

14 **SEC. 3112. REPORT BY THE SECRETARY.**

15 Section 658L (42 U.S.C. 9858j) is amended—

16 (1) by striking “1993” and inserting “1997”;

17 (2) by striking “annually” and inserting “bien-
18 nially”; and

19 (3) by striking “Education and Labor” and in-
20 serting “Economic and Educational Opportunities”.

21 **SEC. 3113. ALLOTMENTS.**

22 Section 658O (42 U.S.C. 9858m) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1)

1 (i) by striking “POSSESSIONS” and in-
2 serting “POSSESSIONS”;

3 (ii) by inserting “and” after
4 “States,”; and

5 (iii) by striking “, and the Trust Ter-
6 ritory of the Pacific Islands”; and

7 (B) in paragraph (2), by striking “3 per-
8 cent” and inserting “1 percent”;

9 (2) in subsection (c)—

10 (A) in paragraph (5) by striking “our” and
11 inserting “out”; and

12 (B) by adding at the end thereof the fol-
13 lowing new paragraph:

14 “(6) CONSTRUCTION OR RENOVATION OF FA-
15 CILITIES.—

16 “(A) REQUEST FOR USE OF FUNDS.—An
17 Indian tribe or tribal organization may submit
18 to the Secretary a request to use amounts pro-
19 vided under this subsection for construction or
20 renovation purposes.

21 “(B) DETERMINATION.—With respect to a
22 request submitted under subparagraph (A), and
23 except as provided in subparagraph (C), upon a
24 determination by the Secretary that adequate
25 facilities are not otherwise available to an In-

1 dian tribe or tribal organization to enable such
2 tribe or organization to carry out child care
3 programs in accordance with this subchapter,
4 and that the lack of such facilities will inhibit
5 the operation of such programs in the future,
6 the Secretary may permit the tribe or organiza-
7 tion to use assistance provided under this sub-
8 section to make payments for the construction
9 or renovation of facilities that will be used to
10 carry out such programs.

11 “(C) LIMITATION.—The Secretary may not
12 permit an Indian tribe or tribal organization to
13 use amounts provided under this subsection for
14 construction or renovation if such use will re-
15 sult in a decrease in the level of child care serv-
16 ices provided by the tribe or organization as
17 compared to the level of such services provided
18 by the tribe or organization in the fiscal year
19 preceding the year for which the determination
20 under subparagraph (A) is being made.

21 “(D) UNIFORM PROCEDURES.—The Sec-
22 retary shall develop and implement uniform
23 procedures for the solicitation and consideration
24 of requests under this paragraph.”; and

1 (3) in subsection (e), by adding at the end
2 thereof the following new paragraph:

3 “(4) INDIAN TRIBES OR TRIBAL ORGANIZA-
4 TIONS.—Any portion of a grant or contract made to
5 an Indian tribe or tribal organization under sub-
6 section (e) that the Secretary determines is not
7 being used in a manner consistent with the provision
8 of this subchapter in the period for which the grant
9 or contract is made available, shall be allotted by the
10 Secretary to other tribes or organizations that have
11 submitted applications under subsection (e) in ac-
12 cordance with their respective needs.”.

13 **SEC. 3114. DEFINITIONS.**

14 Section 658P (42 U.S.C. 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) by striking paragraph (3);

21 (3) in paragraph (4)(B), by striking “75 per-
22 cent” and inserting “85 percent”;

23 (4) in paragraph (5)(B)—

1 (A) by inserting “great grandchild, sibling
2 (if such provider lives in a separate residence),”
3 after “grandchild,”;

4 (B) by striking “is registered and”; and

5 (C) by striking “State” and inserting “ap-
6 plicable”.

7 (5) by striking paragraph (10);

8 (6) in paragraph (13)—

9 (A) by inserting “or” after “Samoa,”; and

10 (B) by striking “, and the Trust Territory
11 of the Pacific Islands”;

12 (7) in paragraph (14)—

13 (A) by striking “The term” and inserting
14 the following:

15 “(A) IN GENERAL.—The term”; and

16 (B) by adding at the end thereof the fol-
17 lowing new subparagraph:

18 “(B) OTHER ORGANIZATIONS.—Such term
19 includes a Native Hawaiian Organization, as
20 defined in section 4009(4) of the Augustus F.
21 Hawkins-Robert T. Stafford Elementary and
22 Secondary School Improvement Amendments of
23 1988 (20 U.S.C. 4909(4)) and a private non-
24 profit organization established for the purpose

1 of serving youth who are Indians or Native Ha-
2 waiians.”.

3 **SEC. 3115. REPEALS.**

4 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
5 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-
6 ices Reauthorization Act of 1986 (42 U.S.C. 10901–
7 10905) is repealed.

8 (b) STATE DEPENDENT CARE DEVELOPMENT
9 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A
10 of title VI of the Omnibus Budget Reconciliation Act of
11 1981 (42 U.S.C. 9871–9877) is repealed.

12 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title
13 X of the Elementary and Secondary Education Act of
14 1965, as amended by Public Law 103–382 (108 Stat.
15 3809 et seq.), is amended—

16 (1) in section 10413(a) by striking paragraph
17 (4),

18 (2) in section 10963(b)(2) by striking subpara-
19 graph (G), and

20 (3) in section 10974(a)(6) by striking subpara-
21 graph (G).

22 (d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION
23 CENTERS.—Section 9205 of the Native Hawaiian Edu-
24 cation Act (Public Law 103–382; 108 Stat. 3794) is re-
25 pealed.

1 (e) CERTAIN CHILD CARE PROGRAMS UNDER THE
2 SOCIAL SECURITY ACT.—

3 (1) AFDC AND TRANSITIONAL CHILD CARE
4 PROGRAMS.—Section 402 of the Social Security Act
5 (42 U.S.C. 602) is amended by striking subsection
6 (g).

7 (2) AT-RISK CHILD CARE PROGRAM.—

8 (A) AUTHORIZATION.—Section 402 of the
9 Social Security Act (42 U.S.C. 602) is amended
10 by striking subsection (i).

11 (B) FUNDING PROVISIONS.—Section 403
12 of the Social Security Act (42 U.S.C. 603) is
13 amended by striking subsection (n).

14 **SEC. 3116. EFFECTIVE DATE.**

15 (a) IN GENERAL.—Except as provided in subsection
16 (b), this subtitle and the amendments made by this sub-
17 title shall take effect on October 1, 1996.

18 (b) EXCEPTION.—The amendment made by section
19 3303(a) shall take effect on the date of enactment of this
20 Act.

1 **Subtitle B—Child Nutrition**
2 **Programs**
3 **CHAPTER 1—NATIONAL SCHOOL LUNCH**
4 **ACT**

5 **SEC. 3201. STATE DISBURSEMENT TO SCHOOLS.**

6 (a) IN GENERAL.—Section 8 of the National School
7 Lunch Act (42 U.S.C. 1757) is amended—

8 (1) in the third sentence, by striking “Nothing”
9 and all that follows through “educational agency to”
10 and inserting “The State educational agency may”;

11 (2) by striking the fourth and fifth sentences;

12 (3) by redesignating the first through sixth sen-
13 tences, as amended by paragraph (1), as subsections
14 (a) through (f), respectively;

15 (4) in subsection (b), as redesignated by para-
16 graph (3), by striking “the preceding sentence” and
17 inserting “subsection (a)”; and

18 (5) in subsection (d), as redesignated by para-
19 graph (3), by striking “Such food costs” and insert-
20 ing “Use of funds paid to States”.

21 (b) DEFINITION OF CHILD.—Section 12(d) of the Act
22 (42 U.S.C. 1760(d)) is amended by adding at the end the
23 following:

24 “(9) ‘child’ includes an individual, regardless of
25 age, who—

1 “(A) is determined by a State educational
2 agency, in accordance with regulations pre-
3 scribed by the Secretary, to have 1 or more
4 mental or physical disabilities; and

5 “(B) is attending any institution, as de-
6 fined in section 17(a), or any nonresidential
7 public or nonprofit private school of high school
8 grade or under, for the purpose of participating
9 in a school program established for individuals
10 with mental or physical disabilities.

11 No institution that is not otherwise eligible to par-
12 ticipate in the program under section 17 shall be
13 considered eligible because of this paragraph.”.

14 **SEC. 3202. NUTRITIONAL AND OTHER PROGRAM REQUIRE-**
15 **MENTS.**

16 (a) NUTRITIONAL STANDARDS.—Section 9(a) of the
17 National School Lunch Act (42 U.S.C. 1758(a)) is amend-
18 ed—

19 (1) in paragraph (2)—

20 (A) by striking “(2)(A) Lunches” and in-
21 serting “(2) Lunches”;

22 (B) by striking subparagraph (B); and

23 (C) by redesignating clauses (i) and (ii) as
24 subparagraphs (A) and (B), respectively;

25 (2) by striking paragraph (3); and

1 (3) by redesignating paragraph (4) as para-
2 graph (3).

3 (b) ELIGIBILITY GUIDELINES.—Section 9(b) of the
4 Act is amended—

5 (1) in paragraph (2)—

6 (A) by striking subparagraph (A); and

7 (B) by redesignating subparagraphs (B)
8 and (C) as subparagraphs (A) and (B), respec-
9 tively;

10 (2) in paragraph (5), by striking the third sen-
11 tence; and

12 (3) in paragraph (6), by striking “paragraph
13 (2)(C)” and inserting “paragraph (2)(B)”.

14 (c) UTILIZATION OF AGRICULTURAL COMMOD-
15 ITIES.—Section 9(c) of the Act is amended by striking the
16 second, fourth, and sixth sentences.

17 (d) CONFORMING AMENDMENT.—The last sentence
18 of section 9(d)(1) of the Act is amended by striking “sub-
19 section (b)(2)(C)” and inserting “subsection (b)(2)(B)”.

20 (e) NUTRITIONAL INFORMATION.—Section 9(f) of the
21 Act is amended—

22 (1) by striking paragraph (1);

23 (2) by striking “(2)”;

24 (3) by redesignating subparagraphs (A) through
25 (D) as paragraphs (1) through (4), respectively;

1 (4) by striking paragraph (1), as redesignated
2 by paragraph (3), and inserting the following:

3 “(1) NUTRITIONAL REQUIREMENTS.—Except as
4 provided in paragraph (2), not later than the first
5 day of the 1996–1997 school year, schools that are
6 participating in the school lunch or school breakfast
7 program shall serve lunches and breakfasts under
8 the program that—

9 “(A) are consistent with the goals of the
10 most recent Dietary Guidelines for Americans
11 published under section 301 of the National
12 Nutrition Monitoring and Related Research Act
13 of 1990 (7 U.S.C. 5341); and

14 “(B) provide, on the average over each
15 week, at least—

16 “(i) with respect to school lunches, $\frac{1}{3}$
17 of the daily recommended dietary allow-
18 ance established by the Food and Nutrition
19 Board of the National Research Council of
20 the National Academy of Sciences; and

21 “(ii) with respect to school breakfasts,
22 $\frac{1}{4}$ of the daily recommended dietary allow-
23 ance established by the Food and Nutrition
24 Board of the National Research Council of
25 the National Academy of Sciences.”;

1 (5) in paragraph (3), as redesignated by para-
2 graph (3)—

3 (A) by redesignating clauses (i) and (ii) as
4 subparagraphs (A) and (B), respectively; and

5 (B) in subparagraph (A), as so redesign-
6 nated, by redesignating subclauses (I) and (II)
7 as clauses (i) and (ii), respectively; and

8 (6) in paragraph (4), as redesignated by para-
9 graph (3)—

10 (A) by redesignating clauses (i) and (ii) as
11 subparagraphs (A) and (B), respectively;

12 (B) in subparagraph (A) (as redesignated
13 by subparagraph (A)), by redesignating sub-
14 clauses (I) and (II) as clauses (i) and (ii), re-
15 spectively; and

16 (C) in subparagraph (A)(ii) (as redesign-
17 nated by subparagraph (B)), by striking “sub-
18 paragraph (C)” and inserting “paragraph (3)”.

19 (f) USE OF RESOURCES.—Section 9 of the Act is
20 amended by striking subsection (h).

21 **SEC. 3203. FREE AND REDUCED PRICE POLICY STATEMENT.**

22 Section 9(b)(2) of the National School Lunch Act (42
23 U.S.C. 1758(b)(2)), as amended by section 3202(b)(1), is
24 further amended by adding at the end the following:

1 “(C) FREE AND REDUCED PRICE POLICY
2 STATEMENT.—After the initial submission, a
3 school shall not be required to submit a free
4 and reduced price policy statement to a State
5 educational agency under this Act unless there
6 is a substantive change in the free and reduced
7 price policy of the school. A routine change in
8 the policy of a school, such as an annual adjust-
9 ment of the income eligibility guidelines for free
10 and reduced price meals, shall not be sufficient
11 cause for requiring the school to submit a policy
12 statement.”.

13 **SEC. 3204. SPECIAL ASSISTANCE.**

14 (a) EXTENSION OF PAYMENT PERIOD.—Section
15 11(a)(1)(D)(i) of the National School Lunch Act (42
16 U.S.C. 1759a(a)(1)(D)(i)) is amended by striking “, on
17 the date of enactment of this subparagraph,”.

18 (b) APPLICABILITY OF OTHER PROVISIONS.—Section
19 11 of the Act is amended—

20 (1) by striking subsection (d);

21 (2) in subsection (e)(2)—

22 (A) by striking “The” and inserting “On
23 request of the Secretary, the”; and

24 (B) by striking “each month”; and

1 (3) by redesignating subsections (e) and (f), as
2 so amended, as subsections (d) and (e), respectively.

3 **SEC. 3205. MISCELLANEOUS PROVISIONS AND DEFINI-**
4 **TIONS.**

5 (a) **ACCOUNTS AND RECORDS.**—Section 12(a) of the
6 National School Lunch Act (42 U.S.C. 1760(a)) is amend-
7 ed by striking “at all times be available” and inserting
8 “be available at any reasonable time”.

9 (b) **RESTRICTION ON REQUIREMENTS.**—Section
10 12(c) of the Act is amended by striking “neither the Sec-
11 retary nor the State shall” and inserting “the Secretary
12 shall not”.

13 (c) **DEFINITIONS.**—Section 12(d) of the Act, as
14 amended by section 3201(b), is further amended—

15 (1) in paragraph (1), by striking “the Trust
16 Territory of the Pacific Islands” and inserting “the
17 Commonwealth of the Northern Mariana Islands”;

18 (2) by striking paragraphs (3) and (4); and

19 (3) by redesignating paragraphs (1), (2), and
20 (5) through (9) as paragraphs (6), (7), (3), (4), (2),
21 (5), and (1), respectively, and rearranging the para-
22 graphs so as to appear in numerical order.

23 (d) **ADJUSTMENTS TO NATIONAL AVERAGE PAY-**
24 **MENT RATES.**—Section 12(f) of the Act is amended by
25 striking “the Trust Territory of the Pacific Islands,”.

1 (e) EXPEDITED RULEMAKING.—Section 12(k) of the
2 Act is amended—

3 (1) by striking paragraphs (1), (2), and (5);

4 and

5 (2) by redesignating paragraphs (3) and (4) as
6 paragraphs (1) and (2), respectively.

7 (f) WAIVER.—Section 12(l) of the Act is amended—

8 (1) in paragraph (2)(A)—

9 (A) in clause (iii), by adding “and” at the
10 end;

11 (B) in clause (iv), by striking the semi-
12 colon at the end and inserting a period; and

13 (C) by striking clauses (v) through (vii);

14 (2) in paragraph (3)—

15 (A) by striking “(A)”; and

16 (B) by striking subparagraphs (B) through
17 (D);

18 (3) in paragraph (4)—

19 (A) in the matter preceding subparagraph
20 (A), by striking “of any requirement relating”

21 and inserting “that increases Federal costs or
22 that relates”;

23 (B) by striking subparagraph (D);

1 (C) by redesignating subparagraphs (E)
2 through (N) as subparagraphs (D) through
3 (M), respectively; and

4 (D) in subparagraph (L), as redesignated
5 by subparagraph (C), by striking “and” at the
6 end and inserting “or”; and

7 (4) in paragraph (6)—

8 (A) by striking “(A)(i)” and all that fol-
9 lows through “(B)”;

10 (B) by redesignating clauses (i) through
11 (iv) as subparagraphs (A) through (D), respec-
12 tively.

13 (g) **FOOD AND NUTRITION PROJECTS.**—Section 12
14 of the Act is amended by striking subsection (m).

15 **SEC. 3206. SUMMER FOOD SERVICE PROGRAM FOR CHIL-**
16 **DREN.**

17 (a) **ESTABLISHMENT OF PROGRAM.**—Section 13(a)
18 of the National School Lunch Act (42 U.S.C. 1761(a))
19 is amended—

20 (1) in paragraph (1)—

21 (A) in the first sentence, by striking “initi-
22 ate, maintain, and expand” and inserting “initi-
23 ate and maintain”; and

1 (B) in subparagraph (E) of the second
2 sentence, by striking “the Trust Territory of
3 the Pacific Islands,”; and

4 (2) in paragraph (7)(A), by striking “Except as
5 provided in subparagraph (C), private” and inserting
6 “Private”.

7 (b) SERVICE INSTITUTIONS.—Section 13(b) of the
8 Act is amended by striking “(b)(1)” and all that follows
9 through the end of paragraph (1) and inserting the follow-
10 ing:

11 “(b) SERVICE INSTITUTIONS.—

12 “(1) PAYMENTS.—

13 “(A) IN GENERAL.—Except as otherwise
14 provided in this paragraph, payments to service
15 institutions shall equal the full cost of food
16 service operations (which cost shall include the
17 costs of obtaining, preparing, and serving food,
18 but shall not include administrative costs).

19 “(B) MAXIMUM AMOUNTS.—Subject to
20 subparagraph (C), payments to any institution
21 under subparagraph (A) shall not exceed—

22 “(i) \$1.82 for each lunch and supper
23 served;

24 “(ii) \$1.13 for each breakfast served;

25 and

1 “(iii) 46 cents for each meal supple-
2 ment served.

3 “(C) ADJUSTMENTS.—Amounts specified
4 in subparagraph (B) shall be adjusted on Janu-
5 ary 1, 1997, and each January 1 thereafter, to
6 the nearest lower cent increment in accordance
7 with the changes for the 12-month period end-
8 ing the preceding November 30 in the series for
9 food away from home of the Consumer Price
10 Index for All Urban Consumers published by
11 the Bureau of Labor Statistics of the Depart-
12 ment of Labor. Each adjustment shall be based
13 on the unrounded adjustment for the prior 12-
14 month period.”.

15 (c) ADMINISTRATION OF SERVICE INSTITUTIONS.—
16 Section 13(b)(2) of the Act is amended—

17 (1) in the first sentence, by striking “four
18 meals” and inserting “3 meals, or 2 meals and 1
19 supplement,”; and

20 (2) by striking the second sentence.

21 (d) REIMBURSEMENTS.—Section 13(c)(2) of the Act
22 is amended—

23 (1) by striking subparagraph (A);

24 (2) in subparagraph (B)—

25 (A) in the first sentence—

1 (i) by striking “, and such higher edu-
2 cation institutions,”; and

3 (ii) by striking “without application”
4 and inserting “upon showing residence in
5 areas in which poor economic conditions
6 exist or on the basis of income eligibility
7 statements for children enrolled in the pro-
8 gram”; and

9 (B) by adding at the end the following:
10 “The higher education institutions referred to
11 in the preceding sentence shall be eligible to
12 participate in the program under this para-
13 graph without application.”;

14 (3) in subparagraph (C)(ii), by striking “severe
15 need”; and

16 (4) by redesignating subparagraphs (B)
17 through (E), as so amended, as subparagraphs (A)
18 through (D), respectively.

19 (e) ADVANCE PROGRAM PAYMENTS.—Section
20 13(e)(1) of the Act is amended—

21 (1) by striking “institution: *Provided*, That (A)
22 the” and inserting “institution. The”;

23 (2) by inserting “(excluding a school)” after
24 “any service institution”; and

1 (3) by striking “responsibilities, and (B) no”
2 and inserting “responsibilities. No”.

3 (f) FOOD REQUIREMENTS.—Section 13(f) of the Act
4 is amended—

5 (1) by redesignating the first through seventh
6 sentences as paragraphs (1) through (7), respec-
7 tively;

8 (2) by striking paragraph (3), as redesignated
9 by paragraph (1);

10 (3) in paragraph (4), as redesignated by para-
11 graph (1), by striking “the first sentence” and in-
12 serting “paragraph (1)”;

13 (4) in paragraph (6), as redesignated by para-
14 graph (1), by striking “that bacteria levels” and all
15 that follows through the period at the end and in-
16 serting “conformance with standards set by local
17 health authorities.”; and

18 (5) by redesignating paragraphs (4) through
19 (7), as redesignated by paragraph (1), as para-
20 graphs (3) through (6), respectively.

21 (g) PERMITTING OFFER VERSUS SERVE.—Section
22 13(f) of the Act, as amended by subsection (f), is further
23 amended by adding at the end the following:

24 “(7) OFFER VERSUS SERVE.—A school food au-
25 thority participating as a service institution may

1 permit a child attending a site on school premises
2 operated directly by the authority to refuse not more
3 than 1 item of a meal that the child does not intend
4 to consume. A refusal of an offered food item shall
5 not affect the amount of payments made under this
6 section to a school for the meal.”.

7 (h) FOOD SERVICE MANAGEMENT COMPANIES.—
8 Section 13(l) of the Act is amended—

9 (1) by striking paragraph (4);

10 (2) in paragraph (5), by striking the first sen-
11 tence; and

12 (3) by redesignating paragraph (5), as so
13 amended, as paragraph (4).

14 (i) RECORDS.—The second sentence of section 13(m)
15 of the Act is amended by striking “at all times be avail-
16 able” and inserting “be available at any reasonable time”.

17 (j) REMOVING MANDATORY NOTICE TO INSTITU-
18 TIONS.—Section 13(n)(2) of the Act is amended by strik-
19 ing “, and its plans and schedule for informing service
20 institutions of the availability of the program”.

21 (k) PLAN.—Section 13(n) of the Act is amended—

22 (1) in paragraph (2), by striking “, including
23 the State’s methods of assessing need”;

24 (2) by striking paragraph (3);

1 (3) in paragraph (4), by striking “and sched-
2 ule”; and

3 (4) by redesignating paragraphs (4) through
4 (7), as so amended, as paragraphs (3) through (6),
5 respectively.

6 (l) MONITORING AND TRAINING.—Section 13(q) of
7 the Act is amended—

8 (1) by striking paragraphs (2) and (4);

9 (2) in paragraph (3), by striking “paragraphs
10 (1) and (2) of this subsection” and inserting “para-
11 graph (1)”; and

12 (3) by redesignating paragraph (3), as so
13 amended, as paragraph (2).

14 (m) EXPIRED PROGRAM.—Section 13 of the Act is
15 amended—

16 (1) by striking subsection (p); and

17 (2) by redesignating subsections (q) and (r), as
18 so amended, as subsections (p) and (q), respectively.

19 (n) EFFECTIVE DATE.—The amendments made by
20 subsection (b) shall become effective on January 1, 1997.

21 **SEC. 3207. COMMODITY DISTRIBUTION.**

22 (a) CEREAL AND SHORTENING IN COMMODITY DO-
23 NATIONS.—Section 14(b) of the National School Lunch
24 Act (42 U.S.C. 1762a(b)) is amended—

25 (1) by striking paragraph (1); and

1 (2) by redesignating paragraphs (2) and (3) as
2 paragraphs (1) and (2), respectively.

3 (b) IMPACT STUDY AND PURCHASING PROCE-
4 DURES.—Section 14(d) of the Act is amended by striking
5 the second and third sentences.

6 (c) CASH COMPENSATION FOR PILOT PROJECT
7 SCHOOLS.—Section 14(g) of the Act is amended by strik-
8 ing paragraph (3).

9 (d) STATE ADVISORY COUNCIL.—Section 14 is
10 amended—

11 (1) by striking subsection (e); and

12 (2) by redesignating subsections (f) and (g), as
13 so amended, as subsections (e) and (f), respectively.

14 **SEC. 3208. CHILD CARE FOOD PROGRAM.**

15 (a) ESTABLISHMENT OF PROGRAM.—Section 17 of
16 the National School Lunch Act (42 U.S.C. 1766) is
17 amended—

18 (1) in the section heading, by striking “AND
19 ADULT”; and

20 (2) in the first sentence of subsection (a), by
21 striking “initiate, maintain, and expand” and insert-
22 ing “initiate and maintain”.

23 (b) PAYMENTS TO SPONSOR EMPLOYEES.—Para-
24 graph (2) of the last sentence of section 17(a) of the Act
25 (42 U.S.C. 1766(a)) is amended—

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

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

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

6 “(D) in the case of a family or group day
7 care home sponsoring organization that employs
8 more than 1 employee, the organization does
9 not base payments to an employee of the orga-
10 nization on the number of family or group day
11 care homes recruited.”.

12 (c) TECHNICAL ASSISTANCE.—The last sentence of
13 section 17(d)(1) of the Act is amended by striking “, and
14 shall provide technical assistance” and all that follows
15 through “its application”.

16 (d) REIMBURSEMENT OF CHILD CARE INSTITU-
17 TIONS.—Section 17(f)(2)(B) of the Act (42 U.S.C.
18 1766(f)(2)(B)) is amended by striking “two meals and two
19 supplements or three meals and one supplement” and in-
20 serting “two meals and one supplement”.

21 (e) IMPROVED TARGETING OF DAY CARE HOME RE-
22 IMBURSEMENTS.—

23 (1) RESTRUCTURED DAY CARE HOME REIM-
24 BURSEMENTS.—Section 17(f)(3) of the Act is
25 amended by striking “(3)(A) Institutions” and all

1 that follows through the end of subparagraph (A)
2 and inserting the following:

3 “(3) REIMBURSEMENT OF FAMILY OR GROUP
4 DAY CARE HOME SPONSORING ORGANIZATIONS.—

5 “(A) REIMBURSEMENT FACTOR.—

6 “(i) IN GENERAL.—An institution
7 that participates in the program under this
8 section as a family or group day care home
9 sponsoring organization shall be provided,
10 for payment to a home sponsored by the
11 organization, reimbursement factors in ac-
12 cordance with this subparagraph for the
13 cost of obtaining and preparing food and
14 prescribed labor costs involved in providing
15 meals under this section.

16 “(ii) TIER I FAMILY OR GROUP DAY
17 CARE HOMES.—

18 “(I) DEFINITION.—In this para-
19 graph, the term ‘tier I family or group
20 day care home’ means—

21 “(aa) a family or group day
22 care home that is located in a ge-
23 ographic area, as defined by the
24 Secretary based on census data,
25 in which at least 50 percent of

1 the children residing in the area
2 are members of households whose
3 incomes meet the income eligi-
4 bility guidelines for free or re-
5 duced price meals under section
6 9;

7 “(bb) a family or group day
8 care home that is located in an
9 area served by a school enrolling
10 elementary students in which at
11 least 50 percent of the total num-
12 ber of children enrolled are cer-
13 tified eligible to receive free or
14 reduced price school meals under
15 this Act or the Child Nutrition
16 Act of 1966 (42 U.S.C. 1771 et
17 seq.); or

18 “(cc) a family or group day
19 care home that is operated by a
20 provider whose household meets
21 the income eligibility guidelines
22 for free or reduced price meals
23 under section 9 and whose in-
24 come is verified by the sponsor-
25 ing organization of the home

1 under regulations established by
2 the Secretary.

3 “(II) REIMBURSEMENT.—Except
4 as provided in subclause (III), a tier
5 I family or group day care home shall
6 be provided reimbursement factors
7 under this clause without a require-
8 ment for documentation of the costs
9 described in clause (i), except that re-
10 imbursement shall not be provided
11 under this subclause for meals or sup-
12 plements served to the children of a
13 person acting as a family or group
14 day care home provider unless the
15 children meet the income eligibility
16 guidelines for free or reduced price
17 meals under section 9.

18 “(III) FACTORS.—Except as pro-
19 vided in subclause (IV), the reim-
20 bursement factors applied to a home
21 referred to in subclause (II) shall be
22 the factors in effect on July 1, 1996.

23 “(IV) ADJUSTMENTS.—The re-
24 imbursement factors under this sub-
25 paragraph shall be adjusted on July

1 1, 1997, and each July 1 thereafter,
2 to reflect changes in the Consumer
3 Price Index for food at home for the
4 most recent 12-month period for
5 which the data are available. The re-
6 imbursement factors under this sub-
7 paragraph shall be rounded to the
8 nearest lower cent increment and
9 based on the unrounded adjustment in
10 effect on June 30 of the preceding
11 school year.

12 “(iii) TIER II FAMILY OR GROUP DAY
13 CARE HOMES.—

14 “(I) IN GENERAL.—

15 “(aa) FACTORS.—Except as
16 provided in subclause (II), with
17 respect to meals or supplements
18 served under this clause by a
19 family or group day care home
20 that does not meet the criteria
21 set forth in clause (ii)(I), the re-
22 imbursement factors shall be 90
23 cents for lunches and suppers, 25
24 cents for breakfasts, and 10
25 cents for supplements.

1 “(bb) ADJUSTMENTS.—The
2 factors shall be adjusted on July
3 1, 1997, and each July 1 there-
4 after, to reflect changes in the
5 Consumer Price Index for food at
6 home for the most recent 12-
7 month period for which the data
8 are available. The reimbursement
9 factors under this item shall be
10 rounded down to the nearest
11 lower cent increment and based
12 on the unrounded adjustment for
13 the preceding 12-month period.

14 “(cc) REIMBURSEMENT.—A
15 family or group day care home
16 shall be provided reimbursement
17 factors under this subclause with-
18 out a requirement for docu-
19 mentation of the costs described
20 in clause (i), except that reim-
21 bursement shall not be provided
22 under this subclause for meals or
23 supplements served to the chil-
24 dren of a person acting as a fam-
25 ily or group day care home pro-

1 vider unless the children meet the
2 income eligibility guidelines for
3 free or reduced price meals under
4 section 9.

5 “(II) OTHER FACTORS.—A fam-
6 ily or group day care home that does
7 not meet the criteria set forth in
8 clause (ii)(I) may elect to be provided
9 reimbursement factors determined in
10 accordance with the following require-
11 ments:

12 “(aa) CHILDREN ELIGIBLE
13 FOR FREE OR REDUCED PRICE
14 MEALS.—In the case of meals or
15 supplements served under this
16 subsection to children who are
17 members of households whose in-
18 comes meet the income eligibility
19 guidelines for free or reduced
20 price meals under section 9, the
21 family or group day care home
22 shall be provided reimbursement
23 factors set by the Secretary in
24 accordance with clause (ii)(III).

1 “(bb) INELIGIBLE CHIL-
2 DREN.—In the case of meals or
3 supplements served under this
4 subsection to children who are
5 members of households whose in-
6 comes do not meet the income
7 eligibility guidelines, the family
8 or group day care home shall be
9 provided reimbursement factors
10 in accordance with subclause (I).

11 “(III) INFORMATION AND DE-
12 TERMINATIONS.—

13 “(aa) IN GENERAL.—If a
14 family or group day care home
15 elects to claim the factors de-
16 scribed in subclause (II), the
17 family or group day care home
18 sponsoring organization serving
19 the home shall collect the nec-
20 essary income information, as de-
21 termined by the Secretary, from
22 any parent or other caretaker to
23 make the determinations speci-
24 fied in subclause (II) and shall
25 make the determinations in ac-

1 cordance with rules prescribed by
2 the Secretary.

3 “(bb) CATEGORICAL ELIGI-
4 BILITY.—In making a determina-
5 tion under item (aa), a family or
6 group day care home sponsoring
7 organization may consider a child
8 participating in or subsidized
9 under, or a child with a parent
10 participating in or subsidized
11 under, a federally or State sup-
12 ported child care or other benefit
13 program with an income eligi-
14 bility limit that does not exceed
15 the eligibility standard for free or
16 reduced price meals under section
17 9 to be a child who is a member
18 of a household whose income
19 meets the income eligibility
20 guidelines under section 9.

21 “(cc) FACTORS FOR CHIL-
22 DREN ONLY.—A family or group
23 day care home may elect to re-
24 ceive the reimbursement factors
25 prescribed under clause (ii)(III)

1 solely for the children participat-
2 ing in a program referred to in
3 item (bb) if the home elects not
4 to have income statements col-
5 lected from parents or other care-
6 takers.

7 “(IV) SIMPLIFIED MEAL COUNT-
8 ING AND REPORTING PROCEDURES.—

9 The Secretary shall prescribe sim-
10 plified meal counting and reporting
11 procedures for use by a family or
12 group day care home that elects to
13 claim the factors under subclause (II)
14 and by a family or group day care
15 home sponsoring organization that
16 sponsors the home. The procedures
17 the Secretary prescribes may include
18 1 or more of the following:

19 “(aa) Setting an annual per-
20 centage for each home of the
21 number of meals served that are
22 to be reimbursed in accordance
23 with the reimbursement factors
24 prescribed under clause (ii)(III)
25 and an annual percentage of the

1 number of meals served that are
2 to be reimbursed in accordance
3 with the reimbursement factors
4 prescribed under subclause (I),
5 based on the family income of
6 children enrolled in the home in a
7 specified month or other period.

8 “(bb) Placing a home into 1
9 of 2 or more reimbursement cat-
10 egories annually based on the
11 percentage of children in the
12 home whose households have in-
13 comes that meet the income eligi-
14 bility guidelines under section 9,
15 with each such reimbursement
16 category carrying a set of reim-
17 bursement factors such as the
18 factors prescribed under clause
19 (ii)(III) or subclause (I) or fac-
20 tors established within the range
21 of factors prescribed under clause
22 (ii)(III) and subclause (I).

23 “(cc) Such other simplified
24 procedures as the Secretary may
25 prescribe.

1 “(V) MINIMUM VERIFICATION
2 REQUIREMENTS.—The Secretary may
3 establish any necessary minimum ver-
4 ification requirements.”.

5 (2) GRANTS TO STATES TO PROVIDE ASSIST-
6 ANCE TO FAMILY OR GROUP DAY CARE HOMES.—
7 Section 17(f)(3) of the Act is amended by adding at
8 the end the following:

9 “(D) GRANTS TO STATES TO PROVIDE AS-
10 SISTANCE TO FAMILY OR GROUP DAY CARE
11 HOMES.—

12 “(i) IN GENERAL.—

13 “(I) RESERVATION.—From
14 amounts made available to carry out
15 this section, the Secretary shall re-
16 serve \$5,000,000 of the amount made
17 available for fiscal year 1997.

18 “(II) PURPOSE.—The Secretary
19 shall use the funds made available
20 under subclause (I) to provide grants
21 to States for the purpose of provid-
22 ing—

23 “(aa) assistance, including
24 grants, to family and day care
25 home sponsoring organizations

1 and other appropriate organiza-
2 tions, in securing and providing
3 training, materials, automated
4 data processing assistance, and
5 other assistance for the staff of
6 the sponsoring organizations; and

7 “(bb) training and other as-
8 sistance to family and group day
9 care homes in the implementation
10 of the amendment to subpara-
11 graph (A) made by section
12 3208(e)(1) of the Personal Re-
13 sponsibility and Work Oppor-
14 tunity Act of 1996.

15 “(ii) ALLOCATION.—The Secretary
16 shall allocate from the funds reserved
17 under clause (i)(I)—

18 “(I) \$30,000 in base funding to
19 each State; and

20 “(II) any remaining amount
21 among the States, based on the num-
22 ber of family day care homes partici-
23 pating in the program in a State dur-
24 ing fiscal year 1995 as a percentage
25 of the number of all family day care

1 homes participating in the program
2 during fiscal year 1995.

3 “(iii) RETENTION OF FUNDS.—Of the
4 amount of funds made available to a State
5 for fiscal year 1997 under clause (i), the
6 State may retain not to exceed 30 percent
7 of the amount to carry out this subpara-
8 graph.

9 “(iv) ADDITIONAL PAYMENTS.—Any
10 payments received under this subpara-
11 graph shall be in addition to payments
12 that a State receives under subparagraph
13 (A).”.

14 (3) PROVISION OF DATA.—Section 17(f)(3) of
15 the Act, as amended by paragraph (2), is further
16 amended by adding at the end the following:

17 “(E) PROVISION OF DATA TO FAMILY OR
18 GROUP DAY CARE HOME SPONSORING ORGANI-
19 ZATIONS.—

20 “(i) CENSUS DATA.—The Secretary
21 shall provide to each State agency admin-
22 istering a child care food program under
23 this section data from the most recent de-
24 cennial census survey or other appropriate
25 census survey for which the data are avail-

1 able showing which areas in the State meet
2 the requirements of subparagraph
3 (A)(ii)(I)(aa). The State agency shall pro-
4 vide the data to family or group day care
5 home sponsoring organizations located in
6 the State.

7 “(ii) SCHOOL DATA.—

8 “(I) IN GENERAL.—A State
9 agency administering the school lunch
10 program under this Act or the school
11 breakfast program under the Child
12 Nutrition Act of 1966 (42 U.S.C.
13 1771 et seq.) shall provide to ap-
14 proved family or group day care home
15 sponsoring organizations a list of
16 schools serving elementary school chil-
17 dren in the State in which not less
18 than ½ of the children enrolled are
19 certified to receive free or reduced
20 price meals. The State agency shall
21 collect the data necessary to create
22 the list annually and provide the list
23 on a timely basis to any approved
24 family or group day care home spon-

1 soring organization that requests the
2 list.

3 “(II) USE OF DATA FROM PRE-
4 CEDING SCHOOL YEAR.—In determin-
5 ing for a fiscal year or other annual
6 period whether a home qualifies as a
7 tier I family or group day care home
8 under subparagraph (A)(ii)(I), the
9 State agency administering the pro-
10 gram under this section, and a family
11 or group day care home sponsoring
12 organization, shall use the most cur-
13 rent available data at the time of the
14 determination.

15 “(iii) DURATION OF DETERMINA-
16 TION.—For purposes of this section, a de-
17 termination that a family or group day
18 care home is located in an area that quali-
19 fies the home as a tier I family or group
20 day care home (as the term is defined in
21 subparagraph (A)(ii)(I)), shall be in effect
22 for 3 years (unless the determination is
23 made on the basis of census data, in which
24 case the determination shall remain in ef-
25 fect until more recent census data are

1 available) unless the State agency deter-
2 mines that the area in which the home is
3 located no longer qualifies the home as a
4 tier I family or group day care home.”.

5 (4) CONFORMING AMENDMENTS.—Section 17(c)
6 of the Act is amended by inserting “except as pro-
7 vided in subsection (f)(3),” after “For purposes of
8 this section,” each place it appears in paragraphs
9 (1), (2), and (3).

10 (f) REIMBURSEMENT.—Section 17(f) of the Act is
11 amended—

12 (1) in paragraph (3)—

13 (A) in subparagraph (B), by striking the
14 third and fourth sentences; and

15 (B) in subparagraph (C)—

16 (i) by striking “(i)” and

17 (ii) by striking clause (ii); and

18 (2) in paragraph (4), by striking “shall” and
19 inserting “may” in the first sentence.

20 (g) NUTRITIONAL REQUIREMENTS.—Section
21 17(g)(1) of the Act is amended—

22 (1) in subparagraph (A), by striking the second
23 sentence; and

24 (2) in subparagraph (B), by striking the second
25 sentence.

1 (h) ELIMINATION OF STATE PAPERWORK AND OUT-
2 REACH BURDEN.—Section 17 of the Act is amended by
3 striking subsection (k) and inserting the following:

4 “(k) TRAINING AND TECHNICAL ASSISTANCE.—A
5 State participating in the program established under this
6 section shall provide sufficient training, technical assist-
7 ance, and monitoring to facilitate effective operation of the
8 program. The Secretary shall assist the State in develop-
9 ing plans to fulfill the requirements of this subsection.”.

10 (i) RECORDS.—The second sentence of section 17(m)
11 of the Act is amended by striking “at all times” and in-
12 serting “at any reasonable time”.

13 (j) MODIFICATION OF ADULT CARE FOOD PRO-
14 GRAM.—Section 17(o) of the Act is amended—

15 (1) in the first sentence of paragraph (1)—

16 (A) by striking “adult day care centers”
17 and inserting “day care centers for chronically
18 impaired disabled persons”; and

19 (B) by striking “to persons 60 years of age
20 or older or”; and

21 (2) in paragraph (2)—

22 (A) in subparagraph (A)—

23 (i) by striking “adult day care center”
24 and inserting “day care center for chron-
25 ically impaired disabled persons”; and

- 1 (ii) in clause (i)—
- 2 (I) by striking “adult”;
- 3 (II) by striking “adults” and in-
- 4 sserting “persons”; and
- 5 (III) by striking “or persons 60
- 6 years of age or older”; and
- 7 (B) in subparagraph (B), by striking
- 8 “adult day care services” and inserting “day
- 9 care services for chronically impaired disabled
- 10 persons”.

11 (k) UNNEEDED PROVISION.—Section 17 of the Act

12 is amended by striking subsection (q).

13 (l) CONFORMING AMENDMENTS.—

14 (1) Section 17B(f) of the Act (42 U.S.C.

15 1766b(f)) is amended—

16 (A) in the subsection heading, by striking

17 “AND ADULT”; and

18 (B) in paragraph (1), by striking “and

19 adult”.

20 (2) Section 18(e)(3)(B) of the Act (42 U.S.C.

21 1769(e)(3)(B)) is amended by striking “and adult”.

22 (3) Section 25(b)(1)(C) of the Act (42 U.S.C.

23 1769f(b)(1)(C)) is amended by striking “and adult”.

1 (4) Section 3(1) of the Healthy Meals for
2 Healthy Americans Act of 1994 (Public Law 103–
3 448) is amended by striking “and adult”.

4 (m) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as provided in para-
6 graph (2), the amendments made by this section
7 shall become effective on the date of enactment of
8 this Act.

9 (2) IMPROVED TARGETING OF DAY CARE HOME
10 REIMBURSEMENTS.—The amendments made by
11 paragraphs (1) and (4) of subsection (e) shall be-
12 come effective on July 1, 1997.

13 (3) REGULATIONS.—

14 (A) INTERIM REGULATIONS.—Not later
15 than January 1, 1997, the Secretary shall issue
16 interim regulations to implement—

17 (i) the amendments made by para-
18 graphs (1), (3), and (4) of subsection (e);
19 and

20 (ii) section 17(f)(3)(C) of the National
21 School Lunch Act (42 U.S.C.
22 1766(f)(3)(C)).

23 (B) FINAL REGULATIONS.—Not later than
24 July 1, 1997, the Secretary shall issue final

1 regulations to implement the provisions of law
2 referred to in subparagraph (A).

3 (n) STUDY OF IMPACT OF AMENDMENTS ON PRO-
4 GRAM PARTICIPATION AND FAMILY DAY CARE LICENS-
5 ING.—

6 (1) IN GENERAL.—The Secretary of Agri-
7 culture, in conjunction with the Secretary of Health
8 and Human Services, shall study the impact of the
9 amendments made by this section on—

10 (A) the number of family day care homes
11 participating in the child care food program es-
12 tablished under section 17 of the National
13 School Lunch Act (42 U.S.C. 1766);

14 (B) the number of day care home sponsor-
15 ing organizations participating in the program;

16 (C) the number of day care homes that are
17 licensed, certified, registered, or approved by
18 each State in accordance with regulations is-
19 sued by the Secretary;

20 (D) the rate of growth of the numbers re-
21 ferred to in subparagraphs (A) through (C);

22 (E) the nutritional adequacy and quality of
23 meals served in family day care homes that—

24 (i) received reimbursement under the
25 program prior to the amendments made by

1 this section but do not receive reimburse-
2 ment after the amendments made by this
3 section; or

4 (ii) received full reimbursement under
5 the program prior to the amendments
6 made by this section but do not receive full
7 reimbursement after the amendments
8 made by this section; and

9 (F) the proportion of low-income children
10 participating in the program prior to the
11 amendments made by this section and the pro-
12 portion of low-income children participating in
13 the program after the amendments made by
14 this section.

15 (2) REQUIRED DATA.—Each State agency par-
16 ticipating in the child care food program under sec-
17 tion 17 of the National School Lunch Act (42
18 U.S.C. 1766) shall submit to the Secretary data
19 on—

20 (A) the number of family day care homes
21 participating in the program on June 30, 1997,
22 and June 30, 1998;

23 (B) the number of family day care homes
24 licensed, certified, registered, or approved for

1 service on June 30, 1997, and June 30, 1998;
2 and

3 (C) such other data as the Secretary may
4 require to carry out this subsection.

5 (3) SUBMISSION OF REPORT.—Not later than 2
6 years after the effective date of this section, the Sec-
7 retary shall submit the study required under this
8 subsection to the Committee on Economic and Edu-
9 cational Opportunities of the House of Representa-
10 tives and the Committee on Agriculture, Nutrition,
11 and Forestry of the Senate.

12 **SEC. 3209. PILOT PROJECTS.**

13 (a) UNIVERSAL FREE PILOT.—Section 18(d) of the
14 National School Lunch Act (42 U.S.C. 1769(d)) is amend-
15 ed—

16 (1) by striking paragraph (3); and

17 (2) by redesignating paragraphs (4) and (5) as
18 paragraphs (3) and (4), respectively.

19 (b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Sec-
20 tion 18(e) of the Act is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A)—

23 (i) by striking “(A)”; and

24 (ii) by striking “shall” and inserting
25 “may”; and

1 (B) by striking subparagraph (B); and

2 (2) by striking paragraph (5) and inserting the
3 following:

4 “(5) AUTHORIZATION OF APPROPRIATIONS.—
5 There are authorized to be appropriated to carry out
6 this subsection such sums as are necessary for each
7 of fiscal years 1997 and 1998.”.

8 (c) ELIMINATING PROJECTS.—Section 18 of the Act
9 is amended—

10 (1) by striking subsections (a) and (g) through
11 (i); and

12 (2) by redesignating subsections (b) through
13 (f), as so amended, as subsections (a) through (e),
14 respectively.

15 (d) CONFORMING AMENDMENT.—Section
16 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is
17 amended by striking “18(c)” and inserting “18(b)”.

18 **SEC. 3210. REDUCTION OF PAPERWORK.**

19 Section 19 of the National School Lunch Act (42
20 U.S.C. 1769a) is repealed.

21 **SEC. 3211. INFORMATION ON INCOME ELIGIBILITY.**

22 Section 23 of the National School Lunch Act (42
23 U.S.C. 1769d) is repealed.

1 **SEC. 3212. NUTRITION GUIDANCE FOR CHILD NUTRITION**
2 **PROGRAMS.**

3 Section 24 of the National School Lunch Act (42
4 U.S.C. 1769e) is repealed.

5 **SEC. 3213. INFORMATION CLEARINGHOUSE.**

6 Section 26 of the National School Lunch Act (42
7 U.S.C. 1769g) is repealed.

8 **CHAPTER 2—CHILD NUTRITION ACT OF**
9 **1966**

10 **SEC. 3221. SPECIAL MILK PROGRAM.**

11 Section 3(a)(3) of the Child Nutrition Act of 1966
12 (42 U.S.C. 1772(a)(3)) is amended by striking “the Trust
13 Territory of the Pacific Islands” and inserting “the Com-
14 monwealth of the Northern Mariana Islands”.

15 **SEC. 3222. FREE AND REDUCED PRICE POLICY STATEMENT.**

16 Section 4(b)(1) of the Child Nutrition Act of 1966
17 (42 U.S.C. 1773(b)(1)) is amended by adding at the end
18 the following:

19 “(E) FREE AND REDUCED PRICE POLICY
20 STATEMENT.—After the initial submission, a
21 school shall not be required to submit a free
22 and reduced price policy statement to a State
23 educational agency under this Act unless there
24 is a substantive change in the free and reduced
25 price policy of the school. A routine change in
26 the policy of a school, such as an annual adjust-

1 ment of the income eligibility guidelines for free
2 and reduced price meals, shall not be sufficient
3 cause for requiring the school to submit a policy
4 statement.”.

5 **SEC. 3223. SCHOOL BREAKFAST PROGRAM AUTHORIZA-**
6 **TION.**

7 (a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD
8 PREPARATION.—Section 4(e)(1) of the Child Nutrition
9 Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

10 (1) in subparagraph (A), by striking “(A)”;

11 (2) by striking subparagraph (B).

12 (b) EXPANSION OF PROGRAM; STARTUP AND EXPAN-
13 SION COSTS.—

14 (1) IN GENERAL.—Section 4 of the Act is
15 amended by striking subsections (f) and (g).

16 (2) EFFECTIVE DATE.—The amendments made
17 by paragraph (1) shall become effective on October
18 1, 1996.

19 **SEC. 3224. STATE ADMINISTRATIVE EXPENSES.**

20 (a) USE OF FUNDS FOR COMMODITY DISTRIBUTION
21 ADMINISTRATION; STUDIES.—Section 7 of the Child Nu-
22 trition Act of 1966 (42 U.S.C. 1776) is amended—

23 (1) by striking subsections (e) and (h); and

24 (2) by redesignating subsections (f), (g), and (i)

25 as subsections (e), (f), and (g), respectively.

1 (b) APPROVAL OF CHANGES.—Section 7(e) of the
2 Act, as so redesignated, is amended—

3 (1) by striking “each year an annual plan” and
4 inserting “the initial fiscal year a plan”; and

5 (2) by adding at the end the following: “After
6 submitting the initial plan, a State shall only be re-
7 quired to submit to the Secretary for approval a
8 substantive change in the plan.”.

9 **SEC. 3225. REGULATIONS.**

10 Section 10(b) of the Child Nutrition Act of 1966 (42
11 U.S.C. 1779(b)) is amended—

12 (1) in paragraph (1), by striking “(1)”; and

13 (2) by striking paragraphs (2) through (4).

14 **SEC. 3226. PROHIBITIONS.**

15 Section 11(a) of the Child Nutrition Act of 1966 (42
16 U.S.C. 1780(a)) is amended by striking “neither the Sec-
17 retary nor the State shall” and inserting “the Secretary
18 shall not”.

19 **SEC. 3227. MISCELLANEOUS PROVISIONS AND DEFINI-**
20 **TIONS.**

21 Section 15 of the Child Nutrition Act of 1966 (42
22 U.S.C. 1784) is amended—

23 (1) in paragraph (1), by striking “the Trust
24 Territory of the Pacific Islands” and inserting “the

1 Commonwealth of the Northern Mariana Islands”;
2 and

3 (2) in the first sentence of paragraph (3)—

4 (A) in subparagraph (A), by inserting
5 “and” at the end; and

6 (B) by striking “, and (C)” and all that
7 follows through “Governor of Puerto Rico”.

8 **SEC. 3228. ACCOUNTS AND RECORDS.**

9 The second sentence of section 16(a) of the Child Nu-
10 trition Act of 1966 (42 U.S.C. 1785(a)) is amended by
11 striking “at all times be available” and inserting “be avail-
12 able at any reasonable time”.

13 **SEC. 3229. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM**
14 **FOR WOMEN, INFANTS, AND CHILDREN.**

15 (a) DEFINITIONS.—Section 17(b) of the Child Nutri-
16 tion Act of 1966 (42 U.S.C. 1786(b)) is amended—

17 (1) in paragraph (15)(B)(iii), by inserting “of
18 not more than 365 days” after “accommodation”;

19 and

20 (2) in paragraph (16)—

21 (A) in subparagraph (A), by adding “and”
22 at the end; and

23 (B) in subparagraph (B), by striking “;
24 and” and inserting a period; and

25 (C) by striking subparagraph (C).

1 (b) SECRETARY'S PROMOTION OF WIC.—Section
2 17(c) of the Act is amended by striking paragraph (5).

3 (c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the
4 Act is amended by striking paragraph (4).

5 (d) NUTRITION EDUCATION AND DRUG ABUSE EDU-
6 CATION.—Section 17(e) of the Act is amended—

7 (1) in the first sentence of paragraph (1), by
8 striking “shall ensure” and all that follows through
9 “is provided” and inserting “shall provide nutrition
10 education and may provide drug abuse education”;

11 (2) in paragraph (2), by striking the third sen-
12 tence;

13 (3) in paragraph (4)—

14 (A) in the matter preceding subparagraph
15 (A), by striking “shall”;

16 (B) by striking subparagraph (A);

17 (C) by redesignating subparagraphs (B)
18 and (C) as subparagraphs (A) and (B), respec-
19 tively;

20 (D) in subparagraphs (A) and (B) (as re-
21 designated), by inserting “shall” before “pro-
22 vide” each place it appears;

23 (E) in subparagraph (A) (as redesignated),
24 by striking “and” at the end;

1 (F) in subparagraph (B) (as redesignated),
2 by striking the period and inserting “; and”;
3 and

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

5 “(C) may provide a local agency with materials
6 describing other programs for which participants in
7 the program may be eligible.”;

8 (4) in paragraph (5), by striking “The State”
9 and all that follows through “local agency shall” and
10 inserting “Each local agency shall”; and

11 (5) by striking paragraph (6).

12 (e) STATE PLAN.—Section 17(f) of the Act is amend-
13 ed—

14 (1) in paragraph (1)—

15 (A) in subparagraph (A)—

16 (i) by striking “annually to the Sec-
17 retary, by a date specified by the Sec-
18 retary, a” and inserting “to the Secretary,
19 by a date specified by the Secretary, an
20 initial”; and

21 (ii) by adding at the end the follow-
22 ing: “After submitting the initial plan, a
23 State shall only be required to submit to
24 the Secretary for approval a substantive
25 change in the plan.”;

1 (B) in subparagraph (C)—

2 (i) by striking clause (iii) and insert-
3 ing the following:

4 “(iii) a plan to coordinate operations under the
5 program with other services or programs that may
6 benefit participants in, and applicants for, the pro-
7 gram;”;

8 (ii) in clause (vi), by inserting after
9 “in the State” the following: “(including a
10 plan to improve access to the program for
11 participants and prospective applicants
12 who are employed, or who reside in rural
13 areas)”;

14 (iii) in clause (vii), by striking “to
15 provide program benefits” and all that fol-
16 lows through “emphasis on” and inserting
17 “for”;

18 (iv) by striking clauses (ix), (x), and
19 (xii);

20 (v) in clause (xiii), by striking “may
21 require” and inserting “may reasonably re-
22 quire”; and

23 (vi) by redesignating clauses (xi) and
24 (xiii), as so amended, as clauses (ix) and
25 (x), respectively;

1 (C) by striking subparagraph (D); and

2 (D) by redesignating subparagraph (E) as
3 subparagraph (D);

4 (2) by striking paragraphs (2), (6), (8), and
5 (22);

6 (3) in the second sentence of paragraph (5), by
7 striking “at all times be available” and inserting “be
8 available at any reasonable time”;

9 (4) in paragraph (9)(B), by striking the second
10 sentence;

11 (5) in the first sentence of paragraph (11), by
12 striking “, including standards that will ensure suffi-
13 cient State agency staff”;

14 (6) in paragraph (12), by striking the third sen-
15 tence;

16 (7) in paragraph (14), by striking “shall” and
17 inserting “may”;

18 (8) in paragraph (17), by striking “and to ac-
19 commodate” and all that follows through “facili-
20 ties”;

21 (9) in paragraph (19), by striking “shall” and
22 inserting “may”; and

23 (10) by redesignating paragraphs (3), (4), (5),
24 (7), (9) through (19), (20), (21), (23), and (24), as
25 so amended, as paragraphs (2), (3), (4), (5), (6)

1 through (16), (17), (18), (19), and (20), respec-
2 tively.

3 (f) INFORMATION.—Section 17(g) of the Act is
4 amended—

5 (1) in paragraph (5), by striking “the report re-
6 quired under subsection (d)(4)” and inserting “re-
7 ports on program participant characteristics”; and

8 (2) by striking paragraph (6).

9 (g) PROCUREMENT OF INFANT FORMULA.—

10 (1) IN GENERAL.—Section 17(h) of the Act is
11 amended—

12 (A) in paragraph (4)(E), by striking “and,
13 on” and all that follows through “(d)(4)”;

14 (B) in paragraph (8)—

15 (i) by striking subparagraphs (A),
16 (C), and (M);

17 (ii) in subparagraph (G)—

18 (I) in clause (i), by striking “(i)”;

19 and

20 (II) by striking clauses (ii)
21 through (ix);

22 (iii) in subparagraph (I), by striking
23 “Secretary—” and all that follows through
24 “(v) may” and inserting “Secretary may”;

1 (iv) by redesignating subparagraphs
2 (B) and (D) through (L) as subparagraphs
3 (A) and (B) through (J), respectively;

4 (v) in subparagraph (A)(i), as so re-
5 designated, by striking “subparagraphs
6 (C), (D), and (E)(iii), in carrying out sub-
7 paragraph (A),” and inserting “subpara-
8 graphs (B) and (C)(iii),”;

9 (vi) in subparagraph (B)(i), as so re-
10 designated, by striking “subparagraph
11 (B)” each place it appears and inserting
12 “subparagraph (A)”; and

13 (vii) in subparagraph (C)(iii), as so
14 redesignated, by striking “subparagraph
15 (B)” and inserting “subparagraph (A)”;
16 and

17 (C) in paragraph (10)(B)—

18 (i) in clause (i), by striking the semi-
19 colon and inserting “; and”;

20 (ii) in clause (ii), by striking “; and”
21 and inserting a period; and

22 (iii) by striking clause (iii).

23 (2) APPLICATION.—The amendments made by
24 paragraph (1) shall not apply to a contract for the
25 procurement of infant formula under section

1 17(h)(8) of the Act that is in effect on the effective
2 date of this subsection.

3 (h) NATIONAL ADVISORY COUNCIL ON MATERNAL,
4 INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of
5 the Act is amended by striking “Secretary shall designate”
6 and inserting “Council shall elect”.

7 (i) COMPLETED STUDY; COMMUNITY COLLEGE DEM-
8 ONSTRATION; GRANTS FOR INFORMATION AND DATA SYS-
9 TEM.—Section 17 of the Act is amended by striking sub-
10 sections (n), (o), and (p).

11 (j) DISQUALIFICATION OF VENDORS WHO ARE DIS-
12 QUALIFIED UNDER THE FOOD STAMP PROGRAM.—Sec-
13 tion 17 of the Act, as so amended, is further amended
14 by adding at the end the following:

15 “(n) DISQUALIFICATION OF VENDORS WHO ARE
16 DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

17 “(1) IN GENERAL.—The Secretary shall issue
18 regulations providing criteria for the disqualification
19 under this section of an approved vendor that is dis-
20 qualified from accepting benefits under the food
21 stamp program established under the Food Stamp
22 Act of 1977 (7 U.S.C. 2011 et seq.).

23 “(2) TERMS.—A disqualification under para-
24 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) shall not be subject to judicial or ad-
8 ministrative review.”.

9 **SEC. 3230. CASH GRANTS FOR NUTRITION EDUCATION.**

10 Section 18 of the Child Nutrition Act of 1966 (42
11 U.S.C. 1787) is repealed.

12 **SEC. 3231. NUTRITION EDUCATION AND TRAINING.**

13 (a) FINDINGS.—Section 19 of the Child Nutrition
14 Act of 1966 (42 U.S.C. 1788) is amended—

15 (1) in subsection (a), by striking “that—” and
16 all that follows through the period at the end and
17 inserting “that effective dissemination of scientif-
18 ically valid information to children participating or
19 eligible to participate in the school lunch and related
20 child nutrition programs should be encouraged.”;
21 and

22 (2) in subsection (b), by striking “encourage”
23 and all that follows through “establishing” and in-
24 serting “establish”.

1 (b) USE OF FUNDS.—Section 19(f) of the Act is
2 amended—

3 (1) in paragraph (1)—

4 (A) by striking subparagraph (B); and

5 (B) in subparagraph (A)—

6 (i) by striking “(A)”;

7 (ii) by striking clauses (ix) through

8 (xix);

9 (iii) by redesignating clauses (i)
10 through (viii) and (xx) as subparagraphs
11 (A) through (H) and (I), respectively;

12 (iv) in subparagraph (I), as so reded-
13 igned, by striking the period at the end
14 and inserting “; and”; and

15 (v) by adding at the end the following:

16 “(J) other appropriate related activities, as de-
17 termined by the State.”;

18 (2) by striking paragraphs (2) and (4); and

19 (3) by redesignating paragraph (3) as para-
20 graph (2).

21 (c) ACCOUNTS, RECORDS, AND REPORTS.—The sec-
22 ond sentence of section 19(g)(1) of the Act is amended
23 by striking “at all times be available” and inserting “be
24 available at any reasonable time”.

1 (d) STATE COORDINATORS FOR NUTRITION; STATE
2 PLAN.—Section 19(h) of the Act is amended—

3 (1) in the second sentence of paragraph (1)—

4 (A) by striking “as provided in paragraph
5 (2) of this subsection”; and

6 (B) by striking “as provided in paragraph
7 (3) of this subsection”;

8 (2) in paragraph (2), by striking the second
9 and third sentences; and

10 (3) by striking paragraph (3).

11 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
12 19(i) of the Act is amended—

13 (1) in the first sentence of paragraph (2)(A), by
14 striking “and each succeeding fiscal year”;

15 (2) by redesignating paragraphs (3) and (4) as
16 paragraphs (4) and (5), respectively; and

17 (3) by inserting after paragraph (2) the follow-
18 ing:

19 “(3) FISCAL YEARS 1997 THROUGH 2002.—

20 “(A) IN GENERAL.—There are authorized
21 to be appropriated to carry out this section
22 \$10,000,000 for each of fiscal years 1997
23 through 2002.

24 “(B) GRANTS.—

1 “(i) IN GENERAL.—Grants to each
2 State from the amounts made available
3 under subparagraph (A) shall be based on
4 a rate of 50 cents for each child enrolled
5 in schools or institutions within the State,
6 except that no State shall receive an
7 amount less than \$75,000 per fiscal year.

8 “(ii) INSUFFICIENT FUNDS.—If the
9 amount made available for any fiscal year
10 is insufficient to pay the amount to which
11 each State is entitled under clause (i), the
12 amount of each grant shall be ratably re-
13 duced.”.

14 (f) ASSESSMENT.—Section 19 of the Act is amended
15 by striking subsection (j).

16 (g) EFFECTIVE DATE.—The amendments made by
17 subsection (e) shall become effective on October 1, 1996.

18 **CHAPTER 3—MISCELLANEOUS**

19 **PROVISIONS**

20 **SEC. 3241. COORDINATION OF SCHOOL LUNCH, SCHOOL** 21 **BREAKFAST, AND SUMMER FOOD SERVICE** 22 **PROGRAMS.**

23 (a) COORDINATION.—

24 (1) IN GENERAL.—The Secretary of Agriculture
25 shall develop proposed changes to the regulations

1 under the school lunch program under the National
2 School Lunch Act, the summer food service program
3 under section 13 of that Act, and the school break-
4 fast program under section 4 of the Child Nutrition
5 Act of 1966, for the purpose of simplifying and co-
6 ordinating those programs into a comprehensive
7 meal program.

8 (2) CONSULTATION.—In developing proposed
9 changes to the regulations under paragraph (1), the
10 Secretary of Agriculture shall consult with local,
11 State, and regional administrators of the programs
12 described in such paragraph.

13 (b) REPORT.—Not later than November 1, 1997, the
14 Secretary of Agriculture shall submit to the Committee on
15 Agriculture, Nutrition, and Forestry of the Senate and the
16 Committee on Economic and Educational Opportunities of
17 the House of Representatives a report containing the pro-
18 posed changes developed under subsection (a).

19 **Subtitle C—Related Provisions**

20 **SEC. 3301. REQUIREMENT THAT DATA RELATING TO THE** 21 **INCIDENCE OF POVERTY IN THE UNITED** 22 **STATES BE PUBLISHED AT LEAST EVERY 2** 23 **YEARS.**

24 (a) IN GENERAL.—The Secretary shall, to the extent
25 feasible, produce and publish for each State, county, and

1 local unit of general purpose government for which data
2 have been compiled in the then most recent census of pop-
3 ulation under section 141(a) of title 13, United States
4 Code, and for each school district, data relating to the in-
5 cidence of poverty. Such data may be produced by means
6 of sampling, estimation, or any other method that the Sec-
7 retary determines will produce current, comprehensive,
8 and reliable data.

9 (b) CONTENT; FREQUENCY.—Data under this sec-
10 tion—

11 (1) shall include—

12 (A) for each school district, the number of
13 children age 5 to 17, inclusive, in families below
14 the poverty level; and

15 (B) for each State and county referred to
16 in subsection (a), the number of individuals age
17 65 or older below the poverty level; and

18 (2) shall be published—

19 (A) for each State, county, and local unit
20 of general purpose government referred to in
21 subsection (a), in 1997 and at least every sec-
22 ond year thereafter; and

23 (B) for each school district, in 1999 and at
24 least every second year thereafter.

25 (c) AUTHORITY TO AGGREGATE.—

1 (1) IN GENERAL.—If reliable data could not
2 otherwise be produced, the Secretary may, for pur-
3 poses of subsection (b)(1)(A), aggregate school dis-
4 tricts, but only to the extent necessary to achieve re-
5 liability.

6 (2) INFORMATION RELATING TO USE OF AU-
7 THORITY.—Any data produced under this subsection
8 shall be appropriately identified and shall be accom-
9 panied by a detailed explanation as to how and why
10 aggregation was used (including the measures taken
11 to minimize any such aggregation).

12 (d) REPORT TO BE SUBMITTED WHENEVER DATA
13 IS NOT TIMELY PUBLISHED.—If the Secretary is unable
14 to produce and publish the data required under this sec-
15 tion for any State, county, local unit of general purpose
16 government, or school district in any year specified in sub-
17 section (b)(2), a report shall be submitted by the Secretary
18 to the President of the Senate and the Speaker of the
19 House of Representatives, not later than 90 days before
20 the start of the following year, enumerating each govern-
21 ment or school district excluded and giving the reasons
22 for the exclusion.

23 (e) CRITERIA RELATING TO POVERTY.—In carrying
24 out this section, the Secretary shall use the same criteria
25 relating to poverty as were used in the then most recent

1 census of population under section 141(a) of title 13,
2 United States Code (subject to such periodic adjustments
3 as may be necessary to compensate for inflation and other
4 similar factors).

5 (f) CONSULTATION.—The Secretary shall consult
6 with the Secretary of Education in carrying out the re-
7 quirements of this section relating to school districts.

8 (g) DEFINITION.—For the purpose of this section,
9 the term “Secretary” means the Secretary of Health and
10 Human Services.

11 (h) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 \$1,500,000 for each of fiscal years 1997 through 2000.

14 **SEC. 3302. SENSE OF THE CONGRESS.**

15 It is the sense of the Congress that this title, and
16 the amendments made by this title, should not result in
17 an increase in the number of children who are hungry,
18 homeless, poor, or medically uninsured.

19 **SEC. 3303. LEGISLATIVE ACCOUNTABILITY.**

20 In the event that this title, or the amendments made
21 by this title, results in an increase in the number of chil-
22 dren in the United States who are hungry, homeless, poor,
23 or medically uninsured by the end of the fiscal year 1997,
24 the Congress—

1 (1) shall revisit the provisions of this title, or
 2 the amendments made by this title, which caused
 3 such increase; and

4 (2) shall, as soon as practicable thereafter, pass
 5 legislation that stops the continuation of such in-
 6 crease.

7 **TITLE IV—COMMITTEE ON WAYS**
 8 **AND MEANS**

9 **SEC. 4001. SHORT TITLE.**

10 This title may be cited as the “Personal Responsibil-
 11 ity and Work Opportunity Act of 1996”.

12 **SEC. 4002. TABLE OF CONTENTS.**

13 The table of contents of this title is as follows:

Sec. 4001. Short title.

Sec. 4002. Table of contents.

 Subtitle A—Block Grants for Temporary Assistance for Needy Families

Sec. 4101. Findings.

Sec. 4102. Reference to Social Security Act.

Sec. 4103. Block grants to States.

Sec. 4104. Services provided by charitable, religious, or private organizations.

Sec. 4105. Census data on grandparents as primary caregivers for their grand-
 children.

Sec. 4106. Report on data processing.

Sec. 4107. Study on alternative outcomes measures.

Sec. 4108. Conforming amendments to the Social Security Act.

Sec. 4109. Conforming amendments to the Food Stamp Act of 1977 and relat-
 ed provisions.

Sec. 4110. Conforming amendments to other laws.

Sec. 4111. Development of prototype of counterfeit-resistant social security
 card required.

Sec. 4112. Disclosure of receipt of Federal funds.

Sec. 4113. Modifications to the job opportunities for certain low-income individ-
 uals program.

Sec. 4114. Secretarial submission of legislative proposal for technical and con-
 forming amendments.

Sec. 4115. Conforming amendments to medicaid program.

Sec. 4116. Effective date; transition rule.

Subtitle B—Supplemental Security Income

Sec. 4200. Reference to Social Security Act.

CHAPTER 1—ELIGIBILITY RESTRICTIONS

Sec. 4201. 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. 4202. Denial of SSI benefits for fugitive felons and probation and parole violators.

Sec. 4203. Treatment of prisoners.

Sec. 4204. Effective date of application for benefits.

CHAPTER 2—BENEFITS FOR DISABLED CHILDREN

Sec. 4211. Definition and eligibility rules.

Sec. 4212. Eligibility redeterminations and continuing disability reviews.

Sec. 4213. Additional accountability requirements.

Sec. 4214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.

Sec. 4215. Regulations.

CHAPTER 3—ADDITIONAL ENFORCEMENT PROVISIONS

Sec. 4221. Installment payment of large past-due supplemental security income benefits.

Sec. 4222. Recovery of supplemental security income overpayments from social security benefits.

Sec. 4223. Regulations.

CHAPTER 4—STATE SUPPLEMENTATION PROGRAMS

Sec. 4225. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

CHAPTER 5—STUDIES REGARDING SUPPLEMENTAL SECURITY INCOME PROGRAM

Sec. 4231. Annual report on the supplemental security income program.

Sec. 4232. Study of disability determination process.

Sec. 4233. Study by General Accounting Office.

CHAPTER 6—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

Sec. 4241. Establishment.

Sec. 4242. Duties of the commission.

Sec. 4243. Membership.

Sec. 4244. Staff and support services.

Sec. 4245. Powers of commission.

Sec. 4246. Reports.

Sec. 4247. Termination.

Sec. 4248. Authorization of appropriations.

Subtitle C—Child Support

Sec. 4300. Reference to Social Security Act.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

- Sec. 4301. State obligation to provide child support enforcement services.
- Sec. 4302. Distribution of child support collections.
- Sec. 4303. Privacy safeguards.
- Sec. 4304. Rights to notification of hearings.

CHAPTER 2—LOCATE AND CASE TRACKING

- Sec. 4311. State case registry.
- Sec. 4312. Collection and disbursement of support payments.
- Sec. 4313. State directory of new hires.
- Sec. 4314. Amendments concerning income withholding.
- Sec. 4315. Locator information from interstate networks.
- Sec. 4316. Expansion of the Federal Parent Locator Service.
- Sec. 4317. Collection and use of social security numbers for use in child support enforcement.

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 4321. Adoption of uniform State laws.
- Sec. 4322. Improvements to full faith and credit for child support orders.
- Sec. 4323. Administrative enforcement in interstate cases.
- Sec. 4324. Use of forms in interstate enforcement.
- Sec. 4325. State laws providing expedited procedures.

CHAPTER 4—PATERNITY ESTABLISHMENT

- Sec. 4331. State laws concerning paternity establishment.
- Sec. 4332. Outreach for voluntary paternity establishment.
- Sec. 4333. Cooperation by applicants for and recipients of part A assistance.

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 4341. Performance-based incentives and penalties.
- Sec. 4342. Federal and State reviews and audits.
- Sec. 4343. Required reporting procedures.
- Sec. 4344. Automated data processing requirements.
- Sec. 4345. Technical assistance.
- Sec. 4346. Reports and data collection by the Secretary.
- Sec. 4347. Child support delinquency penalty.

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 4351. Simplified process for review and adjustment of child support orders.
- Sec. 4352. Furnishing consumer reports for certain purposes relating to child support.
- Sec. 4353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 4361. Internal Revenue Service collection of arrearages.
- Sec. 4362. Authority to collect support from Federal employees.
- Sec. 4363. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 4364. Voiding of fraudulent transfers.
- Sec. 4365. Work requirement for persons owing past-due child support.

- Sec. 4366. Definition of support order.
- Sec. 4367. Reporting arrearages to credit bureaus.
- Sec. 4368. Liens.
- Sec. 4369. State law authorizing suspension of licenses.
- Sec. 4370. Denial of passports for nonpayment of child support.
- Sec. 4371. International support enforcement.
- Sec. 4372. Financial institution data matches.
- Sec. 4373. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
- Sec. 4374. Nondischargeability in bankruptcy of certain debts for the support of a child.

CHAPTER 8—MEDICAL SUPPORT

- Sec. 4376. Correction to ERISA definition of medical child support order.
- Sec. 4377. Enforcement of orders for health care coverage.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

- Sec. 4381. Grants to States for access and visitation programs.

CHAPTER 10—EFFECTIVE DATES AND CONFORMING AMENDMENTS

- Sec. 4391. Effective dates and conforming amendments.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

- Sec. 4400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

- Sec. 4401. Aliens who are not qualified aliens ineligible for Federal public benefits.
- Sec. 4402. Limited eligibility of qualified aliens for certain Federal programs.
- Sec. 4403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
- Sec. 4404. Notification and information reporting.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

- Sec. 4411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
- Sec. 4412. State authority to limit eligibility of qualified aliens for State public benefits.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

- Sec. 4421. Federal attribution of sponsor's income and resources to alien.
- Sec. 4422. Authority for States to provide for attribution of sponsors income and resources to the alien with respect to State programs.
- Sec. 4423. Requirements for sponsor's affidavit of support.

CHAPTER 4—GENERAL PROVISIONS

- Sec. 4431. Definitions.
- Sec. 4432. Verification of eligibility for Federal public benefits.
- Sec. 4433. Statutory construction.

Sec. 4434. Communication between State and local government agencies and the Immigration and Naturalization Service.

Sec. 4435. Qualifying quarters.

CHAPTER 5—CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING

Sec. 4441. Conforming amendments relating to assisted housing.

CHAPTER 6—EARNED INCOME CREDIT DENIED TO UNAUTHORIZED EMPLOYEES

Sec. 4451. Earned income credit denied to individuals not authorized to be employed in the United States.

Subtitle E—Reform of Public Housing

Sec. 4601. Fraud under means-tested welfare and public assistance programs.

Subtitle F—Child Protection Block Grant Programs and Foster Care, Adoption Assistance, and Independent Living Programs

CHAPTER 1—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

SUBCHAPTER A—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

Sec. 4701. Establishment of program.

Sec. 4702. Conforming amendments.

SUBCHAPTER B—FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

Sec. 4711. Conforming amendments to part E of title IV.

SUBCHAPTER C—MISCELLANEOUS

Sec. 4721. Secretarial submission of legislative proposal for technical and conforming amendments.

Sec. 4722. Sense of the Congress regarding timely adoption of children.

Sec. 4723. Removal of barriers to interethnic adoption.

Sec. 4724. Effective date; transition rules.

CHAPTER 2—CHILD AND FAMILY SERVICES BLOCK GRANT

Sec. 4751. Child and family services block grant.

Sec. 4752. Reauthorizations.

Sec. 4753. Repeals.

Subtitle G—Reductions in Federal Government Positions

Sec. 4801. Reductions.

Sec. 4802. Reductions in Federal bureaucracy.

Sec. 4803. Reducing personnel in Washington, D.C. area.

Subtitle H—Miscellaneous

Sec. 4901. Appropriation by State legislatures.

Sec. 4902. Sanctioning for testing positive for controlled substances.

Sec. 4903. Reduction in block grants to States for social services.

1 **Subtitle A—Block Grants for Tem-**
2 **porary Assistance for Needy**
3 **Families**

4 **SEC. 4101. FINDINGS.**

5 The Congress makes the following findings:

6 (1) Marriage is the foundation of a successful
7 society.

8 (2) Marriage is an essential institution of a suc-
9 cessful society which promotes the interests of chil-
10 dren.

11 (3) Promotion of responsible fatherhood and
12 motherhood is integral to successful child rearing
13 and the well-being of children.

14 (4) In 1992, only 54 percent of single-parent
15 families with children had a child support order es-
16 tablished and, of that 54 percent, only about one-
17 half received the full amount due. Of the cases en-
18 forced through the public child support enforcement
19 system, only 18 percent of the caseload has a collec-
20 tion.

21 (5) The number of individuals receiving aid to
22 families with dependent children (in this section re-
23 ferred to as “AFDC”) has more than tripled since
24 1965. More than two-thirds of these recipients are
25 children. Eighty-nine percent of children receiving

1 AFDC benefits now live in homes in which no father
2 is present.

3 (A)(i) The average monthly number of
4 children receiving AFDC benefits—

5 (I) was 3,300,000 in 1965;

6 (II) was 6,200,000 in 1970;

7 (III) was 7,400,000 in 1980; and

8 (IV) was 9,300,000 in 1992.

9 (ii) While the number of children receiving
10 AFDC benefits increased nearly threefold be-
11 tween 1965 and 1992, the total number of chil-
12 dren in the United States aged 0 to 18 has de-
13 clined by 5.5 percent.

14 (B) The Department of Health and
15 Human Services has estimated that 12,000,000
16 children will receive AFDC benefits within 10
17 years.

18 (C) The increase in the number of children
19 receiving public assistance is closely related to
20 the increase in births to unmarried women. Be-
21 tween 1970 and 1991, the percentage of live
22 births to unmarried women increased nearly
23 threefold, from 10.7 percent to 29.5 percent.

24 (6) The increase of out-of-wedlock pregnancies
25 and births is well documented as follows:

1 (A) It is estimated that the rate of non-
2 marital teen pregnancy rose 23 percent from 54
3 pregnancies per 1,000 unmarried teenagers in
4 1976 to 66.7 pregnancies in 1991. The overall
5 rate of nonmarital pregnancy rose 14 percent
6 from 90.8 pregnancies per 1,000 unmarried
7 women in 1980 to 103 in both 1991 and 1992.
8 In contrast, the overall pregnancy rate for mar-
9 ried couples decreased 7.3 percent between
10 1980 and 1991, from 126.9 pregnancies per
11 1,000 married women in 1980 to 117.6 preg-
12 nancies in 1991.

13 (B) The total of all out-of-wedlock births
14 between 1970 and 1991 has risen from 10.7
15 percent to 29.5 percent and if the current trend
16 continues, 50 percent of all births by the year
17 2015 will be out-of-wedlock.

18 (7) The negative consequences of an out-of-wed-
19 lock birth on the mother, the child, the family, and
20 society are well documented as follows:

21 (A) Young women 17 and under who give
22 birth outside of marriage are more likely to go
23 on public assistance and to spend more years
24 on welfare once enrolled. These combined ef-
25 fects of “younger and longer” increase total

1 AFDC costs per household by 25 percent to 30
2 percent for 17-year-olds.

3 (B) Children born out-of-wedlock have a
4 substantially higher risk of being born at a very
5 low or moderately low birth weight.

6 (C) Children born out-of-wedlock are more
7 likely to experience low verbal cognitive attain-
8 ment, as well as more child abuse, and neglect.

9 (D) Children born out-of-wedlock were
10 more likely to have lower cognitive scores, lower
11 educational aspirations, and a greater likelihood
12 of becoming teenage parents themselves.

13 (E) Being born out-of-wedlock significantly
14 reduces the chances of the child growing up to
15 have an intact marriage.

16 (F) Children born out-of-wedlock are 3
17 times more likely to be on welfare when they
18 grow up.

19 (8) Currently 35 percent of children in single-
20 parent homes were born out-of-wedlock, nearly the
21 same percentage as that of children in single-parent
22 homes whose parents are divorced (37 percent).
23 While many parents find themselves, through divorce
24 or tragic circumstances beyond their control, facing
25 the difficult task of raising children alone, neverthe-

1 less, the negative consequences of raising children in
2 single-parent homes are well documented as follows:

3 (A) Only 9 percent of married-couple fami-
4 lies with children under 18 years of age have
5 income below the national poverty level. In con-
6 trast, 46 percent of female-headed households
7 with children under 18 years of age are below
8 the national poverty level.

9 (B) Among single-parent families, nearly
10 $\frac{1}{2}$ of the mothers who never married received
11 AFDC while only $\frac{1}{5}$ of divorced mothers re-
12 ceived AFDC.

13 (C) Children born into families receiving
14 welfare assistance are 3 times more likely to be
15 on welfare when they reach adulthood than chil-
16 dren not born into families receiving welfare.

17 (D) Mothers under 20 years of age are at
18 the greatest risk of bearing low-birth-weight ba-
19 bies.

20 (E) The younger the single parent mother,
21 the less likely she is to finish high school.

22 (F) Young women who have children be-
23 fore finishing high school are more likely to re-
24 ceive welfare assistance for a longer period of
25 time.

1 (G) Between 1985 and 1990, the public
2 cost of births to teenage mothers under the aid
3 to families with dependent children program,
4 the food stamp program, and the medicaid pro-
5 gram has been estimated at \$120,000,000,000.

6 (H) The absence of a father in the life of
7 a child has a negative effect on school perform-
8 ance and peer adjustment.

9 (I) Children of teenage single parents have
10 lower cognitive scores, lower educational aspira-
11 tions, and a greater likelihood of becoming teen-
12 age parents themselves.

13 (J) Children of single-parent homes are 3
14 times more likely to fail and repeat a year in
15 grade school than are children from intact 2-
16 parent families.

17 (K) Children from single-parent homes are
18 almost 4 times more likely to be expelled or sus-
19 pended from school.

20 (L) Neighborhoods with larger percentages
21 of youth aged 12 through 20 and areas with
22 higher percentages of single-parent households
23 have higher rates of violent crime.

24 (M) Of those youth held for criminal of-
25 fenses within the State juvenile justice system,

1 only 29.8 percent lived primarily in a home with
2 both parents. In contrast to these incarcerated
3 youth, 73.9 percent of the 62,800,000 children
4 in the Nation's resident population were living
5 with both parents.

6 (9) Therefore, in light of this demonstration of
7 the crisis in our Nation, it is the sense of the Con-
8 gress that prevention of out-of-wedlock pregnancy
9 and reduction in out-of-wedlock birth are very im-
10 portant Government interests and the policy con-
11 tained in part A of title IV of the Social Security
12 Act (as amended by section 4103(a) of this Act) is
13 intended to address the crisis.

14 **SEC. 4102. REFERENCE TO SOCIAL SECURITY ACT.**

15 Except as otherwise specifically provided, wherever in
16 this subtitle an amendment is expressed in terms of an
17 amendment to or repeal of a section or other provision,
18 the reference shall be considered to be made to that sec-
19 tion or other provision of the Social Security Act.

20 **SEC. 4103. BLOCK GRANTS TO STATES.**

21 (a) IN GENERAL.—Part A of title IV (42 U.S.C. 601
22 et seq.) is amended—

23 (1) by striking all that precedes section 418 (as
24 added by section 4803(b)(2) of this Act) and insert-
25 ing the following:

1 **“PART A—BLOCK GRANTS TO STATES FOR**
2 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**
3 **“SEC. 401. PURPOSE.**

4 “(a) IN GENERAL.—The purpose of this part is to
5 increase the flexibility of States in operating a program
6 designed to—

7 “(1) provide assistance to needy families so that
8 children may be cared for in their own homes or in
9 the homes of relatives;

10 “(2) end the dependence of needy parents on
11 government benefits by promoting job preparation,
12 work, and marriage;

13 “(3) prevent and reduce the incidence of out-of-
14 wedlock pregnancies and establish annual numerical
15 goals for preventing and reducing the incidence of
16 these pregnancies; and

17 “(4) encourage the formation and maintenance
18 of two-parent families.

19 “(b) NO INDIVIDUAL ENTITLEMENT.—This part
20 shall not be interpreted to entitle any individual or family
21 to assistance under any State program funded under this
22 part.

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

24 “(a) IN GENERAL.—As used in this part, the term
25 ‘eligible State’ means, with respect to a fiscal year, a State
26 that, during the 2-year period immediately preceding the

1 fiscal year, has submitted to the Secretary a plan that the
2 Secretary has found includes the following:

3 “(1) OUTLINE OF FAMILY ASSISTANCE PRO-
4 GRAM.—

5 “(A) GENERAL PROVISIONS.—A written
6 document that outlines how the State intends to
7 do the following:

8 “(i) Conduct a program, designed to
9 serve all political subdivisions in the State
10 (not necessarily in a uniform manner),
11 that provides assistance to needy families
12 with (or expecting) children and provides
13 parents with job preparation, work, and
14 support services to enable them to leave
15 the program and become self-sufficient.

16 “(ii) Require a parent or caretaker re-
17 ceiving assistance under the program to
18 engage in work (as defined by the State)
19 once the State determines the parent or
20 caretaker is ready to engage in work, or
21 once the parent or caretaker has received
22 assistance under the program for 24
23 months (whether or not consecutive),
24 whichever is earlier.

1 “(iii) Ensure that parents and care-
2 takers receiving assistance under the pro-
3 gram engage in work activities in accord-
4 ance with section 407.

5 “(iv) Take such reasonable steps as
6 the State deems necessary to restrict the
7 use and disclosure of information about in-
8 dividuals and families receiving assistance
9 under the program attributable to funds
10 provided by the Federal Government.

11 “(B) SPECIAL PROVISIONS.—

12 “(i) The document shall indicate
13 whether the State intends to treat families
14 moving into the State from another State
15 differently than other families under the
16 program, and if so, how the State intends
17 to treat such families under the program.

18 “(ii) The document shall indicate
19 whether the State intends to provide as-
20 sistance under the program to individuals
21 who are not citizens of the United States,
22 and if so, shall include an overview of such
23 assistance.

24 “(iii) The document shall set forth ob-
25 jective criteria for the delivery of benefits

1 and the determination of eligibility and for
2 fair and equitable treatment, including an
3 explanation of how the State will provide
4 opportunities for recipients who have been
5 adversely affected to be heard in a State
6 administrative or appeal process.

7 “(2) CERTIFICATION THAT THE STATE WILL
8 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
9 GRAM.—A certification by the chief executive officer
10 of the State that, during the fiscal year, the State
11 will operate a child support enforcement program
12 under the State plan approved under part D.

13 “(3) CERTIFICATION THAT THE STATE WILL
14 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
15 tification by the chief executive officer of the State
16 that, during the fiscal year, the State will operate a
17 child protection program under the State plan ap-
18 proved under part B.

19 “(4) CERTIFICATION OF THE ADMINISTRATION
20 OF THE PROGRAM.—A certification by the chief ex-
21 ecutive officer of the State specifying which State
22 agency or agencies will administer and supervise the
23 program referred to in paragraph (1) for the fiscal
24 year, which shall include assurances that local gov-
25 ernments and private sector organizations—

1 “(A) have been consulted regarding the
2 plan and design of welfare services in the State
3 so that services are provided in a manner ap-
4 propriate to local populations; and

5 “(B) have had at least 45 days to submit
6 comments on the plan and the design of such
7 services.

8 “(5) CERTIFICATION THAT THE STATE WILL
9 PROVIDE INDIANS WITH EQUITABLE ACCESS TO AS-
10 SISTANCE.—A certification by the chief executive of-
11 ficer of the State that, during the fiscal year, the
12 State will provide each Indian who is a member of
13 an Indian tribe in the State that does not have a
14 tribal family assistance plan approved under section
15 412 with equitable access to assistance under the
16 State program funded under this part attributable to
17 funds provided by the Federal Government.

18 “(b) PUBLIC AVAILABILITY OF STATE PLAN SUM-
19 MARY.—The State shall make available to the public a
20 summary of any plan submitted by the State under this
21 section.

22 **“SEC. 403. GRANTS TO STATES.**

23 “(a) GRANTS.—

24 “(1) FAMILY ASSISTANCE GRANT.—

1 “(A) IN GENERAL.—Each eligible State
2 shall be entitled to receive from the Secretary,
3 for each of fiscal years 1996, 1997, 1998,
4 1999, 2000, and 2001 a grant in an amount
5 equal to the State family assistance grant.

6 “(B) STATE FAMILY ASSISTANCE GRANT
7 DEFINED.—As used in this part, the term
8 ‘State family assistance grant’ means the great-
9 est of—

10 “(i) $\frac{1}{3}$ of the total amount required
11 to be paid to the State under former sec-
12 tion 403 (as in effect on September 30,
13 1995) for fiscal years 1992, 1993, and
14 1994 (other than with respect to amounts
15 expended by the State for child care under
16 subsection (g) or (i) of former section 402
17 (as so in effect));

18 “(ii)(I) the total amount required to
19 be paid to the State under former section
20 403 for fiscal year 1994 (other than with
21 respect to amounts expended by the State
22 for child care under subsection (g) or (i) of
23 former section 402 (as so in effect)); plus

24 “(II) an amount equal to 85 percent
25 of the amount (if any) by which the total

1 amount required to be paid to the State
2 under former section 403(a)(5) for emer-
3 gency assistance for fiscal year 1995 ex-
4 ceeds the total amount required to be paid
5 to the State under former section
6 403(a)(5) for fiscal year 1994, if, during
7 fiscal year 1994 or 1995, the Secretary ap-
8 proved under former section 402 an
9 amendment to the former State plan to
10 allow the provision of emergency assistance
11 in the context of family preservation; or

12 “(iii) $\frac{4}{3}$ of the total amount required
13 to be paid to the State under former sec-
14 tion 403 (as in effect on September 30,
15 1995) for the 1st 3 quarters of fiscal year
16 1995 (other than with respect to amounts
17 expended by the State under the State
18 plan approved under part F (as so in ef-
19 fect) or for child care under subsection (g)
20 or (i) of former section 402 (as so in ef-
21 fect)), plus the total amount required to be
22 paid to the State for fiscal year 1995
23 under former section 403(l) (as so in ef-
24 fect).

1 “(C) TOTAL AMOUNT REQUIRED TO BE
2 PAID TO THE STATE UNDER FORMER SECTION
3 403 DEFINED.—As used in this part, the term
4 ‘total amount required to be paid to the State
5 under former section 403’ means, with respect
6 to a fiscal year—

7 “(i) in the case of a State to which
8 section 1108 does not apply, the sum of—

9 “(I) the Federal share of mainte-
10 nance assistance expenditures for the
11 fiscal year, before reduction pursuant
12 to subparagraph (B) or (C) of section
13 403(b)(2) (as in effect on September
14 30, 1995), as reported by the State on
15 ACF Form 231;

16 “(II) the Federal share of admin-
17 istrative expenditures (including ad-
18 ministrative expenditures for the de-
19 velopment of management information
20 systems) for the fiscal year, as re-
21 ported by the State on ACF Form
22 231;

23 “(III) the Federal share of emer-
24 gency assistance expenditures for the

1 fiscal year, as reported by the State
2 on ACF Form 231;

3 “(IV) the Federal share of ex-
4 penditures for the fiscal year with re-
5 spect to child care pursuant to sub-
6 sections (g) and (i) of former section
7 402 (as in effect on September 30,
8 1995), as reported by the State on
9 ACF Form 231; and

10 “(V) the aggregate amount re-
11 quired to be paid to the State for the
12 fiscal year with respect to the State
13 program operated under part F (as in
14 effect on September 30, 1995), as de-
15 termined by the Secretary, including
16 additional obligations or reductions in
17 obligations made after the close of the
18 fiscal year; and

19 “(ii) in the case of a State to which
20 section 1108 applies, the lesser of—

21 “(I) the sum described in clause
22 (i); or

23 “(II) the total amount certified
24 by the Secretary under former section

1 403 (as in effect during the fiscal
2 year) with respect to the territory.

3 “(D) INFORMATION TO BE USED IN DE-
4 TERMINING AMOUNTS.—

5 “(i) FOR FISCAL YEARS 1992 AND
6 1993.—

7 “(I) In determining the amounts
8 described in subclauses (I) through
9 (IV) of subparagraph (C)(i) for any
10 State for each of fiscal years 1992
11 and 1993, the Secretary shall use in-
12 formation available as of April 28,
13 1995.

14 “(II) In determining the amount
15 described in subparagraph (C)(i)(V)
16 for any State for each of fiscal years
17 1992 and 1993, the Secretary shall
18 use information available as of Janu-
19 ary 6, 1995.

20 “(ii) FOR FISCAL YEAR 1994.—In de-
21 termining the amounts described in sub-
22 paragraph (C)(i) for any State for fiscal
23 year 1994, the Secretary shall use informa-
24 tion available as of April 28, 1995.

25 “(iii) FOR FISCAL YEAR 1995.—

1 “(I) In determining the amount
2 described in subparagraph (B)(ii)(II)
3 for any State for fiscal year 1995, the
4 Secretary shall use the information
5 which was reported by the States and
6 estimates made by the States with re-
7 spect to emergency assistance expend-
8 itures and was available as of August
9 11, 1995.

10 “(II) In determining the amounts
11 described in subclauses (I) through
12 (III) of subparagraph (C)(i) for any
13 State for fiscal year 1995, the Sec-
14 retary shall use information available
15 as of October 2, 1995.

16 “(III) In determining the amount
17 described in subparagraph (C)(i)(IV)
18 for any State for fiscal year 1995, the
19 Secretary shall use information avail-
20 able as of February 28, 1996.

21 “(IV) In determining the amount
22 described in subparagraph (C)(i)(V)
23 for any State for fiscal year 1995, the
24 Secretary shall use information avail-
25 able as of October 5, 1995.

1 “(E) APPROPRIATION.—Out of any money
2 in the Treasury of the United States not other-
3 wise appropriated, there are appropriated for
4 fiscal years 1996, 1997, 1998, 1999, 2000, and
5 2001 such sums as are necessary for grants
6 under this paragraph.

7 “(2) GRANT TO REWARD STATES THAT REDUCE
8 OUT-OF-WEDLOCK BIRTHS.—

9 “(A) IN GENERAL.—Each eligible State
10 shall be entitled to receive from the Secretary
11 for fiscal year 1998 or any succeeding fiscal
12 year, a grant in an amount equal to the State
13 family assistance grant multiplied by—

14 “(i) 5 percent if—

15 “(I) the illegitimacy ratio of the
16 State for the fiscal year is at least 1
17 percentage point lower than the ille-
18 gitimacy ratio of the State for fiscal
19 year 1995; and

20 “(II) the rate of induced preg-
21 nancy terminations in the State for
22 the fiscal year is less than the rate of
23 induced pregnancy terminations in the
24 State for fiscal year 1995; or

25 “(ii) 10 percent if—

1 “(I) the illegitimacy ratio of the
2 State for the fiscal year is at least 2
3 percentage points lower than the ille-
4 gitimacy ratio of the State for fiscal
5 year 1995; and

6 “(II) the rate of induced preg-
7 nancy terminations in the State for
8 the fiscal year is less than the rate of
9 induced pregnancy terminations in the
10 State for fiscal year 1995.

11 “(B) ILLEGITIMACY RATIO.—As used in
12 this paragraph, the term ‘illegitimacy ratio’
13 means, with respect to a State and a fiscal
14 year—

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

19 “(ii) the number of births that oc-
20 curred in the State during the most recent
21 fiscal year for which such information is
22 available.

23 “(C) DISREGARD OF CHANGES IN DATA
24 DUE TO CHANGED REPORTING METHODS.—For

1 purposes of subparagraph (A), the Secretary
2 shall disregard—

3 “(i) any difference between the illegit-
4 imacy ratio of a State for a fiscal year and
5 the illegitimacy ratio of the State for fiscal
6 year 1995 which is attributable to a
7 change in State methods of reporting data
8 used to calculate the illegitimacy ratio; and

9 “(ii) any difference between the rate
10 of induced pregnancy terminations in a
11 State for a fiscal year and such rate for
12 fiscal year 1995 which is attributable to a
13 change in State methods of reporting data
14 used to calculate such rate.

15 “(D) APPROPRIATION.—Out of any money
16 in the Treasury of the United States not other-
17 wise appropriated, there are appropriated for
18 fiscal year 1998 and for each succeeding fiscal
19 year such sums as are necessary for grants
20 under this paragraph.

21 “(3) SUPPLEMENTAL GRANT FOR POPULATION
22 INCREASES IN CERTAIN STATES.—

23 “(A) IN GENERAL.—Each qualifying State
24 shall, subject to subparagraph (F), be entitled
25 to receive from the Secretary—

1 “(i) for fiscal year 1997 a grant in an
2 amount equal to 2.5 percent of the total
3 amount required to be paid to the State
4 under former section 403 (as in effect dur-
5 ing fiscal year 1994) for fiscal year 1994;
6 and

7 “(ii) for each of fiscal years 1998,
8 1999, and 2000, a grant in an amount
9 equal to the sum of—

10 “(I) the amount (if any) required
11 to be paid to the State under this
12 paragraph for the immediately preced-
13 ing fiscal year; and

14 “(II) 2.5 percent of the sum of—

15 “(aa) the total amount re-
16 quired to be paid to the State
17 under former section 403 (as in
18 effect during fiscal year 1994)
19 for fiscal year 1994; and

20 “(bb) the amount (if any)
21 required to be paid to the State
22 under this paragraph for the fis-
23 cal year preceding the fiscal year
24 for which the grant is to be
25 made.

1 “(B) PRESERVATION OF GRANT WITHOUT
2 INCREASES FOR STATES FAILING TO REMAIN
3 QUALIFYING STATES.—Each State that is not a
4 qualifying State for a fiscal year specified in
5 subparagraph (A)(ii) but was a qualifying State
6 for a prior fiscal year shall, subject to subpara-
7 graph (F), be entitled to receive from the Sec-
8 retary for the specified fiscal year, a grant in
9 an amount equal to the amount required to be
10 paid to the State under this paragraph for the
11 most recent fiscal year for which the State was
12 a qualifying State.

13 “(C) QUALIFYING STATE.—

14 “(i) IN GENERAL.—For purposes of
15 this paragraph, a State is a qualifying
16 State for a fiscal year if—

17 “(I) the level of welfare spending
18 per poor person by the State for the
19 immediately preceding fiscal year is
20 less than the national average level of
21 State welfare spending per poor per-
22 son for such preceding fiscal year; and

23 “(II) the population growth rate
24 of the State (as determined by the
25 Bureau of the Census) for the most

1 recent fiscal year for which informa-
2 tion is available exceeds the average
3 population growth rate for all States
4 (as so determined) for such most re-
5 cent fiscal year.

6 “(ii) STATE MUST QUALIFY IN FISCAL
7 YEAR 1997.—Notwithstanding clause (i), a
8 State shall not be a qualifying State for
9 any fiscal year after 1997 by reason of
10 clause (i) if the State is not a qualifying
11 State for fiscal year 1997 by reason of
12 clause (i).

13 “(iii) CERTAIN STATES DEEMED
14 QUALIFYING STATES.—For purposes of
15 this paragraph, a State is deemed to be a
16 qualifying State for fiscal years 1997,
17 1998, 1999, and 2000 if—

18 “(I) the level of welfare spending
19 per poor person by the State for fiscal
20 year 1996 is less than 35 percent of
21 the national average level of State
22 welfare spending per poor person for
23 fiscal year 1996; or

24 “(II) the population of the State
25 increased by more than 10 percent

1 from April 1, 1990 to July 1, 1994,
2 according to the population estimates
3 in publication CB94–204 of the Bu-
4 reau of the Census.

5 “(D) DEFINITIONS.—As used in this para-
6 graph:

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

12 “(I) the sum of—

13 “(aa) the total amount re-
14 quired to be paid to the State
15 under former section 403 (as in
16 effect during fiscal year 1994)
17 for fiscal year 1994; and

18 “(bb) the amount (if any)
19 paid to the State under this
20 paragraph for the immediately
21 preceding fiscal year; divided by

22 “(II) the number of individuals,
23 according to the 1990 decennial cen-
24 sus, who were residents of the State

1 and whose income was below the pov-
2 erty line.

3 “(ii) NATIONAL AVERAGE LEVEL OF
4 STATE WELFARE SPENDING PER POOR
5 PERSON.—The term ‘national average level
6 of State welfare spending per poor person’
7 means, with respect to a fiscal year, an
8 amount equal to—

9 “(I) the total amount required to
10 be paid to the States under former
11 section 403 (as in effect during fiscal
12 year 1994) for fiscal year 1994; di-
13 vided by

14 “(II) the number of individuals,
15 according to the 1990 decennial cen-
16 sus, who were residents of any State
17 and whose income was below the pov-
18 erty line.

19 “(iii) STATE.—The term ‘State’
20 means each of the 50 States of the United
21 States and the District of Columbia.

22 “(E) APPROPRIATION.—Out of any money
23 in the Treasury of the United States not other-
24 wise appropriated, there are appropriated for
25 fiscal years 1997, 1998, 1999, and 2000 such

1 sums as are necessary for grants under this
2 paragraph, in a total amount not to exceed
3 \$800,000,000.

4 “(F) GRANTS REDUCED PRO RATA IF IN-
5 SUFFICIENT APPROPRIATIONS.—If the amount
6 appropriated pursuant to this paragraph for a
7 fiscal year is less than the total amount of pay-
8 ments otherwise required to be made under this
9 paragraph for the fiscal year, then the amount
10 otherwise payable to any State for the fiscal
11 year under this paragraph shall be reduced by
12 a percentage equal to the amount so appro-
13 priated divided by such total amount.

14 “(G) BUDGET SCORING.—Notwithstanding
15 section 257(b)(2) of the Balanced Budget and
16 Emergency Deficit Control Act of 1985, the
17 baseline shall assume that no grant shall be
18 made under this paragraph after fiscal year
19 2000.

20 “(4) BONUS TO REWARD HIGH PERFORMANCE
21 STATES.—

22 “(A) IN GENERAL.—The Secretary shall
23 make a grant pursuant to this paragraph to
24 each State for each bonus year for which the
25 State is a high performing State.

1 “(B) AMOUNT OF GRANT.—

2 “ (i) IN GENERAL.—Subject to clause
3 (ii) of this subparagraph, the Secretary
4 shall determine the amount of the grant
5 payable under this paragraph to a high
6 performing State for a bonus year, which
7 shall be based on the score assigned to the
8 State under subparagraph (D)(i) for the
9 fiscal year that immediately precedes the
10 bonus year.

11 “(ii) LIMITATION.—The amount pay-
12 able to a State under this paragraph for a
13 bonus year shall not exceed 5 percent of
14 the State family assistance grant.

15 “(C) FORMULA FOR MEASURING STATE
16 PERFORMANCE.—Not later than 1 year after
17 the date of the enactment of the Personal Re-
18 sponsibility and Work Opportunity Act of 1996,
19 the Secretary, in consultation with the National
20 Governors’ Association and the American Pub-
21 lic Welfare Association, shall develop a formula
22 for measuring State performance in operating
23 the State program funded under this part so as
24 to achieve the goals set forth in section 401(a).

1 “(D) SCORING OF STATE PERFORMANCE;
2 SETTING OF PERFORMANCE THRESHOLDS.—

3 For each bonus year, the Secretary shall—

4 “(i) use the formula developed under
5 subparagraph (C) to assign a score to each
6 eligible State for the fiscal year that imme-
7 diately precedes the bonus year; and

8 “(ii) prescribe a performance thresh-
9 old in such a manner so as to ensure
10 that—

11 “(I) the average annual total
12 amount of grants to be made under
13 this paragraph for each bonus year
14 equals \$100,000,000; and

15 “(II) the total amount of grants
16 to be made under this paragraph for
17 all bonus years equals \$500,000,000.

18 “(E) DEFINITIONS.—As used in this para-
19 graph:

20 “(i) BONUS YEAR.—The term ‘bonus
21 year’ means fiscal years 1999, 2000, 2001,
22 2002, and 2003.

23 “(ii) HIGH PERFORMING STATE.—The
24 term ‘high performing State’ means, with
25 respect a bonus year, an eligible State

1 whose score assigned pursuant to subpara-
2 graph (D)(i) for the fiscal year imme-
3 diately preceding the bonus year equals or
4 exceeds the performance threshold pre-
5 scribed under subparagraph (D)(ii) for
6 such preceding fiscal year.

7 “(F) APPROPRIATION.—Out of any money
8 in the Treasury of the United States not other-
9 wise appropriated, there are appropriated for
10 fiscal years 1999 through 2003 \$500,000,000
11 for grants under this paragraph.

12 “(5) SUPPLEMENTAL GRANT FOR OPERATION
13 OF WORK PROGRAM.—

14 “(A) APPLICATION REQUIREMENTS.—An
15 eligible State may submit to the Secretary an
16 application for additional funds to meet the re-
17 quirements of section 407 with respect to a fis-
18 cal year if the Secretary determines that—

19 “(i) the total expenditures of the
20 State to meet such requirements for the
21 fiscal year exceed the total expenditures of
22 the State during fiscal year 1994 to carry
23 out part F (as in effect on September 30,
24 1994);

1 “(ii) the work programs of the State
2 under this section are coordinated with the
3 job training programs established by title
4 II of the Job Training Partnership Act, or
5 (if such title is repealed by an Act that be-
6 comes law during the 104th Congress) the
7 Act that repeals such title; and

8 “(iii) the State needs additional funds
9 to meet such requirements or certifies that
10 it intends to exceed such requirements.

11 “(B) GRANTS.—The Secretary may make
12 a grant to any eligible State which submits an
13 application in accordance with subparagraph
14 (A) for a fiscal year in an amount equal to the
15 Federal medical assistance percentage of the
16 amount (if any) by which the total expenditures
17 of the State to meet or exceed the requirements
18 of section 407 for the fiscal year exceeds the
19 total expenditures of the State during fiscal
20 year 1994 to carry out part F (as in effect on
21 September 30, 1994).

22 “(C) REGULATIONS.—The Secretary shall
23 issue regulations providing for the equitable dis-
24 tribution of funds under this paragraph.

1 “(D) AUTHORIZATION OF APPROPRIA-
2 TIONS.—

3 “(i) IN GENERAL.—There are author-
4 ized to be appropriated for grants under
5 this paragraph \$3,000,000,000 for fiscal
6 year 1999.

7 “(ii) AVAILABILITY.—Amounts appro-
8 priated pursuant to clause (i) are author-
9 ized to remain available until expended.

10 “(b) CONTINGENCY FUND.—

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

16 “(2) DEPOSITS INTO FUND.—Out of any money
17 in the Treasury of the United States not otherwise
18 appropriated, there are appropriated for fiscal years
19 1997, 1998, 1999, 2000, and 2001 such sums as are
20 necessary for payment to the Fund in a total
21 amount not to exceed \$2,000,000,000.

22 “(3) GRANTS.—

23 “(A) PROVISIONAL PAYMENTS.—If an eli-
24 gible State submits to the Secretary a request
25 for funds under this paragraph during an eligi-

1 ble month, the Secretary shall, subject to this
2 paragraph, pay to the State, from amounts ap-
3 propriated pursuant to paragraph (2), an
4 amount equal to the amount of funds so re-
5 quested.

6 “(B) PAYMENT PRIORITY.—The Secretary
7 shall make payments under subparagraph (A)
8 in the order in which the Secretary receives re-
9 quests for such payments.

10 “(C) LIMITATIONS.—

11 “(i) MONTHLY PAYMENT TO A
12 STATE.—The total amount paid to a single
13 State under subparagraph (A) during a
14 month shall not exceed $\frac{1}{12}$ of 20 percent
15 of the State family assistance grant.

16 “(ii) PAYMENTS TO ALL STATES.—
17 The total amount paid to all States under
18 subparagraph (A) during fiscal years 1997
19 through 2001 shall not exceed the total
20 amount appropriated pursuant to para-
21 graph (2).

22 “(4) ANNUAL RECONCILIATION.—Notwithstand-
23 ing paragraph (3), at the end of each fiscal year,
24 each State shall remit to the Secretary an amount
25 equal to the amount (if any) by which the total

1 amount paid to the State under paragraph (3) dur-
2 ing the fiscal year exceeds—

3 “(A) the Federal medical assistance per-
4 centage for the State for the fiscal year (as de-
5 fined in section 1905(b), as in effect on Sep-
6 tember 30, 1995) of the amount (if any) by
7 which the expenditures under the State pro-
8 gram funded under this part for the fiscal year
9 exceed historic State expenditures (as defined in
10 section 409(a)(7)(B)(iii)); multiplied by

11 “(B) $\frac{1}{12}$ times the number of months dur-
12 ing the fiscal year for which the Secretary
13 makes a payment to the State under this sub-
14 section.

15 “(5) ELIGIBLE MONTH.—As used in paragraph
16 (3)(A), the term ‘eligible month’ means, with respect
17 to a State, a month in the 2-month period that be-
18 gins with any month for which the State is a needy
19 State.

20 “(6) NEEDY STATE.—For purposes of para-
21 graph (5), a State is a needy State for a month if—

22 “(A) the average rate of—

23 “(i) total unemployment in such State
24 (seasonally adjusted) for the period con-
25 sisting of the most recent 3 months for

1 which data for all States are published
2 equals or exceeds 6.5 percent; and

3 “(ii) total unemployment in such
4 State (seasonally adjusted) for the 3-
5 month period equals or exceeds 110 per-
6 cent of such average rate for either (or
7 both) of the corresponding 3-month periods
8 ending in the 2 preceding calendar years;
9 or

10 “(B) as determined by the Secretary of
11 Agriculture (in the discretion of the Secretary
12 of Agriculture), the monthly average number of
13 individuals (as of the last day of each month)
14 participating in the food stamp program in the
15 State in the then most recently concluded 3-
16 month period for which data are available ex-
17 ceeds by not less than 10 percent the lesser
18 of—

19 “(i) the monthly average number of
20 individuals (as of the last day of each
21 month) in the State that would have par-
22 ticipated in the food stamp program in the
23 corresponding 3-month period in fiscal
24 year 1994 if the amendments made by
25 subtitles D and J of the Personal Respon-

1 sibility and Work Opportunity Act of 1996
2 had been in effect throughout fiscal year
3 1994; or

4 “(ii) the monthly average number of
5 individuals (as of the last day of each
6 month) in the State that would have par-
7 ticipated in the food stamp program in the
8 corresponding 3-month period in fiscal
9 year 1995 if the amendments made by
10 subtitles D and J of the Personal Respon-
11 sibility and Work Opportunity Act of 1996
12 had been in effect throughout fiscal year
13 1995.

14 “(7) OTHER TERMS DEFINED.—As used in this
15 subsection:

16 “(A) STATE.—The term ‘State’ means
17 each of the 50 States of the United States and
18 the District of Columbia.

19 “(B) SECRETARY.—The term ‘Secretary’
20 means the Secretary of the Treasury.

21 “(8) ANNUAL REPORTS.—The Secretary shall
22 annually report to the Congress on the status of the
23 Fund.

24 “(9) BUDGET SCORING.—Notwithstanding sec-
25 tion 257(b)(2) of the Balanced Budget and Emer-

1 agency Deficit Control Act of 1985, the baseline shall
2 assume that no grant shall be made under this sub-
3 section after fiscal year 2001.

4 **“SEC. 404. USE OF GRANTS.**

5 “(a) GENERAL RULES.—Subject to this part, a State
6 to which a grant is made under section 403 may use the
7 grant—

8 “(1) in any manner that is reasonably cal-
9 culated to accomplish the purpose of this part, in-
10 cluding to provide low income households with as-
11 sistance in meeting home heating and cooling costs;
12 or

13 “(2) in any manner that the State was author-
14 ized to use amounts received under part A or F, as
15 such parts were in effect on September 30, 1995.

16 “(b) LIMITATION ON USE OF GRANT FOR ADMINIS-
17 TRATIVE PURPOSES.—

18 “(1) LIMITATION.—A State to which a grant is
19 made under section 403 shall not expend more than
20 15 percent of the grant for administrative purposes.

21 “(2) EXCEPTION.—Paragraph (1) shall not
22 apply to the use of a grant for information tech-
23 nology and computerization needed for tracking or
24 monitoring required by or under this part.

1 “(c) AUTHORITY TO TREAT INTERSTATE IMMI-
2 GRANTS UNDER RULES OF FORMER STATE.—A State op-
3 erating a program funded under this part may apply to
4 a family the rules (including benefit amounts) of the pro-
5 gram funded under this part of another State if the family
6 has moved to the State from the other State and has re-
7 sided in the State for less than 12 months.

8 “(d) AUTHORITY TO USE PORTION OF GRANT FOR
9 OTHER PURPOSES.—

10 “(1) IN GENERAL.—A State may use not more
11 than 30 percent of the amount of the grant made to
12 the State under section 403 for a fiscal year to carry
13 out a State program pursuant to any or all of the
14 following provisions of law:

15 “(A) Part B or E of this title.

16 “(B) Title XX of this Act.

17 “(C) The Child Care and Development
18 Block Grant Act of 1990.

19 “(2) LIMITATION ON AMOUNT TRANSFERABLE
20 TO TITLE XX PROGRAMS.—Notwithstanding para-
21 graph (1), not more than $\frac{1}{3}$ of the total amount
22 paid to a State under this part for a fiscal year that
23 is used to carry out State programs pursuant to pro-
24 visions of law specified in paragraph (1) may be

1 used to carry out State programs pursuant to title
2 XX.

3 “(3) APPLICABLE RULES.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B) of this paragraph, any
6 amount paid to a State under this part that is
7 used to carry out a State program pursuant to
8 a provision of law specified in paragraph (1)
9 shall not be subject to the requirements of this
10 part, but shall be subject to the requirements
11 that apply to Federal funds provided directly
12 under the provision of law to carry out the pro-
13 gram.

14 “(B) EXCEPTION RELATING TO TITLE XX
15 PROGRAMS.—All amounts paid to a State under
16 this part that are used to carry out State pro-
17 grams pursuant to title XX shall be used only
18 for programs and services to children or their
19 families.

20 “(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS
21 FOR ASSISTANCE.—A State may reserve amounts paid to
22 the State under this part for any fiscal year for the pur-
23 pose of providing, without fiscal year limitation, assistance
24 under the State program funded under this part.

1 “(f) **AUTHORITY TO OPERATE EMPLOYMENT PLACE-**
2 **MENT PROGRAM.**—A State to which a grant is made under
3 section 403 may use the grant to make payments (or pro-
4 vide job placement vouchers) to State-approved public and
5 private job placement agencies that provide employment
6 placement services to individuals who receive assistance
7 under the State program funded under this part.

8 “(g) **IMPLEMENTATION OF ELECTRONIC BENEFIT**
9 **TRANSFER SYSTEM.**—A State to which a grant is made
10 under section 403 is encouraged to implement an elec-
11 tronic benefit transfer system for providing assistance
12 under the State program funded under this part, and may
13 use the grant for such purpose.

14 **“SEC. 405. ADMINISTRATIVE PROVISIONS.**

15 “(a) **QUARTERLY.**—The Secretary shall pay each
16 grant payable to a State under section 403 in quarterly
17 installments.

18 “(b) **NOTIFICATION.**—Not later than 3 months before
19 the payment of any such quarterly installment to a State,
20 the Secretary shall notify the State of the amount of any
21 reduction determined under section 412(a)(1)(B) with re-
22 spect to the State.

23 “(c) **COMPUTATION AND CERTIFICATION OF PAY-**
24 **MENTS TO STATES.**—

1 “(1) COMPUTATION.—The Secretary shall esti-
2 mate the amount to be paid to each eligible State for
3 each quarter under this part, such estimate to be
4 based on a report filed by the State containing an
5 estimate by the State of the total sum to be ex-
6 pended by the State in the quarter under the State
7 program funded under this part and such other in-
8 formation as the Secretary may find necessary.

9 “(2) CERTIFICATION.—The Secretary of Health
10 and Human Services shall certify to the Secretary of
11 the Treasury the amount estimated under paragraph
12 (1) with respect to a State, reduced or increased to
13 the extent of any overpayment or underpayment
14 which the Secretary of Health and Human Services
15 determines was made under this part to the State
16 for any prior quarter and with respect to which ad-
17 justment has not been made under this paragraph.

18 “(d) PAYMENT METHOD.—Upon receipt of a certifi-
19 cation under subsection (c)(2) with respect to a State, the
20 Secretary of the Treasury shall, through the Fiscal Service
21 of the Department of the Treasury and before audit or
22 settlement by the General Accounting Office, pay to the
23 State, at the time or times fixed by the Secretary of
24 Health and Human Services, the amount so certified.

1 “(e) COLLECTION OF STATE OVERPAYMENTS TO
2 FAMILIES FROM FEDERAL TAX REFUNDS.—

3 “(1) IN GENERAL.—Upon receiving notice from
4 the Secretary of Health and Human Services that a
5 State agency administering a program funded under
6 this part has notified the Secretary that a named in-
7 dividual has been overpaid under the State program
8 funded under this part, the Secretary of the Treas-
9 ury shall determine whether any amounts as refunds
10 of Federal taxes paid are payable to such individual,
11 regardless of whether the individual filed a tax re-
12 turn as a married or unmarried individual. If the
13 Secretary of the Treasury finds that any such
14 amount is so payable, the Secretary shall withhold
15 from such refunds an amount equal to the overpay-
16 ment sought to be collected by the State and pay
17 such amount to the State agency.

18 “(2) REGULATIONS.—The Secretary of the
19 Treasury shall issue regulations, after review by the
20 Secretary of Health and Human services, that pro-
21 vide—

22 “(A) that a State may only submit under
23 paragraph (1) requests for collection of over-
24 payments with respect to individuals—

1 “(i) who are no longer receiving as-
2 sistance under the State program funded
3 under this part;

4 “(ii) with respect to whom the State
5 has already taken appropriate action under
6 State law against the income or resources
7 of the individuals or families involved to
8 collect the past-due legally enforceable
9 debt; and

10 “(iii) to whom the State agency has
11 given notice of its intent to request with-
12 holding by the Secretary of the Treasury
13 from the income tax refunds of such indi-
14 viduals;

15 “(B) that the Secretary of the Treasury
16 will give a timely and appropriate notice to any
17 other person filing a joint return with the indi-
18 vidual whose refund is subject to withholding
19 under paragraph (1); and

20 “(C) the procedures that the State and the
21 Secretary of the Treasury will follow in carrying
22 out this subsection which, to the maximum ex-
23 tent feasible and consistent with the provisions
24 of this subsection, will be the same as those is-

1 sued pursuant to section 464(b) applicable to
2 collection of past-due child support.

3 **“SEC. 406. FEDERAL LOANS FOR STATE WELFARE PRO-**
4 **GRAMS.**

5 “(a) LOAN AUTHORITY.—

6 “(1) IN GENERAL.—The Secretary shall make
7 loans to any loan-eligible State, for a period to ma-
8 turity of not more than 3 years.

9 “(2) LOAN-ELIGIBLE STATE.—As used in para-
10 graph (1), the term ‘loan-eligible State’ means a
11 State against which a penalty has not been imposed
12 under section 409(a)(1).

13 “(b) RATE OF INTEREST.—The Secretary shall
14 charge and collect interest on any loan made under this
15 section at a rate equal to the current average market yield
16 on outstanding marketable obligations of the United
17 States with remaining periods to maturity comparable to
18 the period to maturity of the loan.

19 “(c) USE OF LOAN.—A State shall use a loan made
20 to the State under this section only for any purpose for
21 which grant amounts received by the State under section
22 403(a) may be used, including—

23 “(1) welfare anti-fraud activities; and

24 “(2) the provision of assistance under the State
25 program to Indian families that have moved from

1 the service area of an Indian tribe with a tribal fam-
 2 ily assistance plan approved under section 412.

3 “(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO
 4 A STATE.—The cumulative dollar amount of all loans
 5 made to a State under this section during fiscal years
 6 1997 through 2001 shall not exceed 10 percent of the
 7 State family assistance grant.

8 “(e) LIMITATION ON TOTAL AMOUNT OF OUTSTAND-
 9 ING LOANS.—The total dollar amount of loans outstand-
 10 ing under this section may not exceed \$1,700,000,000.

11 “(f) APPROPRIATION.—Out of any money in the
 12 Treasury of the United States not otherwise appropriated,
 13 there are appropriated such sums as may be necessary for
 14 the cost of loans under this section.

15 **“SEC. 407. MANDATORY WORK REQUIREMENTS.**

16 “(a) PARTICIPATION RATE REQUIREMENTS.—

17 “(1) ALL FAMILIES.—A State to which a grant
 18 is made under section 403 for a fiscal year shall
 19 achieve the minimum participation rate specified in
 20 the following table for the fiscal year with respect
 21 to all families receiving assistance under the State
 22 program funded under this part:

“If the fiscal year is:	The minimum participation rate is:
1997	25
1998	30
1999	35
2000	40

2001	45
2002 or thereafter	50.

1 “(2) 2-PARENT FAMILIES.—A State to which a
 2 grant is made under section 403 for a fiscal year
 3 shall achieve the minimum participation rate speci-
 4 fied in the following table for the fiscal year with re-
 5 spect to 2-parent families receiving assistance under
 6 the State program funded under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	50
1997	75
1998	75
1999 or thereafter	90.

7 “(b) CALCULATION OF PARTICIPATION RATES.—

8 “(1) ALL FAMILIES.—

9 “(A) AVERAGE MONTHLY RATE.—For pur-
 10 poses of subsection (a)(1), the participation
 11 rate for all families of a State for a fiscal year
 12 is the average of the participation rates for all
 13 families of the State for each month in the fis-
 14 cal year.

15 “(B) MONTHLY PARTICIPATION RATES.—

16 The participation rate of a State for all families
 17 of the State for a month, expressed as a per-
 18 centage, is—

19 “(i) the number of families receiving
 20 assistance under the State program funded

1 under this part that include an adult who
2 is engaged in work for the month; divided
3 by

4 “(ii) the amount by which—

5 “(I) the number of families re-
6 ceiving such assistance during the
7 month that include an adult receiving
8 such assistance; exceeds

9 “(II) the number of families re-
10 ceiving such assistance that are sub-
11 ject in such month to a penalty de-
12 scribed in subsection (e)(1) but have
13 not been subject to such penalty for
14 more than 3 months within the pre-
15 ceding 12-month period (whether or
16 not consecutive).

17 “(2) 2-PARENT FAMILIES.—

18 “(A) AVERAGE MONTHLY RATE.—For pur-
19 poses of subsection (a)(2), the participation
20 rate for 2-parent families of a State for a fiscal
21 year is the average of the participation rates for
22 2-parent families of the State for each month in
23 the fiscal year.

24 “(B) MONTHLY PARTICIPATION RATES.—

25 The participation rate of a State for 2-parent

1 families of the State for a month shall be cal-
2 culated by use of the formula set forth in para-
3 graph (1)(B), except that in the formula the
4 term ‘number of 2-parent families’ shall be sub-
5 stituted for the term ‘number of families’ each
6 place such latter term appears.

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

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

16 “(i) the average monthly number of
17 families receiving assistance during the fis-
18 cal year under the State program funded
19 under this part is less than

20 “(ii) the average monthly number of
21 families that received aid under the State
22 plan approved under part A (as in effect
23 on September 30, 1995) during fiscal year
24 1995.

1 The minimum participation rate shall not be re-
2 duced to the extent that the Secretary deter-
3 mines that the reduction in the number of fami-
4 lies receiving such assistance is required by
5 Federal law.

6 “(B) ELIGIBILITY CHANGES NOT COUNT-
7 ED.—The regulations described in subpara-
8 graph (A) shall not take into account families
9 that are diverted from a State program funded
10 under this part as a result of differences in eli-
11 gibility criteria under a State program funded
12 under this part and eligibility criteria under the
13 State program operated under the State plan
14 approved under part A (as such plan and such
15 part were in effect on September 30, 1995).
16 Such regulations shall place the burden on the
17 Secretary to prove that such families were di-
18 verted as a direct result of differences in such
19 eligibility criteria.

20 “(4) STATE OPTION TO INCLUDE INDIVIDUALS
21 RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY
22 ASSISTANCE PLAN.—For purposes of paragraphs
23 (1)(B) and (2)(B), a State may, at its option, in-
24 clude families receiving assistance under a tribal
25 family assistance plan approved under section 412.

1 “(5) STATE OPTION FOR PARTICIPATION RE-
 2 QUIREMENT EXEMPTIONS.—For any fiscal year, a
 3 State may, at its option, not require an individual
 4 who is a single custodial parent caring for a child
 5 who has not attained 12 months of age to engage in
 6 work and may disregard such an individual in deter-
 7 mining the participation rates under subsection (a).

8 “(c) ENGAGED IN WORK.—

9 “(1) ALL FAMILIES.—For purposes of sub-
 10 section (b)(1)(B)(i), a recipient is engaged in work
 11 for a month in a fiscal year if the recipient is par-
 12 ticipating in work activities for at least the minimum
 13 average number of hours per week specified in the
 14 following table during the month, not fewer than 20
 15 hours per week of which are attributable to an activ-
 16 ity described in paragraph (1), (2), (3), (4), (5), (6),
 17 (7), or (8) of subsection (d):

“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 or thereafter	30.

18 “(2) 2-PARENT FAMILIES.—For purposes of
 19 subsection (b)(2)(B)(i), an adult is engaged in work
 20 for a month in a fiscal year if the adult is making
 21 progress in work activities for at least 35 hours per
 22 week during the month, not fewer than 30 hours per

1 week of which are attributable to an activity de-
2 scribed in paragraph (1), (2), (3), (4), (5), (6), (7),
3 or (8) of subsection (d).

4 “(3) LIMITATION ON NUMBER OF WEEKS FOR
5 WHICH JOB SEARCH COUNTS AS WORK.—Notwith-
6 standing paragraphs (1) and (2), an individual shall
7 not be considered to be engaged in work by virtue
8 of participation in an activity described in subsection
9 (d)(6), after the individual has participated in such
10 an activity for 8 weeks in a fiscal year, or if the par-
11 ticipation is for a week that is in a fiscal year and
12 that immediately follows 4 consecutive weeks of such
13 participation in the fiscal year. An individual shall
14 be considered to be participating in such an activity
15 for a week if the individual participates in such an
16 activity at any time during the week.

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

1 “(5) SINGLE PARENT WITH CHILD UNDER AGE
2 6 DEEMED TO BE MEETING WORK PARTICIPATION
3 REQUIREMENTS IF PARENT IS ENGAGED IN WORK
4 FOR 20 HOURS PER WEEK.—For purposes of deter-
5 mining monthly participation rates under subsection
6 (b)(1)(B)(i), a recipient in a 1-parent family who is
7 the parent of a child who has not attained 6 years
8 of age is deemed to be engaged in work for a month
9 if the recipient is engaged in work for an average
10 of at least 20 hours per week during the month.

11 “(6) TEEN HEAD OF HOUSEHOLD WHO MAIN-
12 TAINS SATISFACTORY SCHOOL ATTENDANCE
13 DEEMED TO BE MEETING WORK PARTICIPATION RE-
14 QUIREMENTS.—For purposes of determining month-
15 ly participation rates under subsection (b)(1)(B)(i),
16 a recipient who is a single head of household and
17 has not attained 20 years of age is deemed to be en-
18 gaged in work for a month in a fiscal year if the re-
19 cipient—

20 “(A) maintains satisfactory attendance at
21 secondary school or the equivalent during the
22 month; or

23 “(B) participates in education directly re-
24 lated to employment for at least the minimum

1 average number of hours per week specified in
2 the table set forth in paragraph (1).

3 “(d) WORK ACTIVITIES DEFINED.—As used in this
4 section, the term ‘work activities’ means—

5 “(1) unsubsidized employment;

6 “(2) subsidized private sector employment;

7 “(3) subsidized public sector employment;

8 “(4) work experience (including work associated
9 with the refurbishing of publicly assisted housing) if
10 sufficient private sector employment is not available;

11 “(5) on-the-job training;

12 “(6) job search and job readiness assistance;

13 “(7) community service programs;

14 “(8) vocational educational training (not to ex-
15 ceed 12 months with respect to any individual);

16 “(9) job skills training directly related to em-
17 ployment;

18 “(10) education directly related to employment,
19 in the case of a recipient who has not received a
20 high school diploma or a certificate of high school
21 equivalency; and

22 “(11) satisfactory attendance at secondary
23 school, in the case of a recipient who has not com-
24 pleted secondary school.

25 “(e) PENALTIES AGAINST INDIVIDUALS.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), if an adult in a family receiving assist-
3 ance under the State program funded under this
4 part refuses to engage in work required in accord-
5 ance with this section, the State shall—

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

11 “(B) terminate such assistance,
12 subject to such good cause and other exceptions as
13 the State may establish.

14 “(2) EXCEPTION.—Notwithstanding paragraph
15 (1), a State may not reduce or terminate assistance
16 under the State program funded under this part
17 based on a refusal of an adult to work if the adult
18 is a single custodial parent caring for a child who
19 has not attained 11 years of age, and the adult
20 proves that the adult has a demonstrated inability
21 (as determined by the State) to obtain needed child
22 care, for 1 or more of the following reasons:

23 “(A) Unavailability of appropriate child
24 care within a reasonable distance from the indi-
25 vidual’s home or work site.

1 “(B) Unavailability or unsuitability of in-
2 formal child care by a relative or under other
3 arrangements.

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

6 “(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 an adult in a family receiving assistance under a
9 State program funded under this part attributable to
10 funds provided by the Federal Government may fill
11 a vacant employment position in order to engage in
12 a work activity described in subsection (d).

13 “(2) NO FILLING OF CERTAIN VACANCIES.—No
14 adult in a work activity described in subsection (d)
15 which is funded, in whole or in part, by funds pro-
16 vided by the Federal Government shall be employed
17 or assigned—

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

21 “(B) if the employer has terminated the
22 employment of any regular employee or other-
23 wise 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 “(g) 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 “(h) SENSE OF THE CONGRESS THAT STATES
13 SHOULD IMPOSE CERTAIN REQUIREMENTS ON NON-
14 CUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the
15 sense of the Congress that the States should require non-
16 custodial, nonsupporting parents who have not attained 18
17 years of age to fulfill community work obligations and at-
18 tend appropriate parenting or money management classes
19 after school.

20 “(i) REVIEW OF IMPLEMENTATION OF STATE WORK
21 PROGRAMS.—During fiscal year 1999, the Committee on
22 Ways and Means of the House of Representatives and the
23 Committee on Finance of the Senate shall hold hearings
24 and engage in other appropriate activities to review the
25 implementation of this section by the States, and shall in-

1 vite the Governors of the States to testify before them re-
2 garding such implementation. Based on such hearings,
3 such Committees may introduce such legislation as may
4 be appropriate to remedy any problems with the State pro-
5 grams operated pursuant to this section.

6 **“SEC. 408. PROHIBITIONS; REQUIREMENTS.**

7 “(a) IN GENERAL.—

8 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A
9 MINOR CHILD.—A State to which a grant is made
10 under section 403 shall not use any part of the
11 grant to provide assistance to a family, unless the
12 family includes—

13 “(A) a minor child who resides with a cus-
14 todial parent or other adult caretaker relative of
15 the child; or

16 “(B) a pregnant individual.

17 “(2) NO ADDITIONAL CASH ASSISTANCE FOR
18 CHILDREN BORN TO FAMILIES RECEIVING ASSIST-
19 ANCE.—

20 “(A) GENERAL RULE.—A State to which a
21 grant is made under section 403 shall not use
22 any part of the grant to provide cash benefits
23 for a minor child who is born to—

24 “(i) a recipient of assistance under
25 the program operated under this part; or

1 “(ii) a person who received such as-
2 sistance at any time during the 10-month
3 period ending with the birth of the child.

4 “(B) EXCEPTION FOR CHILDREN BORN
5 INTO FAMILIES WITH NO OTHER CHILDREN.—
6 Subparagraph (A) shall not apply to a minor
7 child who is born into a family that does not in-
8 clude any other children.

9 “(C) EXCEPTION FOR VOUCHERS.—Sub-
10 paragraph (A) shall not apply to vouchers
11 which are provided in lieu of cash benefits and
12 which may be used only to pay for particular
13 goods and services specified by the State as
14 suitable for the care of the child involved.

15 “(D) EXCEPTION FOR RAPE OR INCEST.—
16 Subparagraph (A) shall not apply with respect
17 to a child who is born as a result of rape or in-
18 cest.

19 “(E) STATE ELECTION TO OPT OUT.—Sub-
20 paragraph (A) shall not apply to a State if
21 State law specifically exempts the State pro-
22 gram funded under this part from the applica-
23 tion of subparagraph (A).

1 “(F) SUBSTITUTION OF FAMILY CAPS IN
2 EFFECT UNDER WAIVERS.—Subparagraph (A)
3 shall not apply to a State—

4 “(i) if, as of the date of the enactment
5 of this part, there is in effect a waiver ap-
6 proved by the Secretary under section
7 1115 which permits the State to deny aid
8 under the State plan approved under part
9 A of this title (as in effect without regard
10 to the amendments made by subtitle A of
11 the Personal Responsibility and Work Op-
12 portunity Act of 1996) to a family by rea-
13 son of the birth of a child to a family
14 member otherwise eligible for such aid; and

15 “(ii) for so long as the State contin-
16 ues to implement such policy under the
17 State program funded under this part,
18 under rules prescribed by the State.

19 “(3) REDUCTION OR ELIMINATION OF ASSIST-
20 ANCE FOR NONCOOPERATION IN ESTABLISHING PA-
21 TERNITY OR OBTAINING CHILD SUPPORT.—If the
22 agency responsible for administering the State plan
23 approved under part D determines that an individual
24 is not cooperating with the State in establishing pa-
25 ternity or in establishing, modifying, or enforcing a

1 support order with respect to a child of the individ-
2 ual, and the individual does not qualify for any good
3 cause or other exception established by the State
4 pursuant to section 454(29), then the State—

5 “(A) shall deduct from the assistance that
6 would otherwise be provided to the family of the
7 individual under the State program funded
8 under this part the share of such assistance at-
9 tributable to the individual; and

10 “(B) may deny the family any assistance
11 under the State program.

12 “(4) NO ASSISTANCE FOR FAMILIES NOT AS-
13 SIGNING CERTAIN SUPPORT RIGHTS TO THE
14 STATE.—

15 “(A) IN GENERAL.—A State to which a
16 grant is made under section 403 shall require,
17 as a condition of providing assistance to a fam-
18 ily under the State program funded under this
19 part, that a member of the family assign to the
20 State any rights the family member may have
21 (on behalf of the family member or of any other
22 person for whom the family member has applied
23 for or is receiving such assistance) to support
24 from any other person, not exceeding the total
25 amount of assistance so provided to the family,

1 which accrue (or have accrued) before the date
2 the family leaves the program, which assign-
3 ment, on and after the date the family leaves
4 the program, shall not apply with respect to any
5 support (other than support collected pursuant
6 to section 464) which accrued before the family
7 received such assistance and which the State
8 has not collected by—

9 “(i) September 30, 2000, if the as-
10 signment is executed on or after October 1,
11 1997, and before October 1, 2000; or

12 “(ii) the date the family leaves the
13 program, if the assignment is executed on
14 or after October 1, 2000.

15 “(B) LIMITATION.—A State to which a
16 grant is made under section 403 shall not re-
17 quire, as a condition of providing assistance to
18 any family under the State program funded
19 under this part, that a member of the family
20 assign to the State any rights to support de-
21 scribed in subparagraph (A) which accrue after
22 the date the family leaves the program.

23 “(5) NO ASSISTANCE FOR TEENAGE PARENTS
24 WHO DO NOT ATTEND HIGH SCHOOL OR OTHER
25 EQUIVALENT TRAINING PROGRAM.—A State to

1 which a grant is made under section 403 shall not
2 use any part of the grant to provide assistance to an
3 individual who has not attained 18 years of age, is
4 not married, has a minor child at least 12 weeks of
5 age in his or her care, and has not successfully com-
6 pleted a high-school education (or its equivalent), if
7 the individual does not participate in—

8 “(A) educational activities directed toward
9 the attainment of a high school diploma or its
10 equivalent; or

11 “(B) an alternative educational or training
12 program that has been approved by the State.

13 “(6) NO ASSISTANCE FOR TEENAGE PARENTS
14 NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

15 “(A) IN GENERAL.—

16 “(i) REQUIREMENT.—Except as pro-
17 vided in subparagraph (B), a State to
18 which a grant is made under section 403
19 shall not use any part of the grant to pro-
20 vide assistance to an individual described
21 in clause (ii) of this subparagraph if the
22 individual and the minor child referred to
23 in clause (ii)(II) do not reside in a place of
24 residence maintained by a parent, legal
25 guardian, or other adult relative of the in-

1 dividual as such parent's, guardian's, or
2 adult relative's own home.

3 “(ii) INDIVIDUAL DESCRIBED.— For
4 purposes of clause (i), an individual de-
5 scribed in this clause is an individual
6 who—

7 “(I) has not attained 18 years of
8 age; and

9 “(II) is not married, and has a
10 minor child in his or her care.

11 “(B) EXCEPTION.—

12 “(i) PROVISION OF, OR ASSISTANCE IN
13 LOCATING, ADULT-SUPERVISED LIVING AR-
14 RANGEMENT.—In the case of an individual
15 who is described in clause (ii), the State
16 agency referred to in section 402(a)(4)
17 shall provide, or assist the individual in lo-
18 cating, a second chance home, maternity
19 home, or other appropriate adult-super-
20 vised supportive living arrangement, taking
21 into consideration the needs and concerns
22 of the individual, unless the State agency
23 determines that the individual's current
24 living arrangement is appropriate, and
25 thereafter shall require that the individual

1 and the minor child referred to in subpara-
2 graph (A)(ii)(II) reside in such living ar-
3 rangement as a condition of the continued
4 receipt of assistance under the State pro-
5 gram funded under this part attributable
6 to funds provided by the Federal Govern-
7 ment (or in an alternative appropriate ar-
8 rangement, should circumstances change
9 and the current arrangement cease to be
10 appropriate).

11 “(ii) INDIVIDUAL DESCRIBED.—For
12 purposes of clause (i), an individual is de-
13 scribed in this clause if the individual is
14 described in subparagraph (A)(ii), and—

15 “(I) the individual has no parent,
16 legal guardian or other appropriate
17 adult relative described in subclause
18 (II) of his or her own who is living or
19 whose whereabouts are known;

20 “(II) no living parent, legal
21 guardian, or other appropriate adult
22 relative, who would otherwise meet
23 applicable State criteria to act as the
24 individual’s legal guardian, of such in-
25 dividual allows the individual to live in

1 the home of such parent, guardian, or
2 relative;

3 “(III) the State agency deter-
4 mines that—

5 “(aa) the individual or the
6 minor child referred to in sub-
7 paragraph (A)(ii)(II) is being or
8 has been subjected to serious
9 physical or emotional harm, sex-
10 ual abuse, or exploitation in the
11 residence of the individual’s own
12 parent or legal guardian; or

13 “(bb) substantial evidence
14 exists of an act or failure to act
15 that presents an imminent or se-
16 rious harm if the individual and
17 the minor child lived in the same
18 residence with the individual’s
19 own parent or legal guardian; or

20 “(IV) the State agency otherwise
21 determines that it is in the best inter-
22 est of the minor child to waive the re-
23 quirement of subparagraph (A) with
24 respect to the individual or the minor
25 child.

1 “(iii) SECOND-CHANCE HOME.—For
2 purposes of this subparagraph, the term
3 ‘second-chance home’ means an entity that
4 provides individuals described in clause (ii)
5 with a supportive and supervised living ar-
6 rangement in which such individuals are
7 required to learn parenting skills, including
8 child development, family budgeting, health
9 and nutrition, and other skills to promote
10 their long-term economic independence and
11 the well-being of their children.

12 “(7) NO MEDICAL SERVICES.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), a State to which a grant is
15 made under section 403 shall not use any part
16 of the grant to provide medical services.

17 “(B) EXCEPTION FOR FAMILY PLANNING
18 SERVICES.—As used in subparagraph (A), the
19 term ‘medical services’ does not include family
20 planning services.

21 “(8) NO ASSISTANCE FOR MORE THAN 5
22 YEARS.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraphs (B) and (C), a State to which a
25 grant is made under section 403 shall not use

1 any part of the grant to provide assistance to
2 a family that includes an adult who has re-
3 ceived assistance under any State program
4 funded under this part attributable to funds
5 provided by the Federal Government, for 60
6 months (whether or not consecutive) after the
7 date the State program funded under this part
8 commences.

9 “(B) MINOR CHILD EXCEPTION.—In deter-
10 mining the number of months for which an in-
11 dividual who is a parent or pregnant has re-
12 ceived assistance under the State program
13 funded under this part, the State shall dis-
14 regard any month for which such assistance
15 was provided with respect to the individual and
16 during which the individual was—

17 “(i) a minor child; and

18 “(ii) not the head of a household or
19 married to the head of a household.

20 “(C) HARDSHIP EXCEPTION.—

21 “(i) IN GENERAL.—The State may ex-
22 empt a family from the application of sub-
23 paragraph (A) by reason of hardship or if
24 the family includes an individual who has

1 been battered or subjected to extreme cru-
2 elty.

3 “(ii) LIMITATION.—The number of
4 families with respect to which an exemp-
5 tion made by a State under clause (i) is in
6 effect for a fiscal year shall not exceed 20
7 percent of the average monthly number of
8 families to which assistance is provided
9 under the State program funded under this
10 part.

11 “(iii) BATTERED OR SUBJECT TO EX-
12 TREME CRUELTY DEFINED.—For purposes
13 of clause (i), an individual has been bat-
14 tered or subjected to extreme cruelty if the
15 individual has been subjected to—

16 “(I) physical acts that resulted
17 in, or threatened to result in, physical
18 injury to the individual;

19 “(II) sexual abuse;

20 “(III) sexual activity involving a
21 dependent child;

22 “(IV) being forced as the care-
23 taker relative of a dependent child to
24 engage in nonconsensual sexual acts
25 or activities;

1 “(V) threats of, or attempts at,
2 physical or sexual abuse;

3 “(VI) mental abuse; or

4 “(VII) neglect or deprivation of
5 medical care.

6 “(D) RULE OF INTERPRETATION.—Sub-
7 paragraph (A) shall not be interpreted to re-
8 quire any State to provide assistance to any in-
9 dividual for any period of time under the State
10 program funded under this part.

11 “(E) RULE OF INTERPRETATION.—This
12 part shall not be interpreted to prohibit any
13 State from expending State funds not originat-
14 ing with the Federal Government on benefits
15 for children or families that have become ineli-
16 gible for assistance under the State program
17 funded under this part by reason of subpara-
18 graph (A).

19 “(9) DENIAL OF ASSISTANCE FOR 10 YEARS TO
20 A PERSON FOUND TO HAVE FRAUDULENTLY MIS-
21 REPRESENTED RESIDENCE IN ORDER TO OBTAIN AS-
22 SISTANCE IN 2 OR MORE STATES.—A State to which
23 a grant is made under section 403 shall not use any
24 part of the grant to provide cash assistance to an in-
25 dividual during the 10-year period that begins on

1 the date the individual is convicted in Federal or
2 State court of having made a fraudulent statement
3 or representation with respect to the place of resi-
4 dence of the individual in order to receive assistance
5 simultaneously from 2 or more States under pro-
6 grams that are funded under this title, title XIX, or
7 the Food Stamp Act of 1977, or benefits in 2 or
8 more States under the supplemental security income
9 program under title XVI. The preceding sentence
10 shall not apply with respect to a conviction of an
11 individual, for any month beginning after the Presi-
12 dent of the United States grants a pardon with re-
13 spect to the conduct which was the subject of the
14 conviction.

15 “(10) DENIAL OF ASSISTANCE FOR FUGITIVE
16 FELONS AND PROBATION AND PAROLE VIOLA-
17 TORS.—

18 “(A) IN GENERAL.—A State to which a
19 grant is made under section 403 shall not use
20 any part of the grant to provide assistance to
21 any individual who is—

22 “(i) fleeing to avoid prosecution, or
23 custody or confinement after conviction,
24 under the laws of the place from which the
25 individual flees, for a crime, or an attempt

1 to commit a crime, which is a felony under
2 the laws of the place from which the indi-
3 vidual flees, or which, in the case of the
4 State of New Jersey, is a high mis-
5 demeanor under the laws of such State; or

6 “(ii) violating a condition of probation
7 or parole imposed under Federal or State
8 law.

9 The preceding sentence shall not apply with re-
10 spect to conduct of an individual, for any month
11 beginning after the President of the United
12 States grants a pardon with respect to the con-
13 duct.

14 “(B) EXCHANGE OF INFORMATION WITH
15 LAW ENFORCEMENT AGENCIES.—If a State to
16 which a grant is made under section 403 estab-
17 lishes safeguards against the use or disclosure
18 of information about applicants or recipients of
19 assistance under the State program funded
20 under this part, the safeguards shall not pre-
21 vent the State agency administering the pro-
22 gram from furnishing a Federal, State, or local
23 law enforcement officer, upon the request of the
24 officer, with the current address of any recipi-
25 ent if the officer furnishes the agency with the

1 name of the recipient and notifies the agency
2 that—

3 “(i) the recipient—

4 “(I) is described in subparagraph
5 (A); or

6 “(II) has information that is nec-
7 essary for the officer to conduct the
8 official duties of the officer; and

9 “(ii) the location or apprehension of
10 the recipient is within such official duties.

11 “(11) DENIAL OF ASSISTANCE FOR MINOR
12 CHILDREN WHO ARE ABSENT FROM THE HOME FOR
13 A SIGNIFICANT PERIOD.—

14 “(A) IN GENERAL.—A State to which a
15 grant is made under section 403 shall not use
16 any part of the grant to provide assistance for
17 a minor child who has been, or is expected by
18 a parent (or other caretaker relative) of the
19 child to be, absent from the home for a period
20 of 45 consecutive days or, at the option of the
21 State, such period of not less than 30 and not
22 more than 180 consecutive days as the State
23 may provide for in the State plan submitted
24 pursuant to section 402.

1 “(B) STATE AUTHORITY TO ESTABLISH
2 GOOD CAUSE EXCEPTIONS.—The State may es-
3 tablish such good cause exceptions to subpara-
4 graph (A) as the State considers appropriate if
5 such exceptions are provided for in the State
6 plan submitted pursuant to section 402.

7 “(C) DENIAL OF ASSISTANCE FOR REL-
8 ATIVE WHO FAILS TO NOTIFY STATE AGENCY
9 OF ABSENCE OF CHILD.—A State to which a
10 grant is made under section 403 shall not use
11 any part of the grant to provide assistance for
12 an individual who is a parent (or other care-
13 taker relative) of a minor child and who fails to
14 notify the agency administering the State pro-
15 gram funded under this part of the absence of
16 the minor child from the home for the period
17 specified in or provided for pursuant to sub-
18 paragraph (A), by the end of the 5-day period
19 that begins with the date that it becomes clear
20 to the parent (or relative) that the minor child
21 will be absent for such period so specified or
22 provided for.

23 “(12) INCOME SECURITY PAYMENTS NOT TO BE
24 DISREGARDED IN DETERMINING THE AMOUNT OF
25 ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a

1 State to which a grant is made under section 403
2 uses any part of the grant to provide assistance for
3 any individual who is receiving benefits, or on behalf
4 of whom benefits are paid, under a State plan for
5 old-age assistance approved under section 2, under
6 section 202, 205(j)(1), 223, or 228, under a State
7 program funded under part E that provides cash
8 payments for foster care, or under the supplemental
9 security income program under title XVI, then the
10 State may disregard the payment in determining the
11 amount of assistance to be provided under the State
12 program funded under this part, from funds pro-
13 vided by the Federal Government, to the family of
14 which the individual is a member.

15 “(13) MEDICAL ASSISTANCE REQUIRED TO BE
16 PROVIDED FOR 1 YEAR FOR FAMILIES BECOMING IN-
17 ELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART
18 DUE TO INCREASED EARNINGS FROM EMPLOY-
19 MENT.—A State to which a grant is made under sec-
20 tion 403 shall take such action as may be necessary
21 to ensure that, if an individual or family becomes in-
22 eligible to receive cash assistance under the State
23 program funded under this part as a result of in-
24 creased earnings from employment, having received
25 such assistance in at least 3 of the 6 months imme-

1 diately preceding the month in which such ineligibil-
2 ity begins, the individual (or in the case of a family,
3 each individual in the family) shall be eligible for
4 medical assistance under the State's plan approved
5 under title XIX during the immediately succeeding
6 12-month period for so long as family income (as de-
7 fined by the State), excluding any refund of Federal
8 income taxes made by reason of section 32 of the In-
9 ternal Revenue Code of 1986 (relating to earned in-
10 come tax credit) and any payment made by an em-
11 ployer under section 3507 of such Code (relating to
12 advance payment of earned income credit), is less
13 than the poverty line, and that the family will be ap-
14 propriately notified of such eligibility.

15 “(14) MEDICAL ASSISTANCE REQUIRED TO BE
16 PROVIDED FOR 4 MONTHS FOR FAMILIES BECOMING
17 INELIGIBLE FOR CASH ASSISTANCE UNDER THIS
18 PART DUE TO COLLECTION OF CHILD SUPPORT.—A
19 State to which a grant is made under section 403
20 shall take such action as may be necessary to ensure
21 that, if any individual or family becomes ineligible to
22 receive cash assistance under the State program
23 funded under this part as a result of the collection
24 or increased collection of child or spousal support
25 under part D, having received such assistance in at

1 least 3 of the 6 months immediately preceding the
2 month in which such ineligibility begins, the individ-
3 ual (or, in the case of a family, each individual in
4 the family) shall be eligible for medical assistance
5 under the State's plan approved under title XIX
6 during the 4-month period beginning with the month
7 in which such ineligibility begins.

8 “(15) MEDICAL ASSISTANCE REQUIRED TO BE
9 PROVIDED FOR CERTAIN INDIVIDUALS.—A State to
10 which a grant is made under section 403 shall take
11 such action as may be necessary to ensure that,
12 under section 1931, individuals who would be eligible
13 for cash assistance under the State plan approved
14 under this part (as in effect as of July 16, 1996) if
15 such State plan were still in effect are eligible for
16 medical assistance under the State's plan approved
17 under title XIX.

18 “(b) INDIVIDUAL RESPONSIBILITY PLANS.—

19 “(1) ASSESSMENT.—The State agency respon-
20 sible for administering the State program funded
21 under this part shall make an initial assessment of
22 the skills, prior work experience, and employability
23 of each recipient of assistance under the program
24 who—

25 “(A) has attained 18 years of age; or

1 “(B) has not completed high school or ob-
2 tained a certificate of high school equivalency,
3 and is not attending secondary school.

4 “(2) CONTENTS OF PLANS.—

5 “(A) IN GENERAL.—On the basis of the
6 assessment made under subsection (a) with re-
7 spect to an individual, the State agency, in con-
8 sultation with the individual, may develop an
9 individual responsibility plan for the individual,
10 which—

11 “(i) sets forth an employment goal for
12 the individual and a plan for moving the
13 individual immediately into private sector
14 employment;

15 “(ii) sets forth the obligations of the
16 individual, which may include a require-
17 ment that the individual attend school,
18 maintain certain grades and attendance,
19 keep school age children of the individual
20 in school, immunize children, attend
21 parenting and money management classes,
22 or do other things that will help the indi-
23 vidual become and remain employed in the
24 private sector;

1 “(iii) to the greatest extent possible is
2 designed to move the individual into what-
3 ever private sector employment the individ-
4 ual is capable of handling as quickly as
5 possible, and to increase the responsibility
6 and amount of work the individual is to
7 handle over time;

8 “(iv) describes the services the State
9 will provide the individual so that the indi-
10 vidual will be able to obtain and keep em-
11 ployment in the private sector, and de-
12 scribe the job counseling and other services
13 that will be provided by the State; and

14 “(v) may require the individual to un-
15 dergo appropriate substance abuse treat-
16 ment.

17 “(B) TIMING.—The State agency may
18 comply with paragraph (1) with respect to an
19 individual—

20 “(i) within 90 days (or, at the option
21 of the State, 180 days) after the effective
22 date of this part, in the case of an individ-
23 ual who, as of such effective date, is a re-
24 cipient of aid under the State plan ap-

1 proved under part A (as in effect imme-
2 diately before such effective date); or

3 “(ii) within 30 days (or, at the option
4 of the State, 90 days) after the individual
5 is determined to be eligible for such assist-
6 ance, in the case of any other individual.

7 “(3) PENALTY FOR NONCOMPLIANCE BY INDI-
8 VIDUAL.—In addition to any other penalties required
9 under the State program funded under this part, the
10 State may reduce, by such amount as the State con-
11 siders appropriate, the amount of assistance other-
12 wise payable under the State program to a family
13 that includes an individual who fails without good
14 cause to comply with an individual responsibility
15 plan signed by the individual.

16 “(4) STATE DISCRETION.—The exercise of the
17 authority of this subsection shall be within the sole
18 discretion of the State.

19 “(c) ALIENS.—For special rules relating to the treat-
20 ment of aliens, see section 4402 of the Personal Respon-
21 sibility and Work Opportunity Act of 1996.

22 **“SEC. 409. PENALTIES.**

23 “(a) IN GENERAL.—Subject to this section:

24 “(1) USE OF GRANT IN VIOLATION OF THIS
25 PART.—

1 “(A) GENERAL PENALTY.—If an audit
2 conducted under chapter 75 of title 31, United
3 States Code, finds that an amount paid to a
4 State under section 403 for a fiscal year has
5 been used in violation of this part, the Sec-
6 retary shall reduce the grant payable to the
7 State under section 403(a)(1) for the imme-
8 diately succeeding fiscal year quarter by the
9 amount so used.

10 “(B) ENHANCED PENALTY FOR INTEN-
11 TIONAL VIOLATIONS.—If the State does not
12 prove to the satisfaction of the Secretary that
13 the State did not intend to use the amount in
14 violation of this part, the Secretary shall fur-
15 ther reduce the grant payable to the State
16 under section 403(a)(1) for the immediately
17 succeeding fiscal year quarter by an amount
18 equal to 5 percent of the State family assist-
19 ance grant.

20 “(2) FAILURE TO SUBMIT REQUIRED RE-
21 PORT.—

22 “(A) IN GENERAL.—If the Secretary deter-
23 mines that a State has not, within 1 month
24 after the end of a fiscal quarter, submitted the
25 report required by section 411(a) for the quar-

1 ter, the Secretary shall reduce the grant pay-
2 able to the State under section 403(a)(1) for
3 the immediately succeeding fiscal year by an
4 amount equal to 4 percent of the State family
5 assistance grant.

6 “(B) RESCISSION OF PENALTY.—The Sec-
7 retary shall rescind a penalty imposed on a
8 State under subparagraph (A) with respect to a
9 report if the State submits the report before the
10 end of the fiscal quarter that immediately suc-
11 ceeds the fiscal quarter for which the report
12 was required.

13 “(3) FAILURE TO SATISFY MINIMUM PARTICIPA-
14 TION RATES.—

15 “(A) IN GENERAL.—If the Secretary deter-
16 mines that a State to which a grant is made
17 under section 403 for a fiscal year has failed to
18 comply with section 407(a) for the fiscal year,
19 the Secretary shall reduce the grant payable to
20 the State under section 403(a)(1) for the imme-
21 diately succeeding fiscal year by an amount
22 equal to not more than 5 percent of the State
23 family assistance grant.

24 “(B) PENALTY BASED ON SEVERITY OF
25 FAILURE.—The Secretary shall impose reduc-

1 tions under subparagraph (A) based on the de-
2 gree of noncompliance, and may reduce the
3 penalty if the State experiences an economic
4 downturn that leads to significantly greater un-
5 employment.

6 “(4) FAILURE TO PARTICIPATE IN THE INCOME
7 AND ELIGIBILITY VERIFICATION SYSTEM.—If the
8 Secretary determines that a State program funded
9 under this part is not participating during a fiscal
10 year in the income and eligibility verification system
11 required by section 1137, the Secretary shall reduce
12 the grant payable to the State under section
13 403(a)(1) for the immediately succeeding fiscal year
14 by an amount equal to not more than 2 percent of
15 the State family assistance grant.

16 “(5) FAILURE TO COMPLY WITH PATERNITY ES-
17 TABLISHMENT AND CHILD SUPPORT ENFORCEMENT
18 REQUIREMENTS UNDER PART D.—Notwithstanding
19 any other provision of this Act, if the Secretary de-
20 termines that the State agency that administers a
21 program funded under this part does not enforce the
22 penalties requested by the agency administering part
23 D against recipients of assistance under the State
24 program who fail to cooperate in establishing pater-
25 nity or in establishing, modifying, or enforcing a

1 child support order in accordance with such part and
2 who do not qualify for any good cause or other ex-
3 ception established by the State under section
4 454(29), the Secretary shall reduce the grant pay-
5 able to the State under section 403(a)(1) for the im-
6 mediately succeeding fiscal year (without regard to
7 this section) by not more than 5 percent.

8 “(6) FAILURE TO TIMELY REPAY A FEDERAL
9 LOAN FUND FOR STATE WELFARE PROGRAMS.—If
10 the Secretary determines that a State has failed to
11 repay any amount borrowed from the Federal Loan
12 Fund for State Welfare Programs established under
13 section 406 within the period of maturity applicable
14 to the loan, plus any interest owed on the loan, the
15 Secretary shall reduce the grant payable to the State
16 under section 403(a)(1) for the immediately succeed-
17 ing fiscal year quarter (without regard to this sec-
18 tion) by the outstanding loan amount, plus the inter-
19 est owed on the outstanding amount. The Secretary
20 shall not forgive any outstanding loan amount or in-
21 terest owed on the outstanding amount.

22 “(7) FAILURE OF ANY STATE TO MAINTAIN
23 CERTAIN LEVEL OF HISTORIC EFFORT.—

24 “(A) IN GENERAL.—The Secretary shall
25 reduce the grant payable to the State under

1 section 403(a)(1) for fiscal year 1998, 1999,
2 2000, 2001, or 2002 by the amount (if any) by
3 which qualified State expenditures for the then
4 immediately preceding fiscal year are less than
5 the applicable percentage of historic State ex-
6 penditures with respect to such preceding fiscal
7 year.

8 “(B) DEFINITIONS.—As used in this para-
9 graph:

10 “(i) QUALIFIED STATE EXPENDI-
11 TURES.—

12 “(I) IN GENERAL.—The term
13 ‘qualified State expenditures’ means,
14 with respect to a State and a fiscal
15 year, the total expenditures by the
16 State during the fiscal year, under all
17 State programs, for any of the follow-
18 ing with respect to eligible families:

19 “(aa) Cash assistance.

20 “(bb) Child care assistance.

21 “(cc) Educational activities
22 designed to increase self-suffi-
23 ciency, job training, and work,
24 excluding any expenditure for
25 public education in the State ex-

1 cept expenditures which involve
2 the provision of services or assist-
3 ance to a member of an eligible
4 family which is not generally
5 available to persons who are not
6 members of an eligible family.

7 “(dd) Administrative costs
8 in connection with the matters
9 described in items (aa), (bb),
10 (cc), and (ee), but only to the ex-
11 tent that such costs do not ex-
12 ceed 15 percent of the total
13 amount of qualified State ex-
14 penditures for the fiscal year.

15 “(ee) Any other use of funds
16 allowable under section
17 404(a)(1).

18 “(II) EXCLUSION OF TRANSFERS
19 FROM OTHER STATE AND LOCAL PRO-
20 GRAMS.—Such term does not include
21 expenditures under any State or local
22 program during a fiscal year, except
23 to the extent that—

24 “(aa) the expenditures ex-
25 ceed the amount expended under

1 the State or local program in the
2 fiscal year most recently ending
3 before the date of the enactment
4 of this part; or

5 “(bb) the State is entitled to
6 a payment under former section
7 403 (as in effect immediately be-
8 fore such date of enactment) with
9 respect to the expenditures.

10 “(III) ELIGIBLE FAMILIES.—As
11 used in subclause (I), the term ‘eligi-
12 ble families’ means families eligible
13 for assistance under the State pro-
14 gram funded under this part, and
15 families that would be eligible for such
16 assistance but for the application of
17 section 408(a)(8) of this Act or sec-
18 tion 4402 of the Personal Responsibil-
19 ity and Work Opportunity Act of
20 1996.

21 “(ii) APPLICABLE PERCENTAGE.—The
22 term ‘applicable percentage’ means for fis-
23 cal years 1997 through 2001, 80 percent
24 (or, if the State meets the requirements of
25 section 407(a) for the fiscal year, 75 per-

1 cent) reduced (if appropriate) in accord-
2 ance with subparagraph (C)(ii).

3 “(iii) HISTORIC STATE EXPENDI-
4 TURES.—The term ‘historic State expendi-
5 tures’ means, with respect to a State, the
6 lesser of—

7 “(I) the expenditures by the
8 State under parts A and F (as in ef-
9 fect during fiscal year 1994) for fiscal
10 year 1994; or

11 “(II) the amount which bears the
12 same ratio to the amount described in
13 subclause (I) as—

14 “(aa) the State family as-
15 sistance grant, plus the total
16 amount required to be paid to
17 the State under former section
18 403 for fiscal year 1994 with re-
19 spect to amounts expended by
20 the State for child care under
21 subsection (g) or (i) of section
22 402 (as in effect during fiscal
23 year 1994); bears to

24 “(bb) the total amount re-
25 quired to be paid to the State

1 under former section 403 (as in
2 effect during fiscal year 1994)
3 for fiscal year 1994.

4 Such term does not include any expendi-
5 tures under the State plan approved under
6 part A (as so in effect) on behalf of indi-
7 viduals covered by a tribal family assist-
8 ance plan approved under section 412, as
9 determined by the Secretary.

10 “(iv) EXPENDITURES BY THE
11 STATE.—The term ‘expenditures by the
12 State’ does not include—

13 “(I) any expenditures from
14 amounts made available by the Fed-
15 eral Government;

16 “(II) State funds expended for
17 the medicaid program under title
18 XIX; or

19 “(III) any State funds which are
20 used to match Federal funds or are
21 expended as a condition of receiving
22 Federal funds under Federal pro-
23 grams other than under this part.

24 “(C) APPLICABLE PERCENTAGE REDUCED
25 FOR HIGH PERFORMANCE STATES.—

1 “(i) DETERMINATION OF HIGH PER-
2 FORMANCE STATES.—The Secretary shall
3 use the formula developed under section
4 403(a)(4)(C) to assign a score to each eli-
5 gible State that represents the perform-
6 ance of the State program funded under
7 this part for each fiscal year, and shall
8 prescribe a performance threshold which
9 the Secretary shall use to determine
10 whether to reduce the applicable percent-
11 age with respect to any eligible State for a
12 fiscal year.

13 “(ii) REDUCTION PROPORTIONAL TO
14 PERFORMANCE.—The Secretary shall re-
15 duce the applicable percentage for a fiscal
16 year with respect to each eligible State by
17 an amount which is directly proportional to
18 the amount (if any) by which the score as-
19 signed to the State under clause (i) for the
20 immediately preceding fiscal year exceeds
21 the performance threshold prescribed
22 under clause (i) for such preceding fiscal
23 year, subject to clause (iii).

24 “(iii) LIMITATION ON REDUCTION.—
25 The applicable percentage for a fiscal year

1 with respect to a State may not be reduced
2 by more than 8 percentage points under
3 this subparagraph.

4 “(8) SUBSTANTIAL NONCOMPLIANCE OF STATE
5 CHILD SUPPORT ENFORCEMENT PROGRAM WITH RE-
6 QUIREMENTS OF PART D.—

7 “(A) IN GENERAL.—If a State program
8 operated under part D is found as a result of
9 a review conducted under section 452(a)(4) not
10 to have complied substantially with the require-
11 ments of such part for any quarter, and the
12 Secretary determines that the program is not
13 complying substantially with such requirements
14 at the time the finding is made, the Secretary
15 shall reduce the grant payable to the State
16 under section 403(a)(1) for the quarter and
17 each subsequent quarter that ends before the
18 1st quarter throughout which the program is
19 found to be in substantial compliance with such
20 requirements by—

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

23 “(ii) not less than 2 nor more than 3
24 percent, if the finding is the 2nd consecu-

1 tive such finding made as a result of such
2 a review; or

3 “(iii) not less than 3 nor more than 5
4 percent, if the finding is the 3rd or a sub-
5 sequent consecutive such finding made as a
6 result of such a review.

7 “(B) DISREGARD OF NONCOMPLIANCE
8 WHICH IS OF A TECHNICAL NATURE.—For pur-
9 poses of subparagraph (A) and section
10 452(a)(4), a State which is not in full compli-
11 ance with the requirements of this part shall be
12 determined to be in substantial compliance with
13 such requirements only if the Secretary deter-
14 mines that any noncompliance with such re-
15 quirements is of a technical nature which does
16 not adversely affect the performance of the
17 State’s program operated under part D.

18 “(9) FAILURE OF STATE RECEIVING AMOUNTS
19 FROM CONTINGENCY FUND TO MAINTAIN 100 PER-
20 CENT OF HISTORIC EFFORT.—If, at the end of any
21 fiscal year during which amounts from the Contingency
22 Fund for State Welfare Programs have been
23 paid to a State, the Secretary finds that the expendi-
24 tures under the State program funded under this
25 part for the fiscal year are less than 100 percent of

1 historic State expenditures (as defined in paragraph
2 (8)(B)(iii) of this subsection), the Secretary shall re-
3 duce the grant payable to the State under section
4 403(a)(1) for the immediately succeeding fiscal year
5 by the total of the amounts so paid to the State.

6 “(10) FAILURE TO EXPEND ADDITIONAL STATE
7 FUNDS TO REPLACE GRANT REDUCTIONS.—If the
8 grant payable to a State under section 403(a)(1) for
9 a fiscal year is reduced by reason of this subsection,
10 the State shall, during the immediately succeeding
11 fiscal year, expend under the State program funded
12 under this part an amount equal to the total amount
13 of such reductions.

14 “(11) FAILURE TO PROVIDE MEDICAL ASSIST-
15 ANCE TO FAMILIES BECOMING INELIGIBLE FOR
16 CASH ASSISTANCE UNDER THIS PART DUE TO IN-
17 CREASED EARNINGS FROM EMPLOYMENT OR COL-
18 LECTION OF CHILD SUPPORT.—

19 “(A) IN GENERAL.—If the Secretary deter-
20 mines that a State program funded under this
21 part is not in compliance with paragraph (13)
22 or (14) of section 408(a) for a quarter, the Sec-
23 retary shall reduce the grant payable to the
24 State under section 403(a)(1) for the imme-
25 diately succeeding fiscal year by an amount

1 equal to not more than 5 percent of the State
2 family assistance grant.

3 “(B) PENALTY BASED ON SEVERITY OF
4 FAILURE.—The Secretary shall impose reduc-
5 tions under subparagraph (A) based on the de-
6 gree of noncompliance.

7 “(b) REASONABLE CAUSE EXCEPTION.—

8 “(1) IN GENERAL.—The Secretary may not im-
9 pose a penalty on a State under subsection (a) with
10 respect to a requirement if the Secretary determines
11 that the State has reasonable cause for failing to
12 comply with the requirement.

13 “(2) EXCEPTION.—Paragraph (1) of this sub-
14 section shall not apply to any penalty under para-
15 graph (7), (8), or (11) of subsection (a).

16 “(c) CORRECTIVE COMPLIANCE PLAN.—

17 “(1) IN GENERAL.—

18 “(A) NOTIFICATION OF VIOLATION.—Be-
19 fore imposing a penalty against a State under
20 subsection (a) with respect to a violation of this
21 part, the Secretary shall notify the State of the
22 violation and allow the State the opportunity to
23 enter into a corrective compliance plan in ac-
24 cordance with this subsection which outlines
25 how the State will correct the violation and how

1 the State will insure continuing compliance with
2 this part.

3 “(B) 60-DAY PERIOD TO PROPOSE A COR-
4 RECTIVE COMPLIANCE PLAN.—During the 60-
5 day period that begins on the date the State re-
6 ceives a notice provided under subparagraph
7 (A) with respect to a violation, the State may
8 submit to the Federal Government a corrective
9 compliance plan to correct the violation.

10 “(C) CONSULTATION ABOUT MODIFICA-
11 TIONS.—During the 60-day period that begins
12 with the date the Secretary receives a corrective
13 compliance plan submitted by a State in accord-
14 ance with subparagraph (B), the Secretary may
15 consult with the State on modifications to the
16 plan.

17 “(D) ACCEPTANCE OF PLAN.— A correc-
18 tive compliance plan submitted by a State in ac-
19 cordance with subparagraph (B) is deemed to
20 be accepted by the Secretary if the Secretary
21 does not accept or reject the plan during 60-day
22 period that begins on the date the plan is sub-
23 mitted.

24 “(2) EFFECT OF CORRECTING VIOLATION.—
25 The Secretary may not impose any penalty under

1 subsection (a) with respect to any violation covered
2 by a State corrective compliance plan accepted by
3 the Secretary if the State corrects the violation pur-
4 suant to the plan.

5 “(3) EFFECT OF FAILING TO CORRECT VIOLA-
6 TION.—The Secretary shall assess some or all of a
7 penalty imposed on a State under subsection (a)
8 with respect to a violation if the State does not, in
9 a timely manner, correct the violation pursuant to a
10 State corrective compliance plan accepted by the
11 Secretary.

12 “(4) INAPPLICABILITY TO FAILURE TO TIMELY
13 REPAY A FEDERAL LOAN FUND FOR A STATE WEL-
14 FARE PROGRAM.—This subsection shall not apply to
15 the imposition of a penalty against a State under
16 subsection (a)(6).

17 “(d) LIMITATION ON AMOUNT OF PENALTY.—

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

22 “(2) CARRYFORWARD OF UNRECOVERED PEN-
23 ALTIES.—To the extent that paragraph (1) of this
24 subsection prevents the Secretary from recovering
25 during a fiscal year the full amount of penalties im-

1 posed on a State under subsection (a) of this section
2 for a prior fiscal year, the Secretary shall apply any
3 remaining amount of such penalties to the grant
4 payable to the State under section 403(a)(1) for the
5 immediately succeeding fiscal year.

6 **“SEC. 410. APPEAL OF ADVERSE DECISION.**

7 “(a) IN GENERAL.—Within 5 days after the date the
8 Secretary takes any adverse action under this part with
9 respect to a State, the Secretary shall notify the chief ex-
10 ecutive officer of the State of the adverse action, including
11 any action with respect to the State plan submitted under
12 section 402 or the imposition of a penalty under section
13 409.

14 “(b) ADMINISTRATIVE REVIEW.—

15 “(1) IN GENERAL.—Within 60 days after the
16 date a State receives notice under subsection (a) of
17 an adverse action, the State may appeal the action,
18 in whole or in part, to the Departmental Appeals
19 Board established in the Department of Health and
20 Human Services (in this section referred to as the
21 ‘Board’) by filing an appeal with the Board.

22 “(2) PROCEDURAL RULES.—The Board shall
23 consider an appeal filed by a State under paragraph
24 (1) on the basis of such documentation as the State
25 may submit and as the Board may require to sup-

1 port the final decision of the Board. In deciding
2 whether to uphold an adverse action or any portion
3 of such an action, the Board shall conduct a thor-
4 ough review of the issues and take into account all
5 relevant evidence. The Board shall make a final de-
6 termination with respect to an appeal filed under
7 paragraph (1) not less than 60 days after the date
8 the appeal is filed.

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

10 “(1) IN GENERAL.—Within 90 days after the
11 date of a final decision by the Board under this sec-
12 tion with respect to an adverse action taken against
13 a State, the State may obtain judicial review of the
14 final decision (and the findings incorporated into the
15 final decision) by filing an action in—

16 “(A) the district court of the United States
17 for the judicial district in which the principal or
18 headquarters office of the State agency is lo-
19 cated; or

20 “(B) the United States District Court for
21 the District of Columbia.

22 “(2) PROCEDURAL RULES.—The district court
23 in which an action is filed under paragraph (1) shall
24 review the final decision of the Board on the record
25 established in the administrative proceeding, in ac-

1 cordance with the standards of review prescribed by
2 subparagraphs (A) through (E) of section 706(2) of
3 title 5, United States Code. The review shall be on
4 the basis of the documents and supporting data sub-
5 mitted to the Board.

6 **“SEC. 411. DATA COLLECTION AND REPORTING.**

7 “(a) QUARTERLY REPORTS BY STATES.—

8 “(1) GENERAL REPORTING REQUIREMENT.—

9 “(A) CONTENTS OF REPORT.—Each eligi-
10 ble State shall collect on a monthly basis, and
11 report to the Secretary on a quarterly basis, the
12 following disaggregated case record information
13 on the families receiving assistance under the
14 State program funded under this part:

15 “(i) The county of residence of the
16 family.

17 “(ii) Whether a child receiving such
18 assistance or an adult in the family is dis-
19 abled.

20 “(iii) The ages of the members of
21 such families.

22 “(iv) The number of individuals in the
23 family, and the relation of each family
24 member to the youngest child in the fam-
25 ily.

1 “(v) The employment status and earn-
2 ings of the employed adult in the family.

3 “(vi) The marital status of the adults
4 in the family, including whether such
5 adults have never married, are widowed, or
6 are divorced.

7 “(vii) The race and educational status
8 of each adult in the family.

9 “(viii) The race and educational sta-
10 tus of each child in the family.

11 “(ix) Whether the family received sub-
12 sidized housing, medical assistance under
13 the State plan approved under title XIX,
14 food stamps, or subsidized child care, and
15 if the latter 2, the amount received.

16 “(x) The number of months that the
17 family has received each type of assistance
18 under the program.

19 “(xi) If the adults participated in, and
20 the number of hours per week of participa-
21 tion in, the following activities:

22 “(I) Education.

23 “(II) Subsidized private sector
24 employment.

25 “(III) Unsubsidized employment.

1 “(IV) Public sector employment,
2 work experience, or community serv-
3 ice.

4 “(V) Job search.

5 “(VI) Job skills training or on-
6 the-job training.

7 “(VII) Vocational education.

8 “(xii) Information necessary to cal-
9 culate participation rates under section
10 407.

11 “(xiii) The type and amount of assist-
12 ance received under the program, including
13 the amount of and reason for any reduc-
14 tion of assistance (including sanctions).

15 “(xiv) Any amount of unearned in-
16 come received by any member of the fam-
17 ily.

18 “(xv) The citizenship of the members
19 of the family.

20 “(xvi) From a sample of closed cases,
21 whether the family left the program, and if
22 so, whether the family left due to—

23 “(I) employment;

24 “(II) marriage;

1 “(III) the prohibition set forth in
2 section 408(a)(8);

3 “(IV) sanction; or

4 “(V) State policy.

5 “(B) USE OF ESTIMATES.—

6 “(i) AUTHORITY.—A State may com-
7 ply with subparagraph (A) by submitting
8 an estimate which is obtained through the
9 use of scientifically acceptable sampling
10 methods approved by the Secretary.

11 “(ii) SAMPLING AND OTHER METH-
12 ODS.—The Secretary shall provide the
13 States with such case sampling plans and
14 data collection procedures as the Secretary
15 deems necessary to produce statistically
16 valid estimates of the performance of State
17 programs funded under this part. The Sec-
18 retary may develop and implement proce-
19 dures for verifying the quality of data sub-
20 mitted by the States.

21 “(2) REPORT ON USE OF FEDERAL FUNDS TO
22 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—

23 The report required by paragraph (1) for a fiscal
24 quarter shall include a statement of the percentage
25 of the funds paid to the State under this part for

1 the quarter that are used to cover administrative
2 costs or overhead.

3 “(3) REPORT ON STATE EXPENDITURES ON
4 PROGRAMS FOR NEEDY FAMILIES.—The report re-
5 quired by paragraph (1) for a fiscal quarter shall in-
6 clude a statement of the total amount expended by
7 the State during the quarter on programs for needy
8 families.

9 “(4) REPORT ON NONCUSTODIAL PARENTS PAR-
10 TICIPATING IN WORK ACTIVITIES.—The report re-
11 quired by paragraph (1) for a fiscal quarter shall in-
12 clude the number of noncustodial parents in the
13 State who participated in work activities (as defined
14 in section 407(d)) during the quarter.

15 “(5) REPORT ON TRANSITIONAL SERVICES.—
16 The report required by paragraph (1) for a fiscal
17 quarter shall include the total amount expended by
18 the State during the quarter to provide transitional
19 services to a family that has ceased to receive assist-
20 ance under this part because of employment, along
21 with a description of such services.

22 “(6) REGULATIONS.—The Secretary shall pre-
23 scribe such regulations as may be necessary to de-
24 fine the data elements with respect to which reports
25 are required by this subsection.

1 “(b) ANNUAL REPORTS TO THE CONGRESS BY THE
2 SECRETARY.—Not later than 6 months after the end of
3 fiscal year 1997, and each fiscal year thereafter, the Sec-
4 retary shall transmit to the Congress a report describ-
5 ing—

6 “(1) whether the States are meeting—

7 “(A) the participation rates described in
8 section 407(a); and

9 “(B) the objectives of—

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

13 “(ii) decreasing out-of-wedlock preg-
14 nancies and child poverty;

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

19 “(3) the characteristics of each State program
20 funded under this part; and

21 “(4) the trends in employment and earnings of
22 needy families with minor children living at home.

23 **“SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY IN-**
24 **DIAN TRIBES.**

25 “(a) GRANTS FOR INDIAN TRIBES.—

1 “(1) TRIBAL FAMILY ASSISTANCE GRANT.—

2 “(A) IN GENERAL.—For each of fiscal
3 years 1997, 1998, 1999, and 2000, the Sec-
4 retary shall pay to each Indian tribe that has
5 an approved tribal family assistance plan a trib-
6 al family assistance grant for the fiscal year in
7 an amount equal to the amount determined
8 under subparagraph (B), and shall reduce the
9 grant payable under section 403(a)(1) to any
10 State in which lies the service area or areas of
11 the Indian tribe by that portion of the amount
12 so determined that is attributable to expendi-
13 tures by the State.

14 “(B) AMOUNT DETERMINED.—

15 “(i) IN GENERAL.—The amount de-
16 termined under this subparagraph is an
17 amount equal to the total amount of the
18 Federal payments to a State or States
19 under section 403 (as in effect during such
20 fiscal year) for fiscal year 1994 attrib-
21 utable to expenditures (other than child
22 care expenditures) by the State or States
23 under parts A and F (as so in effect) for
24 fiscal year 1994 for Indian families resid-
25 ing in the service area or areas identified

1 by the Indian tribe pursuant to subsection
2 (b)(1)(C) of this section.

3 “(ii) USE OF STATE SUBMITTED
4 DATA.—

5 “(I) IN GENERAL.—The Sec-
6 retary shall use State submitted data
7 to make each determination under
8 clause (i).

9 “(II) DISAGREEMENT WITH DE-
10 TERMINATION.—If an Indian tribe or
11 tribal organization disagrees with
12 State submitted data described under
13 subclause (I), the Indian tribe or trib-
14 al organization may submit to the
15 Secretary such additional information
16 as may be relevant to making the de-
17 termination under clause (i) and the
18 Secretary may consider such informa-
19 tion before making such determina-
20 tion.

21 “(2) GRANTS FOR INDIAN TRIBES THAT RE-
22 CEIVED JOBS FUNDS.—

23 “(A) IN GENERAL.—The Secretary shall
24 pay to each eligible Indian tribe for each of fis-
25 cal years 1996, 1997, 1998, 1999, 2000, and

1 2001 a grant in an amount equal to the amount
2 received by the Indian tribe in fiscal year 1994
3 under section 482(i) (as in effect during fiscal
4 year 1994).

5 “(B) ELIGIBLE INDIAN TRIBE.—For pur-
6 poses of subparagraph (A), the term ‘eligible
7 Indian tribe’ means an Indian tribe or Alaska
8 Native organization that conducted a job oppor-
9 tunities and basic skills training program in fis-
10 scal year 1995 under section 482(i) (as in effect
11 during fiscal year 1995).

12 “(C) USE OF GRANT.—Each Indian tribe
13 to which a grant is made under this paragraph
14 shall use the grant for the purpose of operating
15 a program to make work activities available to
16 members of the Indian tribe.

17 “(D) APPROPRIATION.—Out of any money
18 in the Treasury of the United States not other-
19 wise appropriated, there are appropriated
20 \$7,638,474 for each fiscal year specified in sub-
21 paragraph (A) for grants under subparagraph
22 (A).

23 “(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

24 “(1) IN GENERAL.—Any Indian tribe that de-
25 sires to receive a tribal family assistance grant shall

1 submit to the Secretary a 3-year tribal family assist-
2 ance plan that—

3 “(A) outlines the Indian tribe’s approach
4 to providing welfare-related services for the 3-
5 year period, consistent with this section;

6 “(B) specifies whether the welfare-related
7 services provided under the plan will be pro-
8 vided by the Indian tribe or through agree-
9 ments, contracts, or compacts with intertribal
10 consortia, States, or other entities;

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

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

17 “(E) identifies the employment opportuni-
18 ties in or near the service area or areas of the
19 Indian tribe and the manner in which the In-
20 dian tribe will cooperate and participate in en-
21 hancing such opportunities for recipients of as-
22 sistance under the plan consistent with any ap-
23 plicable State standards; and

24 “(F) applies the fiscal accountability provi-
25 sions of section 5(f)(1) of the Indian Self-De-

1 termination and Education Assistance Act (25
2 U.S.C. 450c(f)(1)), relating to the submission
3 of a single-agency audit report required by
4 chapter 75 of title 31, United States Code.

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

8 “(3) CONSORTIUM OF TRIBES.—Nothing in this
9 section shall preclude the development and submis-
10 sion of a single tribal family assistance plan by the
11 participating Indian tribes of an intertribal consor-
12 tium.

13 “(c) MINIMUM WORK PARTICIPATION REQUIRE-
14 MENTS AND TIME LIMITS.—The Secretary, with the par-
15 ticipation of Indian tribes, shall establish for each Indian
16 tribe receiving a grant under this section minimum work
17 participation requirements, appropriate time limits for re-
18 ceipt of welfare-related services under the grant, and pen-
19 alties against individuals—

20 “(1) consistent with the purposes of this sec-
21 tion;

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

24 “(3) similar to comparable provisions in section
25 407(d).

1 “(d) EMERGENCY ASSISTANCE.—Nothing in this sec-
2 tion shall preclude an Indian tribe from seeking emergency
3 assistance from any Federal loan program or emergency
4 fund.

5 “(e) ACCOUNTABILITY.—Nothing in this section shall
6 be construed to limit the ability of the Secretary to main-
7 tain program funding accountability consistent with—

8 “(1) generally accepted accounting principles;
9 and

10 “(2) the requirements of the Indian Self-Deter-
11 mination and Education Assistance Act (25 U.S.C.
12 450 et seq.).

13 “(f) PENALTIES.—

14 “(1) Subsections (a)(1), (a)(6), and (b) of sec-
15 tion 409, shall apply to an Indian tribe with an ap-
16 proved tribal assistance plan in the same manner as
17 such subsections apply to a State.

18 “(2) Section 409(a)(3) shall apply to an Indian
19 tribe with an approved tribal assistance plan by sub-
20 stituting ‘meet minimum work participation require-
21 ments established under section 412(c)’ for ‘comply
22 with section 407(a)’.

23 “(g) DATA COLLECTION AND REPORTING.—Section
24 411 shall apply to an Indian tribe with an approved tribal
25 family assistance plan.

1 “(h) SPECIAL RULE FOR INDIAN TRIBES IN ALAS-
2 KA.—

3 “(1) IN GENERAL.—Notwithstanding any other
4 provision of this section, and except as provided in
5 paragraph (2), an Indian tribe in the State of Alas-
6 ka that receives a tribal family assistance grant
7 under this section shall use the grant to operate a
8 program in accordance with requirements com-
9 parable to the requirements applicable to the pro-
10 gram of the State of Alaska funded under this part.
11 Comparability of programs shall be established on
12 the basis of program criteria developed by the Sec-
13 retary in consultation with the State of Alaska and
14 such Indian tribes.

15 “(2) WAIVER.—An Indian tribe described in
16 paragraph (1) may apply to the appropriate State
17 authority to receive a waiver of the requirement of
18 paragraph (1).

19 **“SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
20 **IES.**

21 “(a) RESEARCH.—The Secretary shall conduct re-
22 search on the benefits, effects, and costs of operating dif-
23 ferent State programs funded under this part, including
24 time limits relating to eligibility for assistance. The re-
25 search shall include studies on the effects of different pro-

1 grams and the operation of such programs on welfare de-
2 pendency, illegitimacy, teen pregnancy, employment rates,
3 child well-being, and any other area the Secretary deems
4 appropriate. The Secretary shall also conduct research on
5 the costs and benefits of State activities under section
6 409.

7 “(b) DEVELOPMENT AND EVALUATION OF INNOVA-
8 TIVE APPROACHES TO REDUCING WELFARE DEPEND-
9 ENCY AND INCREASING CHILD WELL-BEING.—

10 “(1) IN GENERAL.—The Secretary may assist
11 States in developing, and shall evaluate, innovative
12 approaches for reducing welfare dependency and in-
13 creasing the well-being of minor children living at
14 home with respect to recipients of assistance under
15 programs funded under this part. The Secretary
16 may provide funds for training and technical assist-
17 ance to carry out the approaches developed pursuant
18 to this paragraph.

19 “(2) EVALUATIONS.—In performing the evalua-
20 tions under paragraph (1), the Secretary shall, to
21 the maximum extent feasible, use random assign-
22 ment as an evaluation methodology.

23 “(c) DISSEMINATION OF INFORMATION.—The Sec-
24 retary shall develop innovative methods of disseminating
25 information on any research, evaluations, and studies con-

1 ducted under this section, including the facilitation of the
2 sharing of information and best practices among States
3 and localities through the use of computers and other
4 technologies.

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

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

22 “(2) ANNUAL REVIEW OF MOST AND LEAST
23 SUCCESSFUL WORK PROGRAMS.—The Secretary shall
24 review the programs of the 3 States most recently
25 ranked highest under paragraph (1) and the 3

1 States most recently ranked lowest under paragraph
2 (1) that provide parents with work experience, as-
3 sistance in finding employment, and other work
4 preparation activities and support services to enable
5 the families of such parents to leave the program
6 and become self-sufficient.

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

9 “(1) ANNUAL RANKING OF STATES.—

10 “(A) IN GENERAL.—The Secretary shall
11 annually rank States to which grants are made
12 under section 403 based on the following rank-
13 ing factors:

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

16 “(I) the total number of out-of-
17 wedlock births in families receiving as-
18 sistance under the State program
19 under this part in the State for the
20 most recent fiscal year for which in-
21 formation is available; over

22 “(II) the total number of births
23 in families receiving assistance under
24 the State program under this part in
25 the State for such year.

1 “(ii) NET CHANGES IN THE OUT-OF-
2 WEDLOCK RATIO.—The difference between
3 the ratio described in subparagraph (A)(i)
4 with respect to a State for the most recent
5 fiscal year for which such information is
6 available and the ratio with respect to the
7 State for the immediately preceding year.

8 “(2) ANNUAL REVIEW.—The Secretary shall re-
9 view the programs of the 5 States most recently
10 ranked highest under paragraph (1) and the 5
11 States most recently ranked the lowest under para-
12 graph (1).

13 “(f) STATE-INITIATED EVALUATIONS.—A State shall
14 be eligible to receive funding to evaluate the State pro-
15 gram funded under this part if—

16 “(1) the State submits a proposal to the Sec-
17 retary for the 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 contributes to the cost of the evaluation,
24 from non-Federal sources, an amount equal to at
25 least 10 percent of the cost of the evaluation.

1 “(g) REPORT ON CIRCUMSTANCES OF CERTAIN
2 CHILDREN AND FAMILIES.—

3 “(1) IN GENERAL.—Beginning 3 years after the
4 date of the enactment of this Act, the Secretary of
5 Health and Human Services shall prepare and sub-
6 mit to the Committees on Ways and Means and on
7 Economic and Educational Opportunities of the
8 House of Representatives and to the Committees on
9 Finance and on Labor and Resources of the Senate
10 annual reports that examine in detail the matters
11 described in paragraph (2) with respect to each of
12 the following groups for the period after such enact-
13 ment:

14 “(A) Individuals who were children in fam-
15 ilies that have become ineligible for assistance
16 under a State program funded under this part
17 by reason of having reached a time limit on the
18 provision of such assistance.

19 “(B) Families that include a child who is
20 ineligible for assistance under a State program
21 funded under this part by reason of section
22 408(a)(2).

23 “(C) Children born after such date of en-
24 actment to parents who, at the time of such
25 birth, had not attained 20 years of age.

1 “(D) Individuals who, after such date of
2 enactment, became parents before attaining 20
3 years of age.

4 “(2) MATTERS DESCRIBED.—The matters de-
5 scribed in this paragraph are the following:

6 “(A) The percentage of each group that
7 has dropped out of secondary school (or the
8 equivalent), and the percentage of each group
9 at each level of educational attainment.

10 “(B) The percentage of each group that is
11 employed.

12 “(C) The percentage of each group that
13 has been convicted of a crime or has been adju-
14 dicated as a delinquent.

15 “(D) The rate at which the members of
16 each group are born, or have children, out-of-
17 wedlock, and the percentage of each group that
18 is married.

19 “(E) The percentage of each group that
20 continues to participate in State programs
21 funded under this part.

22 “(F) The percentage of each group that
23 has health insurance provided by a private en-
24 tity (broken down by whether the insurance is
25 provided through an employer or otherwise), the

1 percentage that has health insurance provided
2 by an agency of government, and the percent-
3 age that does not have health insurance.

4 “(G) The average income of the families of
5 the members of each group.

6 “(H) Such other matters as the Secretary
7 deems appropriate.

8 “(h) FUNDING OF STUDIES AND DEMONSTRA-
9 TIONS.—

10 “(1) IN GENERAL.—Out of any money in the
11 Treasury of the United States not otherwise appro-
12 priated, there are appropriated \$15,000,000 for each
13 fiscal year specified in section 403(a)(1) for the pur-
14 pose of paying—

15 “(A) the cost of conducting the research
16 described in subsection (a);

17 “(B) the cost of developing and evaluating
18 innovative approaches for reducing welfare de-
19 pendency and increasing the well-being of minor
20 children under subsection (b);

21 “(C) the Federal share of any State-initi-
22 ated study approved under subsection (f); and

23 “(D) an amount determined by the Sec-
24 retary to be necessary to operate and evaluate
25 demonstration projects, relating to this part,

1 that are in effect or approved under section
2 1115 as of September 30, 1995, and are contin-
3 ued after such date.

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

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

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

12 “(3) DEMONSTRATIONS OF INNOVATIVE STRAT-
13 EGIES.—The Secretary may implement and evaluate
14 demonstrations of innovative and promising strate-
15 gies which—

16 “(A) provide one-time capital funds to es-
17 tablish, expand, or replicate programs;

18 “(B) test performance-based grant-to-loan
19 financing in which programs meeting perform-
20 ance targets receive grants while programs not
21 meeting such targets repay funding on a pro-
22 rated basis; and

23 “(C) test strategies in multiple States and
24 types of communities.

1 **“SEC. 414. 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 subtitle A of the Personal Responsibility and
7 Work Opportunity Act of 1996 on a random national sam-
8 ple of recipients of assistance under State programs fund-
9 ed under this part and (as appropriate) other low income
10 families, and in doing so, shall pay particular attention
11 to the issues of out-of-wedlock birth, welfare dependency,
12 the beginning and end of welfare spells, and the causes
13 of repeat welfare spells.

14 “(b) APPROPRIATION.—Out of any money in the
15 Treasury of the United States not otherwise appropriated,
16 there are appropriated \$10,000,000 for each of fiscal
17 years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for
18 payment to the Bureau of the Census to carry out sub-
19 section (a).

20 **“SEC. 415. WAIVERS.**

21 “(a) CONTINUATION OF WAIVERS.—

22 “(1) WAIVERS IN EFFECT ON DATE OF ENACT-
23 MENT OF WELFARE REFORM.—Except as provided
24 in paragraph (3), if any waiver granted to a State
25 under section 1115 or otherwise which relates to the
26 provision of assistance under a State plan under this

1 part (as in effect on September 30, 1995) is in ef-
2 fect as of the date of the enactment of the Personal
3 Responsibility and Work Opportunity Act of 1996,
4 the amendments made by such Act (other than by
5 section 4103(d) of such Act) shall not apply with re-
6 spect to the State before the expiration (determined
7 without regard to any extensions) of the waiver to
8 the extent such amendments are inconsistent with
9 the waiver.

10 “(2) WAIVERS GRANTED SUBSEQUENTLY.—Ex-
11 cept as provided in paragraph (3), if any waiver
12 granted to a State under section 1115 or otherwise
13 which relates to the provision of assistance under a
14 State plan under this part (as in effect on Septem-
15 ber 30, 1995) is submitted to the Secretary before
16 the date of the enactment of the Personal Respon-
17 sibility and Work Opportunity Act of 1996 and ap-
18 proved by the Secretary on or before July 1, 1997,
19 and the State demonstrates to the satisfaction of the
20 Secretary that the waiver will not result in Federal
21 expenditures under title IV of this Act (as in effect
22 without regard to the amendments made by the Per-
23 sonal Responsibility and Work Opportunity Act of
24 1996) that are greater than would occur in the ab-
25 sence of the waiver, the amendments made by the

1 Personal Responsibility and Work Opportunity Act
2 of 1996 (other than by section 4103(d) of such Act)
3 shall not apply with respect to the State before the
4 expiration (determined without regard to any exten-
5 sions) of the waiver to the extent the amendments
6 made by the Personal Responsibility and Work Op-
7 portunity Act of 1996 are inconsistent with the
8 waiver.

9 “(3) FINANCING LIMITATION.—Notwithstand-
10 ing any other provision of law, beginning with fiscal
11 year 1996, a State operating under a waiver de-
12 scribed in paragraph (1) shall be entitled to payment
13 under section 403 for the fiscal year, in lieu of any
14 other payment provided for in the waiver.

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

16 “(1) IN GENERAL.—A State may terminate a
17 waiver described in subsection (a) before the expira-
18 tion of the waiver.

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

24 “(3) HOLD HARMLESS PROVISION.—

1 “(A) IN GENERAL.—Notwithstanding any
2 other provision of law, a State that, not later
3 than the date described in subparagraph (B),
4 submits a written request to terminate a waiver
5 described in subsection (a) shall be held harm-
6 less for accrued cost neutrality liabilities in-
7 curred under the waiver.

8 “(B) DATE DESCRIBED.—The date de-
9 scribed in this subparagraph is 90 days follow-
10 ing the adjournment of the first regular session
11 of the State legislature that begins after the
12 date of the enactment of the Personal Respon-
13 sibility and Work Opportunity Act of 1996.

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

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

23 **“SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

24 “The programs under this part and part D shall be
25 administered by an Assistant Secretary for Family Sup-

1 port within the Department of Health and Human Serv-
2 ices, who shall be appointed by the President, by and with
3 the advice and consent of the Senate, and who shall be
4 in addition to any other Assistant Secretary of Health and
5 Human Services provided for by law.

6 **“SEC. 417. LIMITATION ON FEDERAL AUTHORITY.**

7 “No officer or employee of the Federal Government
8 may regulate the conduct of States under this part or en-
9 force any provision of this part, except to the extent ex-
10 pressly provided in this part.”; and

11 (2) by inserting after such section 418 the fol-
12 lowing:

13 **“SEC. 419. DEFINITIONS.**

14 “As used in this part:

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

17 “(2) MINOR CHILD.—The term ‘minor child’
18 means an individual who—

19 “(A) has not attained 18 years of age; or

20 “(B) has not attained 19 years of age and
21 is a full-time student in a secondary school (or
22 in the equivalent level of vocational or technical
23 training).

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

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

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), the terms ‘Indian’, ‘Indian
8 tribe’, and ‘tribal organization’ have the mean-
9 ing given such terms by section 4 of the Indian
10 Self-Determination and Education Assistance
11 Act (25 U.S.C. 450b).

12 “(B) SPECIAL RULE FOR INDIAN TRIBES
13 IN ALASKA.—The term ‘Indian tribe’ means,
14 with respect to the State of Alaska, only the
15 Metlakatla Indian Community of the Annette
16 Islands Reserve and the following Alaska Native
17 regional nonprofit corporations:

18 “(i) Arctic Slope Native Association.

19 “(ii) Kawerak, Inc.

20 “(iii) Maniilaq Association.

21 “(iv) Association of Village Council
22 Presidents.

23 “(v) Tanana Chiefs Conference.

24 “(vi) Cook Inlet Tribal Council.

25 “(vii) Bristol Bay Native Association.

1 “(viii) Aleutian and Pribilof Island
2 Association.

3 “(ix) Chugachmuit.

4 “(x) Tlingit Haida Central Council.

5 “(xi) Kodiak Area Native Association.

6 “(xii) Copper River Native Associa-
7 tion.

8 “(5) STATE.—Except as otherwise specifically
9 provided, the term ‘State’ means the 50 States of
10 the United States, the District of Columbia, the
11 Commonwealth of Puerto Rico, the United States
12 Virgin Islands, Guam, and American Samoa.”.

13 (b) GRANTS TO OUTLYING AREAS.—Section 1108
14 (42 U.S.C. 1308) is amended—

15 (1) by redesignating subsection (c) as sub-
16 section (g);

17 (2) by striking all that precedes subsection (c)
18 and inserting the following:

19 **“SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE**
20 **VIRGIN ISLANDS, GUAM, AND AMERICAN**
21 **SAMOA; LIMITATION ON TOTAL PAYMENTS.**

22 “(a) LIMITATION ON TOTAL PAYMENTS TO EACH
23 TERRITORY.—Notwithstanding any other provision of this
24 Act, the total amount certified by the Secretary of Health
25 and Human Services under titles I, X, XIV, and XVI,

1 under parts A, B, and E of title IV, and under subsection
2 (b) of this section, for payment to any territory for a fiscal
3 year shall not exceed the ceiling amount for the territory
4 for the fiscal year.

5 “(b) ENTITLEMENT TO MATCHING GRANT.—

6 “(1) IN GENERAL.—Each territory shall be en-
7 titled to receive from the Secretary for each fiscal
8 year a grant in an amount equal to 75 percent of
9 the amount (if any) by which—

10 “(A) the total expenditures of the territory
11 during the fiscal year under the territory pro-
12 grams funded under parts A, B, and E of title
13 IV; exceeds

14 “(B) the sum of—

15 “(i) the total amount required to be
16 paid to the territory (other than with re-
17 spect to child care) under former section
18 403 (as in effect on September 30, 1995)
19 for fiscal year 1995, which shall be deter-
20 mined by applying subparagraphs (C) and
21 (D) of section 403(a)(1) to the territory;

22 “(ii) the total amount required to be
23 paid to the territory under former section
24 434 (as so in effect) for fiscal year 1995;
25 and

1 “(iii) the total amount expended by
2 the territory during fiscal year 1995 pur-
3 suant to parts A, B, and F of title IV (as
4 so in effect), other than for child care.

5 “(2) USE OF GRANT.—Any territory to which a
6 grant is made under paragraph (1) may expend the
7 amount under any program operated or funded
8 under any provision of law specified in subsection
9 (a).

10 “(c) DEFINITIONS.—As used in this section:

11 “(1) TERRITORY.—The term ‘territory’ means
12 Puerto Rico, the Virgin Islands, Guam, and Amer-
13 ican Samoa.

14 “(2) CEILING AMOUNT.—The term ‘ceiling
15 amount’ means, with respect to a territory and a fis-
16 cal year, the mandatory ceiling amount with respect
17 to the territory plus the discretionary ceiling amount
18 with respect to the territory, reduced for the fiscal
19 year in accordance with subsection (f).

20 “(3) MANDATORY CEILING AMOUNT.—The term
21 ‘mandatory ceiling amount’ means—

22 “(A) \$105,538,000 with respect to for
23 Puerto Rico;

24 “(B) \$4,902,000 with respect to Guam;

1 “(C) \$3,742,000 with respect to the Virgin
2 Islands; and

3 “(D) \$1,122,000 with respect to American
4 Samoa.

5 “(4) DISCRETIONARY CEILING AMOUNT.—The
6 term ‘discretionary ceiling amount’ means, with re-
7 spect to a territory and a fiscal year, the total
8 amount appropriated pursuant to subsection (d)(3)
9 for the fiscal year for payment to the territory.

10 “(5) TOTAL AMOUNT EXPENDED BY THE TER-
11 RITORY.—The term ‘total amount expended by the
12 territory’—

13 “(A) does not include expenditures during
14 the fiscal year from amounts made available by
15 the Federal Government; and

16 “(B) when used with respect to fiscal year
17 1995, also does not include—

18 “(i) expenditures during fiscal year
19 1995 under subsection (g) or (i) of section
20 402 (as in effect on September 30, 1995);
21 or

22 “(ii) any expenditures during fiscal
23 year 1995 for which the territory (but for
24 section 1108, as in effect on September 30,

1 1995) would have received reimbursement
2 from the Federal Government.

3 “(d) DISCRETIONARY GRANTS.—

4 “(1) IN GENERAL.—The Secretary shall make a
5 grant to each territory for any fiscal year in the
6 amount appropriated pursuant to paragraph (3) for
7 the fiscal year for payment to the territory.

8 “(2) USE OF GRANT.—Any territory to which a
9 grant is made under paragraph (1) may expend the
10 amount under any program operated or funded
11 under any provision of law specified in subsection
12 (a).

13 “(3) LIMITATION ON AUTHORIZATION OF AP-
14 PROPRIATIONS.—For grants under paragraph (1),
15 there are authorized to be appropriated to the Sec-
16 retary for each fiscal year—

17 “(A) \$7,951,000 for payment to Puerto
18 Rico;

19 “(B) \$345,000 for payment to Guam;

20 “(C) \$275,000 for payment to the Virgin
21 Islands; and

22 “(D) \$190,000 for payment to American
23 Samoa.

24 “(e) AUTHORITY TO TRANSFER FUNDS AMONG PRO-
25 GRAMS.—Notwithstanding any other provision of this Act,

1 any territory to which an amount is paid under any provi-
2 sion of law specified in subsection (a) may use part or
3 all of the amount to carry out any program operated by
4 the territory, or funded, under any other such provision
5 of law.

6 “(f) MAINTENANCE OF EFFORT.—The ceiling
7 amount with respect to a territory shall be reduced for
8 a fiscal year by an amount equal to the amount (if any)
9 by which—

10 “(1) the total amount expended by the territory
11 under all programs of the territory operated pursu-
12 ant to the provisions of law specified in subsection
13 (a) (as such provisions were in effect for fiscal year
14 1995) for fiscal year 1995; exceeds

15 “(2) the total amount expended by the territory
16 under all programs of the territory that are funded
17 under the provisions of law specified in subsection
18 (a) for the fiscal year that immediately precedes the
19 fiscal year referred to in the matter preceding para-
20 graph (1).”; and

21 (3) by striking subsections (d) and (e).

22 (c) REPEAL OF PROVISIONS REQUIRING REDUCTION
23 OF MEDICAID PAYMENTS TO STATES THAT REDUCE
24 WELFARE PAYMENT LEVELS.—

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

3 (2) Section 1902 (42 U.S.C. 1396a) is amended
4 by striking subsection (c).

5 (d) **ELIMINATION OF CHILD CARE PROGRAMS**
6 **UNDER THE SOCIAL SECURITY ACT.—**

7 (1) **AFDC AND TRANSITIONAL CHILD CARE**
8 **PROGRAMS.—**Section 402 (42 U.S.C. 602) is amend-
9 ed by striking subsection (g).

10 (2) **AT-RISK CHILD CARE PROGRAM.—**

11 (A) **AUTHORIZATION.—**Section 402 (42
12 U.S.C. 602) is amended by striking subsection
13 (i).

14 (B) **FUNDING PROVISIONS.—**Section 403
15 (42 U.S.C. 603) is amended by striking sub-
16 section (n).

17 **SEC. 4104. SERVICES PROVIDED BY CHARITABLE, RELI-**
18 **GIUS, OR PRIVATE ORGANIZATIONS.**

19 (a) **IN GENERAL.—**

20 (1) **STATE OPTIONS.—**A State may—

21 (A) administer and provide services under
22 the programs described in subparagraphs (A)
23 and (B)(i) of paragraph (2) through contracts
24 with charitable, religious, or private organiza-
25 tions; and

1 (B) provide beneficiaries of assistance
2 under the programs described in subparagraphs
3 (A) and (B)(ii) of paragraph (2) with certifi-
4 cates, vouchers, or other forms of disbursement
5 which are redeemable with such organizations.

6 (2) PROGRAMS DESCRIBED.—The programs de-
7 scribed in this paragraph are the following pro-
8 grams:

9 (A) A State program funded under part A
10 of title IV of the Social Security Act (as amend-
11 ed by section 4103(a) of this Act).

12 (B) Any other program established or
13 modified under subtitle A, B, or F of this title,
14 that—

15 (i) permits contracts with organiza-
16 tions; or

17 (ii) permits certificates, vouchers, or
18 other forms of disbursement to be provided
19 to beneficiaries, as a means of providing
20 assistance.

21 (b) RELIGIOUS ORGANIZATIONS.—The purpose of
22 this section is to allow States to contract with religious
23 organizations, or to allow religious organizations to accept
24 certificates, vouchers, or other forms of disbursement
25 under any program described in subsection (a)(2), on the

1 same basis as any other nongovernmental provider without
2 impairing the religious character of such organizations,
3 and without diminishing the religious freedom of bene-
4 ficiaries of assistance funded under such program.

5 (c) NONDISCRIMINATION AGAINST RELIGIOUS ORGA-
6 NIZATIONS.—In the event a State exercises its authority
7 under subsection (a), religious organizations are eligible,
8 on the same basis as any other private organization, as
9 contractors to provide assistance, or to accept certificates,
10 vouchers, or other forms of disbursement, under any pro-
11 gram described in subsection (a)(2) so long as the pro-
12 grams are implemented consistent with the Establishment
13 Clause of the United States Constitution. Except as pro-
14 vided in subsection (k), neither the Federal Government
15 nor a State receiving funds under such programs shall dis-
16 criminate against an organization which is or applies to
17 be a contractor to provide assistance, or which accepts cer-
18 tificates, vouchers, or other forms of disbursement, on the
19 basis that the organization has a religious character.

20 (d) RELIGIOUS CHARACTER AND FREEDOM.—

21 (1) RELIGIOUS ORGANIZATIONS.—A religious
22 organization with a contract described in subsection
23 (a)(1)(A), or which accepts certificates, vouchers, or
24 other forms of disbursement under subsection
25 (a)(1)(B), shall retain its independence from Fed-

1 eral, State, and local governments, including such
2 organization's control over the definition, develop-
3 ment, practice, and expression of its religious beliefs.

4 (2) ADDITIONAL SAFEGUARDS.—Neither the
5 Federal Government nor a State shall require a reli-
6 gious organization to—

7 (A) alter its form of internal governance;

8 or

9 (B) remove religious art, icons, scripture,

10 or other symbols;

11 in order to be eligible to contract to provide assist-
12 ance, or to accept certificates, vouchers, or other
13 forms of disbursement, funded under a program de-
14 scribed in subsection (a)(2).

15 (e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

16 (1) IN GENERAL.—If an individual described in
17 paragraph (2) has an objection to the religious char-
18 acter of the organization or institution from which
19 the individual receives, or would receive, assistance
20 funded under any program described in subsection
21 (a)(2), the State in which the individual resides shall
22 provide such individual (if otherwise eligible for such
23 assistance) within a reasonable period of time after
24 the date of such objection with assistance from an
25 alternative provider that is accessible to the individ-

1 ual and the value of which is not less than the value
2 of the assistance which the individual would have re-
3 ceived from such organization.

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

8 (f) EMPLOYMENT PRACTICES.—A religious organiza-
9 tion's exemption provided under section 702 of the Civil
10 Rights Act of 1964 (42 U.S.C. 2000e-1a) regarding em-
11 ployment practices shall not be affected by its participa-
12 tion in, or receipt of funds from, programs described in
13 subsection (a)(2).

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

21 (h) FISCAL ACCOUNTABILITY.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), any religious organization contracting to
24 provide assistance funded under any program de-
25 scribed in subsection (a)(2) shall be subject to the

1 same regulations as other contractors to account in
2 accord with generally accepted auditing principles
3 for the use of such funds provided under such pro-
4 grams.

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

10 (i) COMPLIANCE.—Any party which seeks to enforce
11 its rights under this section may assert a civil action for
12 injunctive relief exclusively in an appropriate State court
13 against the entity or agency that allegedly commits such
14 violation.

15 (j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN
16 PURPOSES.—No funds provided directly to institutions or
17 organizations to provide services and administer programs
18 under subsection (a)(1)(A) shall be expended for sectarian
19 worship, instruction, or proselytization.

20 (k) PREEMPTION.—Nothing in this section shall be
21 construed to preempt any provision of a State constitution
22 or State statute that prohibits or restricts the expenditure
23 of State funds in or by religious organizations.

1 **SEC. 4105. CENSUS DATA ON GRANDPARENTS AS PRIMARY**
2 **CAREGIVERS FOR THEIR GRANDCHILDREN.**

3 (a) IN GENERAL.—Not later than 90 days after the
4 date of the enactment of this Act, the Secretary of Com-
5 merce, in carrying out section 141 of title 13, United
6 States Code, shall expand the data collection efforts of the
7 Bureau of the Census (in this section referred to as the
8 “Bureau”) to enable the Bureau to collect statistically sig-
9 nificant data, in connection with its decennial census and
10 its mid-decade census, concerning the growing trend of
11 grandparents who are the primary caregivers for their
12 grandchildren.

13 (b) EXPANDED CENSUS QUESTION.—In carrying out
14 subsection (a), the Secretary of Commerce shall expand
15 the Bureau’s census question that details households
16 which include both grandparents and their grandchildren.
17 The expanded question shall be formulated to distinguish
18 between the following households:

19 (1) A household in which a grandparent tempo-
20 rarily provides a home for a grandchild for a period
21 of weeks or months during periods of parental dis-
22 tress.

23 (2) A household in which a grandparent pro-
24 vides a home for a grandchild and serves as the pri-
25 mary caregiver for the grandchild.

1 **SEC. 4106. REPORT ON DATA PROCESSING.**

2 (a) IN GENERAL.—Within 6 months after the date
3 of the enactment of this Act, the Secretary of Health and
4 Human Services shall prepare and submit to the Congress
5 a report on—

6 (1) the status of the automated data processing
7 systems operated by the States to assist manage-
8 ment in the administration of State programs under
9 part A of title IV of the Social Security Act (wheth-
10 er in effect before or after October 1, 1995); and

11 (2) what would be required to establish a sys-
12 tem capable of—

13 (A) tracking participants in public pro-
14 grams over time; and

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

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

20 (1) a plan for building on the automated data
21 processing systems of the States to establish a sys-
22 tem with the capabilities described in subsection
23 (a)(2); and

24 (2) an estimate of the amount of time required
25 to establish such a system and of the cost of estab-
26 lishing such a system.

1 **SEC. 4107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.**

2 (a) STUDY.—The Secretary shall, in cooperation with
3 the States, study and analyze outcomes measures for eval-
4 uating the success of the States in moving individuals out
5 of the welfare system through employment as an alter-
6 native to the minimum participation rates described in
7 section 407 of the Social Security Act. The study shall
8 include a determination as to whether such alternative
9 outcomes measures should be applied on a national or a
10 State-by-State basis and a preliminary assessment of the
11 effects of section 409(a)(7)(C) of such Act.

12 (b) REPORT.—Not later than September 30, 1998,
13 the Secretary shall submit to the Committee on Finance
14 of the Senate and the Committee on Ways and Means of
15 the House of Representatives a report containing the find-
16 ings of the study required by subsection (a).

17 **SEC. 4108. CONFORMING AMENDMENTS TO THE SOCIAL SE-**
18 **CURITY ACT.**

19 (a) AMENDMENTS TO TITLE II.—

20 (1) Section 205(c)(2)(C)(vi) (42 U.S.C.
21 405(c)(2)(C)(vi)), as so redesignated by section
22 321(a)(9)(B) of the Social Security Independence
23 and Program Improvements Act of 1994, is amend-
24 ed—

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

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

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

9 (b) AMENDMENTS TO PART D OF TITLE IV.—

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

13 (2) Section 452(a)(10)(C) (42 U.S.C.
14 652(a)(10)(C)) is amended—

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

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

20 (C) by striking “under section 402(a)(26)
21 or” and inserting “pursuant to section
22 408(a)(4) or under section”.

23 (3) Section 452(a)(10)(F) (42 U.S.C.
24 652(a)(10)(F)) is amended—

1 (A) by striking “aid under a State plan ap-
2 proved” and inserting “assistance under a State
3 program funded”; and

4 (B) by striking “in accordance with the
5 standards referred to in section
6 402(a)(26)(B)(ii)” and inserting “by the
7 State”.

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

13 (5) Section 452(d)(3)(B)(i) (42 U.S.C.
14 652(d)(3)(B)(i)) is amended by striking “1115(c)”
15 and inserting “1115(b)”.

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

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

1 serting “assistance was being provided under the
2 State program funded under part A”.

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” after
11 “found”; and

12 (C) by striking “to have good cause for re-
13 fusing to cooperate under section 402(a)(26)”
14 and inserting “to qualify for a good cause or
15 other exception to cooperation pursuant to sec-
16 tion 454(29)”.

17 (9) Section 452(h) (42 U.S.C. 652(h)) is
18 amended by striking “under section 402(a)(26)” and
19 inserting “pursuant to section 408(a)(4)”.

20 (10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is
21 amended by striking “aid under part A of this title”
22 and inserting “assistance under a State program
23 funded under part A”.

24 (11) Section 454(5)(A) (42 U.S.C. 654(5)(A))
25 is amended—

1 (A) by striking “under section 402(a)(26)”
2 and inserting “pursuant to section 408(a)(4)”;
3 and

4 (B) by striking “; except that this para-
5 graph shall not apply to such payments for any
6 month following the first month in which the
7 amount collected is sufficient to make such
8 family ineligible for assistance under the State
9 plan approved under part A;” and inserting a
10 comma.

11 (12) Section 454(6)(D) (42 U.S.C. 654(6)(D))
12 is amended by striking “aid under a State plan ap-
13 proved” and inserting “assistance under a State pro-
14 gram funded”.

15 (13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is
16 amended by striking “under section 402(a)(26)”.

17 (14) Section 466(a)(3)(B) (42 U.S.C.
18 666(a)(3)(B)) is amended by striking “402(a)(26)”
19 and inserting “408(a)(3)”.

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

23 (16) Section 469(a) (42 U.S.C. 669(a)) is
24 amended—

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

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

6 (c) REPEAL OF PART F OF TITLE IV.—Part F of
7 title IV (42 U.S.C. 681–687) is repealed.

8 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)
9 (42 U.S.C. 1202(a)(7)) is amended by striking “aid to
10 families with dependent children under the State plan ap-
11 proved under section 402 of this Act” and inserting “as-
12 sistance under a State program funded under part A of
13 title IV”.

14 (e) AMENDMENTS TO TITLE XI.—

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

17 (2) Section 1115 (42 U.S.C. 1315) is amend-
18 ed—

19 (A) in subsection (a)(2)—

20 (i) by inserting “(A)” after “(2)”;

21 (ii) by striking “403,”;

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

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

1 “(B) costs of such project which would not oth-
2 erwise be a permissible use of funds under part A
3 of title IV and which are not included as part of the
4 costs of projects under section 1110, shall to the ex-
5 tent and for the period prescribed by the Secretary,
6 be regarded as a permissible use of funds under
7 such part.”; and

8 (B) in subsection (e)(3), by striking “the
9 program of aid to families with dependent chil-
10 dren” and inserting “part A of such title”.

11 (3) Section 1116 (42 U.S.C. 1316) is amend-
12 ed—

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

15 (B) in subsection (a)(3), by striking
16 “404,”.

17 (4) Section 1118 (42 U.S.C. 1318) is amend-
18 ed—

19 (A) by striking “403(a),”;

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

21 and

22 (C) by striking “, and shall, in the case of
23 American Samoa, mean 75 per centum with re-
24 spect to part A of title IV”.

1 (5) Section 1119 (42 U.S.C. 1319) is amend-
2 ed—

3 (A) by striking “or part A of title IV”; and

4 (B) by striking “403(a),”.

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

7 (7) Section 1136 (42 U.S.C. 1320b–6) is re-
8 pealed.

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

11 (A) in subsection (b), by striking para-
12 graph (1) and inserting the following:

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

15 (B) in subsection (d)(1)(B)—

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

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

22 (iii) by moving such redesignated ma-
23 terial 2 ems to the left.

24 (f) AMENDMENT TO TITLE XIV.—Section
25 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking

1 “aid to families with dependent children under the State
2 plan approved under section 402 of this Act” and insert-
3 ing “assistance under a State program funded under part
4 A of title IV”.

5 (g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
6 RESPECT TO THE TERRITORIES.—Section 1602(a)(11),
7 as in effect without regard to the amendment made by
8 section 301 of the Social Security Amendments of 1972
9 (42 U.S.C. 1382 note), is amended by striking “aid under
10 the State plan approved” and inserting “assistance under
11 a State program funded”.

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

16 (i) AMENDMENT TO TITLE XIX.—Section 1902(j)
17 (42 U.S.C. 1396a(j)) is amended by striking “1108(c)”
18 and inserting “1108(g)”.

19 **SEC. 4109. CONFORMING AMENDMENTS TO THE FOOD**
20 **STAMP ACT OF 1977 AND RELATED PROVI-**
21 **SIONS.**

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

24 (1) in the second sentence of subsection (a), by
25 striking “plan approved” and all that follows

1 through “title IV of the Social Security Act” and in-
2 sserting “program funded under part A of title IV of
3 the Social Security Act (42 U.S.C. 601 et seq.)”;

4 (2) in subsection (d)—

5 (A) in paragraph (5), by striking “assist-
6 ance to families with dependent children” and
7 inserting “assistance under a State program
8 funded”; and

9 (B) by striking paragraph (13) and redesi-
10 gnating paragraphs (14), (15), and (16) as
11 paragraphs (13), (14), and (15), respectively;

12 (3) in subsection (j), by striking “plan approved
13 under part A of title IV of such Act (42 U.S.C. 601
14 et seq.)” and inserting “program funded under part
15 A of title IV of the Act (42 U.S.C. 601 et seq.)”;
16 and

17 (4) by striking subsection (m).

18 (b) Section 6 of such Act (7 U.S.C. 2015) is amend-
19 ed—

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

23 (2) in subsection (e)(6), by striking “aid to
24 families with dependent children” and inserting
25 “benefits under a State program funded”.

1 (c) Section 16(g)(4) of such Act (7 U.S.C.
2 2025(g)(4)) is amended by striking “State plans under the
3 Aid to Families with Dependent Children Program under”
4 and inserting “State programs funded under part A of”.

5 (d) Section 17 of such Act (7 U.S.C. 2026) is amend-
6 ed—

7 (1) in the first sentence of subsection (b)(1)(A),
8 by striking “to aid to families with dependent chil-
9 dren under part A of title IV of the Social Security
10 Act” and inserting “or are receiving assistance
11 under a State program funded under part A of title
12 IV of the Social Security Act (42 U.S.C. 601 et
13 seq.)”; and

14 (2) in subsection (b)(3), by adding at the end
15 the following new subparagraph:

16 “(I) The Secretary may not grant a waiver under this
17 paragraph on or after October 1, 1995. Any reference in
18 this paragraph to a provision of title IV of the Social Secu-
19 rity Act shall be deemed to be a reference to such provision
20 as in effect on September 30, 1995.”;

21 (e) Section 20 of such Act (7 U.S.C. 2029) is amend-
22 ed—

23 (1) in subsection (a)(2)(B) by striking “operat-
24 ing—” and all that follows through “(ii) any other”
25 and inserting “operating any”; and

1 (2) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) by striking “(b)(1) A household”
4 and inserting “(b) A household”; and

5 (ii) in subparagraph (B), by striking
6 “training program” and inserting “activ-
7 ity”;

8 (B) by striking paragraph (2); and

9 (C) by redesignating subparagraphs (A)
10 through (F) as paragraphs (1) through (6), re-
11 spectively.

12 (f) Section 5(h)(1) of the Agriculture and Consumer
13 Protection Act of 1973 (Public Law 93–186; 7 U.S.C.
14 612c note) is amended by striking “the program for aid
15 to families with dependent children” and inserting “the
16 State program funded”.

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

19 (1) in subsection (b)—

20 (A) in paragraph (2)(C)(ii)(II)—

21 (i) by striking “program for aid to
22 families with dependent children” and in-
23 serting “State program funded”; and

24 (ii) by inserting before the period at
25 the end the following: “that the Secretary

1 determines complies with standards estab-
2 lished by the Secretary that ensure that
3 the standards under the State program are
4 comparable to or more restrictive than
5 those in effect on June 1, 1995”; and

6 (B) in paragraph (6)—

7 (i) in subparagraph (A)(ii)—

8 (I) by striking “an AFDC assist-
9 ance unit (under the aid to families
10 with dependent children program au-
11 thorized” and inserting “a family
12 (under the State program funded”;
13 and

14 (II) by striking “, in a State”
15 and all that follows through
16 “9902(2))” and inserting “that the
17 Secretary determines complies with
18 standards established by the Secretary
19 that ensure that the standards under
20 the State program are comparable to
21 or more restrictive than those in effect
22 on June 1, 1995”; and

23 (ii) in subparagraph (B), by striking
24 “aid to families with dependent children”
25 and inserting “assistance under the State

1 program funded under part A of title IV of
2 the Social Security Act (42 U.S.C. 601 et
3 seq.) that the Secretary determines com-
4 plies with standards established by the
5 Secretary that ensure that the standards
6 under the State program are comparable
7 to or more restrictive than those in effect
8 on June 1, 1995”; and

9 (2) in subsection (d)(2)(C)—

10 (A) by striking “program for aid to fami-
11 lies with dependent children” and inserting
12 “State program funded”; and

13 (B) by inserting before the period at the
14 end the following: “that the Secretary deter-
15 mines complies with standards established by
16 the Secretary that ensure that the standards
17 under the State program are comparable to or
18 more restrictive than those in effect on June 1,
19 1995”.

20 (h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition
21 Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amend-
22 ed—

23 (1) by striking “program for aid to families
24 with dependent children established” and inserting
25 “State program funded”; and

1 (2) by inserting before the semicolon the follow-
2 ing: “that the Secretary determines complies with
3 standards established by the Secretary that ensure
4 that the standards under the State program are
5 comparable to or more restrictive than those in ef-
6 fect on June 1, 1995”.

7 **SEC. 4110. CONFORMING AMENDMENTS TO OTHER LAWS.**

8 (a) Subsection (b) of section 508 of the Unemploy-
9 ment Compensation Amendments of 1976 (42 U.S.C.
10 603a; Public Law 94–566; 90 Stat. 2689) is amended to
11 read as follows:

12 “(b) PROVISION FOR REIMBURSEMENT OF EX-
13 PENSES.—For purposes of section 455 of the Social Secu-
14 rity Act, expenses incurred to reimburse State employment
15 offices for furnishing information requested of such of-
16 fices—

17 “(1) pursuant to the third sentence of section
18 3(a) of the Act entitled ‘An Act to provide for the
19 establishment of a national employment system and
20 for cooperation with the States in the promotion of
21 such system, and for other purposes’, approved June
22 6, 1933 (29 U.S.C. 49b(a)), or

23 “(2) by a State or local agency charged with
24 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
21 program 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”;

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) The 4th proviso of chapter VII of title I of Public
5 Law 99–88 (25 U.S.C. 13d–1) is amended to read as fol-
6 lows: “*Provided further*, That general assistance payments

7 made by the 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 6103(l)(10) (26 U.S.C.
16 6103(l)(10))—

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

19 (B) by adding at the end of subparagraph
20 (B) the following new sentence: “Any return in-
21 formation disclosed with respect to section
22 6402(e) shall only be disclosed to officers and
23 employees of the State agency requesting such
24 information.”;

1 (5) in section 6103(p)(4) (26 U.S.C.
2 6103(p)(4)), in the matter preceding subparagraph
3 (A)—

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

6 (B) by striking “(9), or (12)” and insert-
7 ing “(9), (10), or (12)”;

8 (6) in section 6334(a)(11)(A) (26 U.S.C.
9 6334(a)(11)(A)), by striking “(relating to aid to
10 families with dependent children)”;

11 (7) in section 6402 (26 U.S.C. 6402)—

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

14 (B) by redesignating subsections (e)
15 through (i) as subsections (f) through (j), re-
16 spectively; and

17 (C) by inserting after subsection (d) the
18 following:

19 “(e) COLLECTION OF OVERPAYMENTS UNDER TITLE
20 IV—A OF THE SOCIAL SECURITY ACT.—The amount of
21 any overpayment to be refunded to the person making the
22 overpayment shall be reduced (after reductions pursuant
23 to subsections (c) and (d), but before a credit against fu-
24 ture liability for an internal revenue tax) in accordance
25 with section 405(e) of the Social Security Act (concerning

1 recovery of overpayments to individuals under State plans
2 approved under part A of title IV of such Act).”; and

3 (8) in section 7523(b)(3)(C) (26 U.S.C.
4 7523(b)(3)(C)), by striking “aid to families with de-
5 pendent children” and inserting “assistance under a
6 State program funded under part A of title IV of the
7 Social Security Act”.

8 (m) Section 3(b) of the Wagner-Peyser Act (29
9 U.S.C. 49b(b)) is amended by striking “State plan ap-
10 proved under part A of title IV” and inserting “State pro-
11 gram funded under part A of title IV”.

12 (n) The Job Training Partnership Act (29 U.S.C.
13 1501 et seq.) is amended—

14 (1) in section 4(29)(A)(i) (29 U.S.C.
15 1503(29)(A)(i)), by striking “(42 U.S.C. 601 et
16 seq.)”;

17 (2) in section 106(b)(6)(C) (29 U.S.C.
18 1516(b)(6)(C)), by striking “State aid to families
19 with dependent children records,” and inserting
20 “records collected under the State program funded
21 under part A of title IV of the Social Security Act,”;

22 (3) in section 121(b)(2) (29 U.S.C.
23 1531(b)(2))—

1 (A) by striking “the JOBS program” and
2 inserting “the work activities required under
3 title IV of the Social Security Act”; and

4 (B) by striking the second sentence;

5 (4) in section 123(c) (29 U.S.C. 1533(c))—

6 (A) in paragraph (1)(E), by repealing
7 clause (vi); and

8 (B) in paragraph (2)(D), by repealing
9 clause (v);

10 (5) in section 203(b)(3) (29 U.S.C.
11 1603(b)(3)), by striking “, including recipients
12 under the JOBS program”;

13 (6) in subparagraphs (A) and (B) of section
14 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by
15 striking “(such as the JOBS program)” each place
16 it appears;

17 (7) in section 205(a) (29 U.S.C. 1605(a)), by
18 striking paragraph (4) and inserting the following:

19 “(4) the portions of title IV of the Social Secu-
20 rity Act relating to work activities;”;

21 (8) in section 253 (29 U.S.C. 1632)—

22 (A) in subsection (b)(2), by repealing sub-
23 paragraph (C); and

1 (B) in paragraphs (1)(B) and (2)(B) of
2 subsection (c), by striking “the JOBS program
3 or” each place it appears;

4 (9) in section 264 (29 U.S.C. 1644)—

5 (A) in subparagraphs (A) and (B) of sub-
6 section (b)(1), by striking “(such as the JOBS
7 program)” each place it appears; and

8 (B) in subparagraphs (A) and (B) of sub-
9 section (d)(3), by striking “and the JOBS pro-
10 gram” each place it appears;

11 (10) in section 265(b) (29 U.S.C. 1645(b)), by
12 striking paragraph (6) and inserting the following:

13 “(6) the portion of title IV of the Social Secu-
14 rity Act relating to work activities;”;

15 (11) in the second sentence of section 429(e)
16 (29 U.S.C. 1699(e)), by striking “and shall be in an
17 amount that does not exceed the maximum amount
18 that may be provided by the State pursuant to sec-
19 tion 402(g)(1)(C) of the Social Security Act (42
20 U.S.C. 602(g)(1)(C))”;

21 (12) in section 454(e) (29 U.S.C. 1734(e)), by
22 striking “JOBS and”;

23 (13) in section 455(b) (29 U.S.C. 1735(b)), by
24 striking “the JOBS program,”;

1 (14) in section 501(1) (29 U.S.C. 1791(1)), by
2 striking “aid to families with dependent children
3 under part A of title IV of the Social Security Act
4 (42 U.S.C. 601 et seq.)” and inserting “assistance
5 under the State program funded under part A of
6 title IV of the Social Security Act”;

7 (15) in section 506(1)(A) (29 U.S.C.
8 1791e(1)(A)), by striking “aid to families with de-
9 pendent children” and inserting “assistance under
10 the State program funded”;

11 (16) in section 508(a)(2)(A) (29 U.S.C.
12 1791g(a)(2)(A)), by striking “aid to families with
13 dependent children” and inserting “assistance under
14 the State program funded”; and

15 (17) in section 701(b)(2)(A) (29 U.S.C.
16 1792(b)(2)(A))—

17 (A) in clause (v), by striking the semicolon
18 and inserting “; and”; and

19 (B) by striking clause (vi).

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

22 “(iv) assistance under a State program funded
23 under part A of title IV of the Social Security Act;”.

1 (p) Section 2605(b)(2)(A)(i) of the Low-Income
2 Home Energy Assistance Act of 1981 (42 U.S.C.
3 8624(b)(2)(A)(i)) is amended to read as follows:

4 “(i) assistance under the State pro-
5 gram funded under part A of title IV of
6 the Social Security Act;”.

7 (q) Section 303(f)(2) of the Family Support Act of
8 1988 (42 U.S.C. 602 note) is amended—

9 (1) by striking “(A)”; and

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

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

13 (1) in the first section 255(h) (2 U.S.C.
14 905(h)), by striking “Aid to families with dependent
15 children (75–0412–0–1–609);” and inserting “Block
16 grants to States for temporary assistance for needy
17 families;”; and

18 (2) in section 256 (2 U.S.C. 906)—

19 (A) by striking subsection (k); and

20 (B) by redesignating subsection (l) as sub-
21 section (k).

22 (s) The Immigration and Nationality Act (8 U.S.C.
23 1101 et seq.) is amended—

24 (1) in section 210(f) (8 U.S.C. 1160(f)), by
25 striking “aid under a State plan approved under”

1 each place it appears and inserting “assistance
2 under a State program funded under”;

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

4 (A) in paragraph (1)(A)(i), by striking
5 “program of aid to families with dependent chil-
6 dren” and inserting “State program of assist-
7 ance”; and

8 (B) in paragraph (2)(B), by striking “aid
9 to families with dependent children” and insert-
10 ing “assistance under a State program funded
11 under part A of title IV of the Social Security
12 Act”; and

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

16 (t) Section 640(a)(4)(B)(i) of the Head Start Act (42
17 U.S.C. 9835(a)(4)(B)(i)) is amended by striking “pro-
18 gram of aid to families with dependent children under a
19 State plan approved” and inserting “State program of as-
20 sistance funded”.

21 (u) Section 9 of the Act of April 19, 1950 (64 Stat.
22 47, chapter 92; 25 U.S.C. 639) is repealed.

23 (v) Subparagraph (E) of section 213(d)(6) of the
24 School-To-Work Opportunities Act of 1994 (20 U.S.C.
25 6143(d)(6)) is amended to read as follows:

1 “(E) part A of title IV of the Social Secu-
2 rity Act (42 U.S.C. 601 et seq.) relating to
3 work activities;”.

4 (w) Section 552a(a)(8)(B)(iv)(III) of title 5, United
5 States Code, is amended by striking “section 464 or 1137
6 of the Social Security Act” and inserting “section 404(e),
7 464, or 1137 of the Social Security Act”.

8 **SEC. 4111. DEVELOPMENT OF PROTOTYPE OF COUNTER-**
9 **FEIT-RESISTANT SOCIAL SECURITY CARD RE-**
10 **QUIRED.**

11 (a) DEVELOPMENT.—

12 (1) IN GENERAL.—The Commissioner of Social
13 Security (in this section referred to as the “Commis-
14 sioner”) shall, in accordance with this section, de-
15 velop a prototype of a counterfeit-resistant social se-
16 curity card. Such prototype card shall—

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

19 (B) employ technologies that provide secu-
20 rity features, such as magnetic stripes,
21 holograms, and integrated circuits, and

22 (C) be developed so as to provide individ-
23 uals with reliable proof of citizenship or legal
24 resident alien status.

1 (2) ASSISTANCE BY ATTORNEY GENERAL.—The
2 Attorney General of the United States shall provide
3 such information and assistance as the Commis-
4 sioner deems necessary to enable the Commissioner
5 to comply with this section.

6 (b) STUDY AND REPORT.—

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

11 (2) ELEMENTS OF STUDY.—The study shall in-
12 clude an evaluation of the cost and work load impli-
13 cations of issuing a counterfeit-resistant social secu-
14 rity card for all individuals over a 3-, 5-, and 10-
15 year period. The study shall also evaluate the fea-
16 sibility and cost implications of imposing a user fee
17 for replacement cards and cards issued to individ-
18 uals who apply for such a card prior to the sched-
19 uled 3-, 5-, and 10-year phase-in options.

20 (3) DISTRIBUTION OF REPORT.—The Commis-
21 sioner shall submit copies of the report described in
22 this subsection along with a facsimile of the proto-
23 type card as described in subsection (a) to the Com-
24 mittees on Ways and Means and Judiciary of the
25 House of Representatives and the Committees on Fi-

1 nance and Judiciary of the Senate within 1 year
2 after the date of the enactment of this Act.

3 **SEC. 4112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

4 (a) IN GENERAL.—Whenever an organization that
5 accepts Federal funds under this title or the amendments
6 made by this title (other than funds provided under title
7 IV, XVI, or XX of the Social Security Act) makes any
8 communication that in any way intends to promote public
9 support or opposition to any policy of a Federal, State,
10 or local government through any broadcasting station,
11 newspaper, magazine, outdoor advertising facility, direct
12 mailing, or any other type of general public advertising,
13 such communication shall state the following: “This was
14 prepared and paid for by an organization that accepts tax-
15 payer dollars.”.

16 (b) FAILURE TO COMPLY.—If an organization makes
17 any communication described in subsection (a) and fails
18 to provide the statement required by that subsection, such
19 organization shall be ineligible to receive Federal funds
20 under this title or the amendments made by this title.

21 (c) DEFINITION.—For purposes of this section, the
22 term “organization” means an organization described in
23 section 501(c) of the Internal Revenue Code of 1986.

24 (d) EFFECTIVE DATES.—This section shall take ef-
25 fect—

1 (1) with respect to printed communications 1
2 year after the date of enactment of this Act; and

3 (2) with respect to any other communication on
4 the date of enactment of this Act.

5 **SEC. 4113. MODIFICATIONS TO THE JOB OPPORTUNITIES**
6 **FOR CERTAIN LOW-INCOME INDIVIDUALS**
7 **PROGRAM.**

8 Section 505 of the Family Support Act of 1988 (42
9 U.S.C. 1315 note) is amended—

10 (1) in the heading, by striking “**DEMONSTRA-**
11 **TION**”;

12 (2) by striking “demonstration” each place such
13 term appears;

14 (3) in subsection (a), by striking “in each of
15 fiscal years” and all that follows through “10” and
16 inserting “shall enter into agreements with”;

17 (4) in subsection (b)(3), by striking “aid to
18 families with dependent children under part A of
19 title IV of the Social Security Act” and inserting
20 “assistance under the program funded part A of title
21 IV of the Social Security Act of the State in which
22 the individual resides”;

23 (5) in subsection (c)—

24 (A) in paragraph (1)(C), by striking “aid
25 to families with dependent children under title

1 IV of the Social Security Act” and inserting
2 “assistance under a State program funded part
3 A of title IV of the Social Security Act”;

4 (B) in paragraph (2), by striking “aid to
5 families with dependent children under title IV
6 of such Act” and inserting “assistance under a
7 State program funded part A of title IV of the
8 Social Security Act”;

9 (6) in subsection (d), by striking “job opportu-
10 nities and basic skills training program (as provided
11 for under title IV of the Social Security Act)” and
12 inserting “the State program funded under part A
13 of title IV of the Social Security Act”; and

14 (7) by striking subsections (e) through (g) and
15 inserting the following:

16 “(e) AUTHORIZATION OF APPROPRIATIONS.—For the
17 purpose of conducting projects under this section, there
18 is authorized to be appropriated an amount not to exceed
19 \$25,000,000 for any fiscal year.”.

20 **SEC. 4114. SECRETARIAL SUBMISSION OF LEGISLATIVE**
21 **PROPOSAL FOR TECHNICAL AND CONFORM-**
22 **ING AMENDMENTS.**

23 Not later than 90 days after the date of the enact-
24 ment of this Act, the Secretary of Health and Human
25 Services and the Commissioner of Social Security, in con-

1 sultation, as appropriate, with the heads of other Federal
2 agencies, shall submit to the appropriate committees of
3 Congress a legislative proposal proposing such technical
4 and conforming amendments as are necessary to bring the
5 law into conformity with the policy embodied in this sub-
6 title.

7 **SEC. 4115. CONFORMING AMENDMENTS TO MEDICAID PRO-**
8 **GRAM.**

9 (a) IN GENERAL.—Title XIX is amended—

10 (1) in section 1931, by inserting “subject to
11 section 1931(a),” in subsection (a) after “under this
12 title,” and by redesignating such section as section
13 1932; and

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

16 “CONTINUED APPLICATION OF STANDARDS AND METH-
17 ODOLOGIES UNDER PART A OF TITLE IV FOR CER-
18 TAIN INDIVIDUALS

19 “SEC. 1931. (a) For purposes of applying this title
20 with respect to a State, notwithstanding any other provi-
21 sion of this title—

22 “(1) except as provided in paragraphs (2)
23 through (5), any reference in this title (or other pro-
24 vision of law in relation to the operation of this title)
25 to a provision of part A of title IV, or a State plan
26 under such part, shall be considered a reference to

1 such provision or plan as in effect as of July 16,
2 1996, with respect to the State and eligibility for
3 medical assistance under this title shall be deter-
4 mined as if such provision or plan (as in effect as
5 of such date) remained in effect;

6 “(2) any reference in section 1902(a)(5) or
7 1902(a)(55) to a State plan approved under part A
8 of title IV shall be deemed a reference to a State
9 program funded under such part;

10 “(3) a State may provide that any income
11 standard under the State plan referred to in para-
12 graph (1) may be increased over a period (beginning
13 after July 16, 1996) by a percentage that does not
14 exceed the percentage increase in the consumer price
15 index for all urban consumers (all items; U.S. city
16 average) over such period;

17 “(4) in applying section 1925, medical assist-
18 ance is required to be provided under such section
19 only if it is required to be provided under section
20 408(a)(13); and

21 “(5) a State may terminate medical assistance
22 under this title for an individual because the individ-
23 ual fails to meet any requirement imposed pursuant
24 to section 407 if the individual was eligible for the
25 medical assistance—

1 “(A) on the basis of receipt of assistance
2 under a State program funded under part A of
3 title IV, or

4 “(B) pursuant to paragraph (1), on the
5 basis that the individual meets the requirements
6 for receipt of aid or assistance under the State
7 plan under part A of title IV (as in effect on
8 July 16, 1996).

9 “(b) In the case of a waiver of a provision of part
10 A of title IV in effect with respect to a State as of July
11 16, 1996, if the waiver affects eligibility of individuals for
12 medical assistance under this title, such waiver may con-
13 tinue to be applied, at the option of the State, in relation
14 to this title after the date the waiver would otherwise ex-
15 pire.”.

16 (b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C.
17 1396a(a)) is amended—

18 (1) by striking “and” at the end of paragraph
19 (61),

20 (2) by striking the period at the end of para-
21 graph (62) and inserting “; and”, and

22 (3) by inserting after paragraph (62) the fol-
23 lowing new paragraph:

24 “(63) provide for continuing to administer eligi-
25 bility standards with respect to individuals who are

1 (or seek to be) eligible for medical assistance based
2 on the application of section 1931.”.

3 (c) CONFORMING AMENDMENTS.—(1) Section
4 1902(c) (42 U.S.C. 1396a(c)) is amended by striking
5 “if—” and all that follows and inserting the following: “if
6 the State requires individuals described in subsection
7 (l)(1) to apply for assistance under the State program
8 funded under part A of title IV as a condition of applying
9 for or receiving medical assistance under this title.”.

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

12 **SEC. 4116. EFFECTIVE DATE; TRANSITION RULE.**

13 (a) EFFECTIVE DATES.—

14 (1) IN GENERAL.—Except as otherwise pro-
15 vided in this subtitle, this subtitle and the amend-
16 ments made by this subtitle shall take effect on July
17 1, 1997.

18 (2) DELAYED EFFECTIVE DATE FOR CERTAIN
19 PROVISIONS.—Notwithstanding any other provision
20 of this section, paragraphs (2), (3), (4), (5), (8), and
21 (10) of section 409(a) and section 411(a) of the So-
22 cial Security Act (as added by the amendments
23 made by section 4103(a) of this Act) shall not take
24 effect with respect to a State until, and shall apply

1 only with respect to conduct that occurs on or after,
2 the later of—

3 (A) July 1, 1997; or

4 (B) the date that is 6 months after the
5 date the Secretary of Health and Human Serv-
6 ices receives from the State a plan described in
7 section 402(a) of the Social Security Act (as
8 added by such amendment).

9 (3) ELIMINATION OF CHILD CARE PROGRAMS.—

10 The amendments made by section 4103(d) shall take
11 effect on October 1, 1996.

12 (4) DEFINITIONS APPLICABLE TO NEW CHILD
13 CARE ENTITLEMENT.—Sections 403(a)(1)(C),
14 403(a)(1)(D), and 419(4) of the Social Security Act,
15 as added by the amendments made by section
16 4103(a) of this Act, shall take effect on October 1,
17 1996.

18 (b) TRANSITION RULES.—Effective on the date of
19 the enactment of this Act:

20 (1) STATE OPTION TO ACCELERATE EFFECTIVE
21 DATE.—

22 (A) IN GENERAL.—If the Secretary of
23 Health and Human Services receives from a
24 State a plan described in section 402(a) of the
25 Social Security Act (as added by the amend-

1 ment made by section 4103(a)(1) of this Act),
2 then—

3 (i) on and after the date of such re-
4 ceipt—

5 (I) except as provided in clause
6 (ii), this subtitle and the amendments
7 made by this subtitle (other than by
8 section 4103(d) of this Act) shall
9 apply with respect to the State; and

10 (II) the State shall be considered
11 an eligible State for purposes of part
12 A of title IV of the Social Security
13 Act (as in effect pursuant to the
14 amendments made by such section
15 4103(a)); and

16 (ii) during the period that begins on
17 the date of such receipt and ends on June
18 30, 1997, there shall remain in effect with
19 respect to the State—

20 (I) section 403(h) of the Social
21 Security Act (as in effect on Septem-
22 ber 30, 1995); and

23 (II) all State reporting require-
24 ments under parts A and F of title IV
25 of the Social Security Act (as in effect

1 on September 30, 1995), modified by
2 the Secretary as appropriate, taking
3 into account the State program under
4 part A of title IV of the Social Secu-
5 rity Act (as in effect pursuant to the
6 amendments made by such section
7 4103(a)).

8 (B) LIMITATIONS ON FEDERAL OBLIGA-
9 TIONS.—

10 (i) UNDER AFDC PROGRAM.—The
11 total obligations of the Federal Govern-
12 ment to a State under part A of title IV
13 of the Social Security Act (as in effect on
14 September 30, 1995) with respect to ex-
15 penditures in fiscal year 1997 shall not ex-
16 ceed an amount equal to the State family
17 assistance grant.

18 (ii) UNDER TEMPORARY FAMILY AS-
19 SISTANCE PROGRAM.—Notwithstanding
20 section 403(a)(1) of the Social Security
21 Act (as in effect pursuant to the amend-
22 ments made by section 4103(a) of this
23 Act), the total obligations of the Federal
24 Government to a State under such section
25 403(a)(1)—

1 (I) for fiscal year 1996, shall be
2 an amount equal to—

3 (aa) the State family assist-
4 ance grant; multiplied by

5 (bb) $\frac{1}{366}$ of the number of
6 days during the period that be-
7 gins on the date the Secretary of
8 Health and Human Services first
9 receives from the State a plan
10 described in section 402(a) of the
11 Social Security Act (as added by
12 the amendment made by section
13 4103(a)(1) of this Act) and ends
14 on September 30, 1996; and

15 (II) for fiscal year 1997, shall be
16 an amount equal to the lesser of—

17 (aa) the amount (if any) by
18 which the State family assistance
19 grant exceeds the total obliga-
20 tions of the Federal Government
21 to the State under part A of title
22 IV of the Social Security Act (as
23 in effect on September 30, 1995)
24 with respect to expenditures in
25 fiscal year 1997; or

1 (bb) the State family assist-
2 ance grant, multiplied by $\frac{1}{365}$ of
3 the number of days during the
4 period that begins on October 1,
5 1996, or the date the Secretary
6 of Health and Human Services
7 first receives from the State a
8 plan described in section 402(a)
9 of the Social Security Act (as
10 added by the amendment made
11 by section 4103(a)(1) of this
12 Act), whichever is later, and ends
13 on September 30, 1997.

14 (iii) CHILD CARE OBLIGATIONS EX-
15 CLUDED IN DETERMINING FEDERAL AFDC
16 OBLIGATIONS.—As used in this subpara-
17 graph, the term “obligations of the Federal
18 Government to the State under part A of
19 title IV of the Social Security Act” does
20 not include any obligation of the Federal
21 Government with respect to child care ex-
22 penditures by the State.

23 (C) SUBMISSION OF STATE PLAN FOR FIS-
24 CAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE
25 OF GRANT LIMITATIONS AND FORMULA AND

1 TERMINATION OF AFDC ENTITLEMENT.—The
2 submission of a plan by a State pursuant to
3 subparagraph (A) is deemed to constitute—

4 (i) the State’s acceptance of the grant
5 reductions under subparagraph (B) (in-
6 cluding the formula for computing the
7 amount of the reduction); and

8 (ii) the termination of any entitlement
9 of any individual or family to benefits or
10 services under the State AFDC program.

11 (D) DEFINITIONS.—As used in this para-
12 graph:

13 (i) STATE AFDC PROGRAM.—The term
14 “State AFDC program” means the State
15 program under parts A and F of title IV
16 of the Social Security Act (as in effect on
17 September 30, 1995).

18 (ii) STATE.—The term “State” means
19 the 50 States and the District of Colum-
20 bia.

21 (iii) STATE FAMILY ASSISTANCE
22 GRANT.—The term “State family assist-
23 ance grant” means the State family assist-
24 ance grant (as defined in section
25 403(a)(1)(B) of the Social Security Act, as

1 added by the amendment made by section
2 4103(a)(1) of this Act).

3 (2) CLAIMS, ACTIONS, AND PROCEEDINGS.—

4 The amendments made by this subtitle shall not
5 apply with respect to—

6 (A) powers, duties, functions, rights,
7 claims, penalties, or obligations applicable to
8 aid, assistance, or services provided before the
9 effective date of this subtitle under the provi-
10 sions amended; and

11 (B) administrative actions and proceedings
12 commenced before such date, or authorized be-
13 fore such date to be commenced, under such
14 provisions.

15 (3) CLOSING OUT ACCOUNT FOR THOSE PRO-
16 GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED
17 BY THIS SUBTITLE.—In closing out accounts, Fed-
18 eral and State officials may use scientifically accept-
19 able statistical sampling techniques. Claims made
20 with respect to State expenditures under a State
21 plan approved under part A of title IV of the Social
22 Security Act (as in effect on September 30, 1995)
23 with respect to assistance or services provided on or
24 before September 30, 1995, shall be treated as
25 claims with respect to expenditures during fiscal

1 year 1995 for purposes of reimbursement even if
2 payment was made by a State on or after October
3 1, 1995. Each State shall complete the filing of all
4 claims under the State plan (as so in effect) within
5 2 years after the date of the enactment of this Act.
6 The head of each Federal department shall—

7 (A) use the single audit procedure to re-
8 view and resolve any claims in connection with
9 the close out of programs under such State
10 plans; and

11 (B) reimburse States for any payments
12 made for assistance or services provided during
13 a prior fiscal year from funds for fiscal year
14 1995, rather than from funds authorized by
15 this subtitle.

16 (4) CONTINUANCE IN OFFICE OF ASSISTANT
17 SECRETARY FOR FAMILY SUPPORT.—The individual
18 who, on the day before the effective date of this sub-
19 title, is serving as Assistant Secretary for Family
20 Support within the Department of Health and
21 Human Services shall, until a successor is appointed
22 to such position—

23 (A) continue to serve in such position; and

24 (B) except as otherwise provided by law—

1 (i) continue to perform the functions
2 of the Assistant Secretary for Family Sup-
3 port under section 417 of the Social Secu-
4 rity Act (as in effect before such effective
5 date); and

6 (ii) have the powers and duties of the
7 Assistant Secretary for Family Support
8 under section 416 of the Social Security
9 Act (as in effect pursuant to the amend-
10 ment made by section 4103(a)(1) of this
11 Act).

12 (c) TERMINATION OF ENTITLEMENT UNDER AFDC
13 PROGRAM.—Effective October 1, 1996, no individual or
14 family shall be entitled to any benefits or services under
15 any State plan approved under part A or F of title IV
16 of the Social Security Act (as in effect on September 30,
17 1995).

18 **Subtitle B—Supplemental Security** 19 **Income**

20 **SEC. 4200. REFERENCE TO SOCIAL SECURITY ACT.**

21 Except as otherwise specifically provided, wherever in
22 this subtitle an amendment is expressed in terms of an
23 amendment to or repeal of a section or other provision,
24 the reference shall be considered to be made to that sec-
25 tion or other provision of the Social Security Act.

1 **CHAPTER 1—ELIGIBILITY RESTRICTIONS**
2 **SEC. 4201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDI-**
3 **VIDUALS FOUND TO HAVE FRAUDULENTLY**
4 **MISREPRESENTED RESIDENCE IN ORDER TO**
5 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
6 **MORE STATES.**

7 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.
8 1382(e)), as amended by section 105(b)(4) of the Contract
9 with America Advancement Act of 1996, is amended by
10 redesignating paragraph (5) as paragraph (3) and by add-
11 ing at the end the following new paragraph:

12 “(4)(A) No person shall be considered an eligible in-
13 dividual or eligible spouse for purposes of this title during
14 the 10-year period that begins on the date the person is
15 convicted in Federal or State court of having made a
16 fraudulent statement or representation with respect to the
17 place of residence of the person in order to receive assist-
18 ance simultaneously from 2 or more States under pro-
19 grams that are funded under title IV, title XIX, or the
20 Food Stamp Act of 1977, or benefits in 2 or more States
21 under the supplemental security income program under
22 this title.

23 “(B) As soon as practicable after the conviction of
24 a person in a Federal or State court as described in sub-

1 paragraph (A), an official of such court shall notify the
2 Commissioner of such conviction.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall take effect on the date of the enactment
5 of this Act.

6 **SEC. 4202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
7 **AND PROBATION AND PAROLE VIOLATORS.**

8 (a) IN GENERAL.—Section 1611(e) (42 U.S.C.
9 1382(e)), as amended by section 4201(a) of this Act, is
10 amended by adding at the end the following new para-
11 graph:

12 “(5) No person shall be considered an eligible individ-
13 ual or eligible spouse for purposes of this title with respect
14 to any month if during such month the person is—

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

22 “(B) violating a condition of probation or pa-
23 role imposed under Federal or State law.”.

24 (b) EXCHANGE OF INFORMATION.—Section 1611(e)
25 (42 U.S.C. 1382(e)), as amended by section 4201(a) of

1 this Act and subsection (a) of this section, is amended by
2 adding at the end the following new paragraph:

3 “(6) Notwithstanding any other provision of law
4 (other than section 6103 of the Internal Revenue Code
5 of 1986), the Commissioner shall furnish any Federal,
6 State, or local law enforcement officer, upon the written
7 request of the officer, with the current address, Social Se-
8 curity number, and photograph (if applicable) of any re-
9 cipient of benefits under this title, if the officer furnishes
10 the Commissioner with the name of the recipient, and
11 other identifying information as reasonably required by
12 the Commissioner to establish the unique identity of the
13 recipient, and notifies the Commissioner that—

14 “(A) the recipient—

15 “(i) is described in subparagraph (A) or
16 (B) of paragraph (5); or

17 “(ii) has information that is necessary for
18 the officer to conduct the officer’s official du-
19 ties; and

20 “(B) the location or apprehension of the recipi-
21 ent is within the officer’s official duties.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on the date of the enactment
24 of this Act.

1 **SEC. 4203. TREATMENT OF PRISONERS.**

2 (a) IMPLEMENTATION OF PROHIBITION AGAINST
3 PAYMENT OF BENEFITS TO PRISONERS.—

4 (1) IN GENERAL.—Section 1611(e)(1) (42
5 U.S.C. 1382(e)(1)) is amended by adding at the end
6 the following new subparagraph:

7 “(I)(i) The Commissioner shall enter into an agree-
8 ment, with any interested State or local institution de-
9 scribed in clause (i) or (ii) of section 202(x)(1)(A) the pri-
10 mary purpose of which is to confine individuals as de-
11 scribed in section 202(x)(1)(A), under which—

12 “(I) the institution shall provide to the Com-
13 missioner, on a monthly basis and in a manner spec-
14 ified by the Commissioner, the names, social security
15 account numbers, dates of birth, confinement com-
16 mencement dates, and, to the extent available to the
17 institution, such other identifying information con-
18 cerning the inmates of the institution as the Com-
19 missioner may require for the purpose of carrying
20 out paragraph (1); and

21 “(II) the Commissioner shall pay to any such
22 institution, with respect to each inmate of the insti-
23 tution who is eligible for a benefit under this title for
24 the month preceding the first month throughout
25 which such inmate is in such institution and be-
26 comes ineligible for such benefit as a result of the

1 application of this subparagraph, \$400 if the institu-
2 tion furnishes the information described in subclause
3 (I) to the Commissioner within 30 days after the
4 date such individual becomes an inmate of such in-
5 stitution, or \$200 if the institution furnishes such
6 information after 30 days after such date but within
7 90 days after such date.

8 “(ii)(I) The provisions of section 552a of title 5,
9 United States Code, shall not apply to any agreement en-
10 tered into under clause (i) or to information exchanged
11 pursuant to such agreement.

12 “(II) The Commissioner is authorized to provide, on
13 a reimbursable basis, information obtained pursuant to
14 agreements entered into under clause (i) to any Federal
15 or federally-assisted cash, food, or medical assistance pro-
16 gram for eligibility purposes.

17 “(iii) The dollar amounts specified in clause (i)(II)
18 shall be reduced by 50 percent if the Commissioner is also
19 required to make a payment to the institution with respect
20 to the same individual under an agreement entered into
21 under section 202(x)(3)(B).

22 “(iv) Payments to institutions required by clause
23 (i)(II) shall be made from funds otherwise available for
24 the payment of benefits under this title and shall be treat-

1 ed as direct spending for purposes of the Balanced Budget
2 and Emergency Deficit Control Act of 1985.”.

3 (2) CONFORMING OASDI AMENDMENTS.—Sec-
4 tion 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

5 (A) by inserting “(A)” after “(3)”; and

6 (B) by adding at the end the following new
7 subparagraph:

8 “(B)(i) The Commissioner shall enter into an agree-
9 ment, with any interested State or local institution de-
10 scribed in clause (i) or (ii) of paragraph (1)(A) the pri-
11 mary purpose of which is to confine individuals as de-
12 scribed in paragraph (1)(A), under which—

13 “(I) the institution shall provide to the Com-
14 missioner, on a monthly basis and in a manner spec-
15 ified by the Commissioner, the names, social security
16 account numbers, dates of birth, confinement com-
17 mencement dates, and, to the extent available to the
18 institution, such other identifying information con-
19 cerning the individuals confined in the institution as
20 the Commissioner may require for the purpose of
21 carrying out paragraph (1); and

22 “(II) the Commissioner shall pay to any such
23 institution, with respect to each individual who is en-
24 titled to a benefit under this title for the month pre-
25 ceding the first month throughout which such indi-

1 vidual is confined in such institution as described in
2 paragraph (1)(A), \$400 if the institution furnishes
3 the information described in subclause (I) to the
4 Commissioner within 30 days after the date such in-
5 dividual's confinement in such institution begins, or
6 \$200 if the institution furnishes such information
7 after 30 days after such date but within 90 days
8 after such date.

9 “(ii)(I) The provisions of section 552a of title 5,
10 United States Code, shall not apply to any agreement en-
11 tered into under clause (i) or to information exchanged
12 pursuant to such agreement.

13 “(II) The Commissioner is authorized to provide, on
14 a reimbursable basis, information obtained pursuant to
15 agreements entered into under clause (i) to any Federal
16 or federally-assisted cash, food, or medical assistance pro-
17 gram for eligibility purposes.

18 “(iii) The dollar amounts specified in clause (i)(II)
19 shall be reduced by 50 percent if the Commissioner is also
20 required to make a payment to the institution with respect
21 to the same individual under an agreement entered into
22 under section 1611(e)(1)(I).

23 “(iv) There shall be transferred from the Federal
24 Old-Age and Survivors Insurance Trust Fund and the
25 Federal Disability Insurance Trust Fund, as appropriate,

1 such sums as may be necessary to enable the Commis-
2 sioner to make payments to institutions required by clause
3 (i)(II). Sums so transferred shall be treated as direct
4 spending for purposes of the Balanced Budget and Emer-
5 gency Deficit Control Act of 1985 and excluded from
6 budget totals in accordance with section 13301 of the
7 Budget Enforcement Act of 1990.”.

8 (3) EFFECTIVE DATE.—The amendments made
9 by this subsection shall apply to individuals whose
10 period of confinement in an institution commences
11 on or after the first day of the seventh month begin-
12 ning after the month in which this Act is enacted.

13 (b) ELIMINATION OF OASDI REQUIREMENT THAT
14 CONFINEMENT STEM FROM CRIME PUNISHABLE BY IM-
15 PRISONMENT FOR MORE THAN 1 YEAR.—

16 (1) IN GENERAL.—Section 202(x)(1)(A) (42
17 U.S.C. 402(x)(1)(A)) is amended—

18 (A) in the matter preceding clause (i), by
19 striking “during” and inserting “throughout”;

20 (B) in clause (i), by striking “pursuant”
21 and all that follows through “imposed)”; and

22 (C) in clause (ii)(I), by striking “an of-
23 fense punishable by imprisonment for more
24 than 1 year” and inserting “a criminal of-
25 fense”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by this subsection shall be effective with respect to
3 benefits payable for months beginning more than
4 180 days after the date of the enactment of this Act.

5 (c) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN
6 THE COLLECTION OF INFORMATION RESPECTING PUBLIC
7 INMATES.—

8 (1) STUDY.—The Commissioner of Social Secu-
9 rity shall conduct a study of the desirability, feasibil-
10 ity, and cost of—

11 (A) establishing a system under which
12 Federal, State, and local courts would furnish
13 to the Commissioner such information respect-
14 ing court orders by which individuals are con-
15 fined in jails, prisons, or other public penal,
16 correctional, or medical facilities as the Com-
17 missioner may require for the purpose of carry-
18 ing out sections 202(x) and 1611(e)(1) of the
19 Social Security Act; and

20 (B) requiring that State and local jails,
21 prisons, and other institutions that enter into
22 agreements with the Commissioner under sec-
23 tion 202(x)(3)(B) or 1611(e)(1)(I) of the Social
24 Security Act furnish the information required
25 by such agreements to the Commissioner by

1 means of an electronic or other sophisticated
2 data exchange system.

3 (2) REPORT.—Not later than 1 year after the
4 date of the enactment of this Act, the Commissioner
5 of Social Security shall submit a report on the re-
6 sults of the study conducted pursuant to this sub-
7 section to the Committee on Finance of the Senate
8 and the Committee on Ways and Means of the
9 House of Representatives.

10 (d) ADDITIONAL REPORT TO CONGRESS.—Not later
11 than October 1, 1998, the Commissioner of Social Secu-
12 rity shall provide to the Committee on Finance of the Sen-
13 ate and the Committee on Ways and Means of the House
14 of Representatives a list of the institutions that are and
15 are not providing information to the Commissioner under
16 sections 202(x)(3)(B) and 1611(e)(1)(I) of the Social Se-
17 curity Act (as added by this section).

18 **SEC. 4204. EFFECTIVE DATE OF APPLICATION FOR BENE-**
19 **FITS.**

20 (a) IN GENERAL.—Subparagraphs (A) and (B) of
21 section 1611(e)(7) (42 U.S.C. 1382(c)(7)) are amended
22 to read as follows:

23 “(A) the first day of the month following the
24 date such application is filed, or

1 “(B) the first day of the month following the
2 date such individual becomes eligible for such bene-
3 fits with respect to such application.”.

4 (b) SPECIAL RULE RELATING TO EMERGENCY AD-
5 VANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C.
6 1383(a)(4)(A)) is amended—

7 (1) by inserting “for the month following the
8 date the application is filed” after “is presumptively
9 eligible for such benefits”; and

10 (2) by inserting “, which shall be repaid
11 through proportionate reductions in such benefits
12 over a period of not more than 6 months” before the
13 semicolon.

14 (c) CONFORMING AMENDMENTS.—

15 (1) Section 1614(b) (42 U.S.C. 1382e(b)) is
16 amended by striking “at the time the application or
17 request is filed” and inserting “on the first day of
18 the month following the date the application or re-
19 quest is filed”.

20 (2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3))
21 is amended by inserting “following the month” after
22 “beginning with the month”.

23 (d) EFFECTIVE DATE.—

24 (1) IN GENERAL.—The amendments made by
25 this section shall apply to applications for benefits

1 under title XVI of the Social Security Act filed on
2 or after the date of the enactment of this Act, with-
3 out regard to whether regulations have been issued
4 to implement such amendments.

5 (2) BENEFITS UNDER TITLE XVI.—For pur-
6 poses of this subsection, the term “benefits under
7 title XVI of the Social Security Act” includes sup-
8 plementary payments pursuant to an agreement for
9 Federal administration under section 1616(a) of the
10 Social Security Act, and payments pursuant to an
11 agreement entered into under section 212(b) of Pub-
12 lic Law 93–66.

13 **CHAPTER 2—BENEFITS FOR DISABLED**
14 **CHILDREN**

15 **SEC. 4211. DEFINITION AND ELIGIBILITY RULES.**

16 (a) DEFINITION OF CHILDHOOD DISABILITY.—Sec-
17 tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by
18 section 105(b)(1) of the Contract with America Advance-
19 ment Act of 1996, is amended—

20 (1) in subparagraph (A), by striking “An indi-
21 vidual” and inserting “Except as provided in sub-
22 paragraph (C), an individual”;

23 (2) in subparagraph (A), by striking “(or, in
24 the case of an individual under the age of 18, if he

1 suffers from any medically determinable physical or
2 mental impairment of comparable severity”);

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

5 (4) by inserting after subparagraph (B) the fol-
6 lowing new subparagraph:

7 “(C)(i) An individual under the age of 18 shall be
8 considered disabled for the purposes of this title if that
9 individual has a medically determinable physical or mental
10 impairment, which results in marked and severe functional
11 limitations, and which can be expected to result in death
12 or which has lasted or can be expected to last for a contin-
13 uous period of not less than 12 months.

14 “(ii) The Commissioner shall ensure that the com-
15 bined effects of all physical or mental impairments of an
16 individual are taken into account in determining whether
17 an individual is disabled in accordance with clause (i).

18 “(iii) The Commissioner shall ensure that the regula-
19 tions prescribed under this subparagraph provide for the
20 evaluation of children who cannot be tested because of
21 their young age.

22 “(iv) Notwithstanding the preceding provisions of
23 this subparagraph, no individual under the age of 18 who
24 engages in substantial gainful activity (determined in ac-

1 cordance with regulations prescribed pursuant to subpara-
2 graph (E)) may be considered to be disabled.”; and

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

6 (b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

7 (1) MODIFICATION TO MEDICAL CRITERIA FOR
8 EVALUATION OF MENTAL AND EMOTIONAL DIS-
9 ORDERS.—The Commissioner of Social Security
10 shall modify sections 112.00C.2. and
11 112.02B.2.c.(2) of appendix 1 to subpart P of part
12 404 of title 20, Code of Federal Regulations, to
13 eliminate references to maladaptive behavior in the
14 domain of personal/behavioral function.

15 (2) DISCONTINUANCE OF INDIVIDUALIZED
16 FUNCTIONAL ASSESSMENT.—The Commissioner of
17 Social Security shall discontinue the individualized
18 functional assessment for children set forth in sec-
19 tions 416.924d and 416.924e of title 20, Code of
20 Federal Regulations.

21 (c) MEDICAL IMPROVEMENT REVIEW STANDARD AS
22 IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—
23 Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

1 (1) by redesignating subclauses (I) and (II) of
2 clauses (i) and (ii) of subparagraph (B) as items
3 (aa) and (bb), respectively;

4 (2) by redesignating clauses (i) and (ii) of sub-
5 paragraphs (A) and (B) as subclauses (I) and (II),
6 respectively;

7 (3) by redesignating subparagraphs (A) through
8 (C) as clauses (i) through (iii), respectively;

9 (4) by inserting before clause (i) (as redesign-
10 nated by paragraph (3)) the following new subpara-
11 graph:

12 “(A) in the case of an individual who is age 18
13 or older—”;

14 (5) by inserting after and below subparagraph
15 (A)(iii) (as so redesignated) the following new sub-
16 paragraph:

17 “(B) in the case of an individual who is under
18 the age of 18—

19 “(i) substantial evidence which dem-
20 onstrates that there has been medical improve-
21 ment in the individual’s impairment or com-
22 bination of impairments, and that such impair-
23 ment or combination of impairments no longer
24 results in marked and severe functional limita-
25 tions; or

1 “(ii) substantial evidence which dem-
2 onstrates that, as determined on the basis of
3 new or improved diagnostic techniques or eval-
4 uations, the individual’s impairment or com-
5 bination of impairments, is not as disabling as
6 it was considered to be at the time of the most
7 recent prior decision that the individual was
8 under a disability or continued to be under a
9 disability, and such impairment or combination
10 of impairments does not result in marked and
11 severe functional limitations; or”;

12 (6) by redesignating subparagraph (D) as sub-
13 paragraph (C) and by inserting in such subpara-
14 graph “in the case of any individual,” before “sub-
15 stantial evidence”; and

16 (7) in the first sentence following subparagraph
17 (C) (as redesignated by paragraph (6)), by—

18 (A) inserting “(i)” before “to restore”; and

19 (B) inserting “, or (ii) in the case of an in-
20 dividual under the age of 18, to eliminate or
21 improve the individual’s impairment or com-
22 bination of impairments so that it no longer re-
23 sults in marked and severe functional limita-
24 tions” immediately before the period.

25 (d) EFFECTIVE DATES, ETC.—

1 (1) EFFECTIVE DATES.—

2 (A) SUBSECTIONS (a) AND (b).—

3 (i) IN GENERAL.—The provisions of,
4 and amendments made by, subsections (a)
5 and (b) shall apply to any individual who
6 applies for, or whose claim is finally adju-
7 dicated with respect to, benefits under title
8 XVI of the Social Security Act on or after
9 the date of the enactment of this Act,
10 without regard to whether regulations have
11 been issued to implement such provisions
12 and amendments.

13 (ii) DETERMINATION OF FINAL ADJU-
14 DICATION.—For purposes of clause (i), no
15 individual's claim with respect to such ben-
16 efits may be considered to be finally adju-
17 dicated before such date of enactment if,
18 on or after such date, there is pending a
19 request for either administrative or judicial
20 review with respect to such claim that has
21 been denied in whole, or there is pending,
22 with respect to such claim, readjudication
23 by the Commissioner of Social Security
24 pursuant to relief in a class action or im-

1 plementation by the Commissioner of a
2 court remand order.

3 (B) SUBSECTION (c).—The amendments
4 made by subsection (c) shall apply with respect
5 to benefits under title XVI of the Social Secu-
6 rity Act for months beginning on or after the
7 date of the enactment of this Act, without re-
8 gard to whether regulations have been issued to
9 implement such amendments.

10 (2) APPLICATION TO CURRENT RECIPIENTS.—

11 (A) ELIGIBILITY REDETERMINATIONS.—
12 During the period beginning on the date of the
13 enactment of this Act and ending on the date
14 which is 1 year after such date of enactment,
15 the Commissioner of Social Security shall rede-
16 termine the eligibility of any individual under
17 age 18 who is eligible for supplemental security
18 income benefits by reason of disability under
19 title XVI of the Social Security Act as of the
20 date of the enactment of this Act and whose
21 eligibility for such benefits may terminate by
22 reason of the provisions of, or amendments
23 made by, subsections (a) and (b). With respect
24 to any redetermination under this subpara-
25 graph—

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 pro-
20 visions of, and amendments made by, sub-
21 sections (a) and (b), and the redetermination
22 under subparagraph (A), shall only apply with
23 respect to the benefits of an individual de-
24 scribed in subparagraph (A) for months begin-

1 ning on or after the date of the redetermination
2 with respect to such individual.

3 (C) NOTICE.—Not later than January 1,
4 1997, the Commissioner of Social Security shall
5 notify an individual described in subparagraph
6 (A) of the provisions of this paragraph.

7 (3) REPORT.—The Commissioner of Social Se-
8 curity shall report to the Congress regarding the
9 progress made in implementing the provisions of,
10 and amendments made by, this section on child dis-
11 ability evaluations not later than 180 days after the
12 date of the enactment of this Act.

13 (4) REGULATIONS.—Notwithstanding any other
14 provision of law, the Commissioner of Social Secu-
15 rity shall submit for review to the committees of ju-
16 risdiction in the Congress any final regulation per-
17 taining to the eligibility of individuals under age 18
18 for benefits under title XVI of the Social Security
19 Act at least 45 days before the effective date of such
20 regulation. The submission under this paragraph
21 shall include supporting documentation providing a
22 cost analysis, workload impact, and projections as to
23 how the regulation will effect the future number of
24 recipients under such title.

1 (5) BENEFITS UNDER TITLE XVI.—For pur-
2 poses of this subsection, the term “benefits under
3 title XVI of the Social Security Act” includes sup-
4 plementary payments pursuant to an agreement for
5 Federal administration under section 1616(a) of the
6 Social Security Act, and payments pursuant to an
7 agreement entered into under section 212(b) of Pub-
8 lic Law 93–66.

9 **SEC. 4212. ELIGIBILITY REDETERMINATIONS AND CON-**
10 **TINUING DISABILITY REVIEWS.**

11 (a) CONTINUING DISABILITY REVIEWS RELATING TO
12 CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C.
13 1382c(a)(3)(H)), as redesignated by section 4211(a)(3) of
14 this Act, is amended—

15 (1) by inserting “(i)” after “(H)”; and

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

18 “(ii)(I) Not less frequently than once every 3 years,
19 the Commissioner shall review in accordance with para-
20 graph (4) the continued eligibility for benefits under this
21 title of each individual who has not attained 18 years of
22 age and is eligible for such benefits by reason of an im-
23 pairment (or combination of impairments) which is likely
24 to improve (or, at the option of the Commissioner, which
25 is unlikely to improve).

1 “(II) A representative payee of a recipient whose case
2 is reviewed under this clause shall present, at the time
3 of review, evidence demonstrating that the recipient is,
4 and has been, receiving treatment, to the extent consid-
5 ered medically necessary and available, of the condition
6 which was the basis for providing benefits under this title.

7 “(III) If the representative payee refuses to comply
8 without good cause with the requirements of subclause
9 (II), the Commissioner of Social Security shall, if the
10 Commissioner determines it is in the best interest of the
11 individual, promptly suspend payment of benefits to the
12 representative payee, and provide for payment of benefits
13 to an alternative representative payee of the individual or,
14 if the interest of the individual under this title would be
15 served thereby, to the individual.

16 “(IV) Subclause (II) shall not apply to the represent-
17 ative payee of any individual with respect to whom the
18 Commissioner determines such application would be inap-
19 propriate or unnecessary. In making such determination,
20 the Commissioner shall take into consideration the nature
21 of the individual’s impairment (or combination of impair-
22 ments). Section 1631(c) shall not apply to a finding by
23 the Commissioner that the requirements of subclause (II)
24 should not apply to an individual’s representative payee.”.

1 (b) DISABILITY ELIGIBILITY REDETERMINATIONS
2 REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS
3 OF AGE.—

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

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

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

14 “(II) by applying the criteria used in determin-
15 ing the initial eligibility for applicants who are age
16 18 or older.

17 With respect to a redetermination under this clause, para-
18 graph (4) shall not apply and such redetermination shall
19 be considered a substitute for a review or redetermination
20 otherwise required under any other provision of this sub-
21 paragraph during that 1-year period.”.

22 (2) CONFORMING REPEAL.—Section 207 of the
23 Social Security Independence and Program Improve-
24 ments Act of 1994 (42 U.S.C. 1382 note; 108 Stat.
25 1516) is hereby repealed.

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

6 “(iv)(I) Not later than 12 months after the birth of
7 an individual, the Commissioner shall review in accordance
8 with paragraph (4) the continuing eligibility for benefits
9 under this title by reason of disability of such individual
10 whose low birth weight is a contributing factor material
11 to the Commissioner’s determination that the individual
12 is disabled.

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

17 “(III) A representative payee of a recipient whose
18 case is reviewed under this clause shall present, at the
19 time of review, evidence demonstrating that the recipient
20 is, and has been, receiving treatment, to the extent consid-
21 ered medically necessary and available, of the condition
22 which was the basis for providing benefits under this title.

23 “(IV) If the representative payee refuses to comply
24 without good cause with the requirements of subclause
25 (III), the Commissioner of Social Security shall, if the

1 Commissioner determines it is in the best interest of the
2 individual, promptly suspend payment of benefits to the
3 representative payee, and provide for payment of benefits
4 to an alternative representative payee of the individual or,
5 if the interest of the individual under this title would be
6 served thereby, to the individual.

7 “(V) Subclause (III) shall not apply to the represent-
8 ative payee of any individual with respect to whom the
9 Commissioner determines such application would be inap-
10 propriate or unnecessary. In making such determination,
11 the Commissioner shall take into consideration the nature
12 of the individual’s impairment (or combination of impair-
13 ments). Section 1631(c) shall not apply to a finding by
14 the Commissioner that the requirements of subclause (III)
15 should not apply to an individual’s representative payee.”.

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

21 **SEC. 4213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

22 (a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR
23 MARKET VALUE.—

24 (1) IN GENERAL.—Section 1613(c) (42 U.S.C.
25 1382b(c)) is amended to read as follows:

1 “Disposal of Resources for Less Than Fair Market Value

2 “(c)(1)(A)(i) If an individual who has not attained
3 18 years of age (or any person acting on such individual’s
4 behalf) disposes of resources of the individual for less than
5 fair market value on or after the look-back date specified
6 in clause (ii)(I), the individual is ineligible for benefits
7 under this title for months during the period beginning
8 on the date specified in clause (iii) and equal to the num-
9 ber of months specified in clause (iv).

10 “(ii)(I) The look-back date specified in this subclause
11 is a date that is 36 months before the date specified in
12 subclause (II).

13 “(II) The date specified in this subclause is the date
14 on which the individual applies for benefits under this title
15 or, if later, the date on which the disposal of the individ-
16 ual’s resources for less than fair market value occurs.

17 “(iii) The date specified in this clause is the first day
18 of the first month that follows the month in which the
19 individual’s resources were disposed of for less than fair
20 market value and that does not occur in any other period
21 of ineligibility under this paragraph.

22 “(iv) The number of months of ineligibility under this
23 clause for an individual shall be equal to—

24 “(I) the total, cumulative uncompensated value
25 of all the individual’s resources so disposed of on or

1 after the look-back date specified in clause (ii)(I), di-
2 vided by

3 “(II) the amount of the maximum monthly ben-
4 efit payable under section 1611(b) to an eligible in-
5 dividual for the month in which the date specified in
6 clause (ii)(II) occurs.

7 “(B) An individual shall not be ineligible for benefits
8 under this title by reason of subparagraph (A) if the Com-
9 missioner determines that—

10 “(i) the individual intended to dispose of the re-
11 sources at fair market value;

12 “(ii) the resources were transferred exclusively
13 for a purpose other than to qualify for benefits
14 under this title;

15 “(iii) all resources transferred for less than fair
16 market value have been returned to the individual;
17 or

18 “(iv) the denial of eligibility would work an
19 undue hardship on the individual (as determined on
20 the basis of criteria established by the Commissioner
21 in regulations).

22 “(C) For purposes of this paragraph, in the case of
23 a resource held by an individual in common with another
24 person or persons in a joint tenancy, tenancy in common,
25 or similar arrangement, the resource (or the affected por-

1 tion of such resource) shall be considered to be disposed
2 of by such individual when any action is taken, either by
3 such individual or by any other person, that reduces or
4 eliminates such individual's ownership or control of such
5 resource.

6 “(D)(i) Notwithstanding subparagraph (A), this sub-
7 section shall not apply to a transfer of a resource to a
8 trust if the portion of the trust attributable to such re-
9 source is considered a resource available to the individual
10 pursuant to subsection (e)(3) (or would be so considered,
11 but for the application of subsection (e)(4)).

12 “(ii) In the case of a trust established by an individ-
13 ual (within the meaning of subsection (e)(2)(A)), if from
14 such portion of the trust (if any) that is considered a re-
15 source available to the individual pursuant to subsection
16 (e)(3) (or would be so considered but for the application
17 of subsection (e)(2)) or the residue of such portion upon
18 the termination of the trust—

19 “(I) there is made a payment other than to or
20 for the benefit of the individual, or

21 “(II) no payment could under any circumstance
22 be made to the individual,

23 then the payment described in subclause (I) or the fore-
24 closure of payment described in subclause (II) shall be
25 considered a disposal of resources by the individual subject

1 to this subsection, as of the date of such payment or fore-
2 closure, respectively.

3 “(2)(A) At the time an individual (and the individ-
4 ual’s eligible spouse, if any) applies for benefits under this
5 title, and at the time the eligibility of an individual (and
6 such spouse, if any) for such benefits is redetermined, the
7 Commissioner of Social Security shall—

8 “(i) inform such individual of the provisions of
9 paragraph (1) providing for a period of ineligibility
10 for benefits under this title for individuals who make
11 certain dispositions of resources for less than fair
12 market value, and inform such individual that infor-
13 mation obtained pursuant to clause (ii) will be made
14 available to the State agency administering a State
15 plan approved under title XIX (as provided in sub-
16 paragraph (B)); and

17 “(ii) obtain from such individual information
18 which may be used in determining whether or not a
19 period of ineligibility for such benefits would be re-
20 quired by reason of paragraph (1).

21 “(B) The Commissioner of Social Security shall make
22 the information obtained under subparagraph (A)(ii)
23 available, on request, to any State agency administering
24 a State plan approved under title XIX.

25 “(3) For purposes of this subsection—

1 “(A) the term ‘trust’ includes any legal instru-
2 ment or device that is similar to a trust; and

3 “(B) the term ‘benefits under this title’ includes
4 supplementary payments pursuant to an agreement
5 for Federal administration under section 1616(a),
6 and payments pursuant to an agreement entered
7 into under section 212(b) of Public Law 93–66.”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by this subsection shall be effective with respect to
10 transfers that occur at least 90 days after the date
11 of the enactment of this Act.

12 (b) TREATMENT OF ASSETS HELD IN TRUST.—

13 (1) TREATMENT AS RESOURCE.—Section 1613
14 (42 U.S.C. 1382) is amended by adding at the end
15 the following new subsection:

16 “Trusts

17 “(e)(1) In determining the resources of an individual
18 who has not attained 18 years of age, the provisions of
19 paragraph (3) shall apply to a trust established by such
20 individual.

21 “(2)(A) For purposes of this subsection, an individual
22 shall be considered to have established a trust if any assets
23 of the individual were transferred to the trust.

24 “(B) In the case of an irrevocable trust to which the
25 assets of an individual and the assets of any other person

1 or persons were transferred, the provisions of this sub-
2 section shall apply to the portion of the trust attributable
3 to the assets of the individual.

4 “(C) This subsection shall apply without regard to—

5 “(i) the purposes for which the trust is estab-
6 lished;

7 “(ii) whether the trustees have or exercise any
8 discretion under the trust;

9 “(iii) any restrictions on when or whether dis-
10 tributions may be made from the trust; or

11 “(iv) any restrictions on the use of distributions
12 from the trust.

13 “(3)(A) In the case of a revocable trust, the corpus
14 of the trust shall be considered a resource available to the
15 individual.

16 “(B) In the case of an irrevocable trust, if there are
17 any circumstances under which payment from the trust
18 could be made to or for the benefit of the individual, the
19 portion of the corpus from which payment to or for the
20 benefit of the individual could be made shall be considered
21 a resource available to the individual.

22 “(4) The Commissioner may waive the application of
23 this subsection with respect to any individual if the Com-
24 missioner determines, on the basis of criteria prescribed

1 in regulations, that such application would work an undue
2 hardship on such individual.

3 “(5) For purposes of this subsection—

4 “(A) the term ‘trust’ includes any legal instru-
5 ment or device that is similar to a trust;

6 “(B) the term ‘corpus’ means all property and
7 other interests held by the trust, including accumu-
8 lated earnings and any other addition to such trust
9 after its establishment (except that such term does
10 not include any such earnings or addition in the
11 month in which such earnings or addition is credited
12 or otherwise transferred to the trust);

13 “(C) the term ‘asset’ includes any income or re-
14 source of the individual, including—

15 “(i) any income otherwise excluded by sec-
16 tion 1612(b);

17 “(ii) any resource otherwise excluded by
18 this section; and

19 “(iii) any other payment or property that
20 the individual is entitled to but does not receive
21 or have access to because of action by—

22 “(I) such individual;

23 “(II) a person or entity (including a
24 court) with legal authority to act in place
25 of, or on behalf of, such individual; or

1 “(III) a person or entity (including a
2 court) acting at the direction of, or upon
3 the request of, such individual; and

4 “(D) the term ‘benefits under this title’ in-
5 cludes supplementary payments pursuant to an
6 agreement for Federal administration under section
7 1616(a), and payments pursuant to an agreement
8 entered into under section 212(b) of Public Law 93-
9 66.”.

10 (2) TREATMENT AS INCOME.—Section
11 1612(a)(2) (42 U.S.C. 1382a(a)(2)) is amended—

12 (A) by striking “and” at the end of sub-
13 paragraph (E);

14 (B) by striking the period at the end of
15 subparagraph (F) and inserting “; and”; and

16 (C) by adding at the end the following new
17 subparagraph:

18 “(G) any earnings of, and additions to, the
19 corpus of a trust (as defined in section 1613(f))
20 established by an individual (within the mean-
21 ing of section 1613(e)(2)(A)) and of which such
22 individual is a beneficiary (other than a trust to
23 which section 1613(e)(4) applies), except that
24 in the case of an irrevocable trust, there shall
25 exist circumstances under which payment from

1 such earnings or additions could be made to, or
2 for the benefit of, such individual.”.

3 (3) EFFECTIVE DATE.—The amendments made
4 by this subsection shall take effect on the date which
5 is 90 days after the date of the enactment of this
6 Act, and shall apply to trusts established on or after
7 such date.

8 (c) REQUIREMENT TO ESTABLISH ACCOUNT.—

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

11 (A) by redesignating subparagraphs (F)
12 and (G) as subparagraphs (G) and (H), respec-
13 tively; and

14 (B) by inserting after subparagraph (E)
15 the following new subparagraph:

16 “(F)(i)(I) Each representative payee of an eligible in-
17 dividual under the age of 18 who is eligible for the pay-
18 ment of benefits described in subclause (II) shall establish
19 on behalf of such individual an account in a financial insti-
20 tution into which such benefits shall be paid, and shall
21 thereafter maintain such account for use in accordance
22 with clause (ii).

23 “(II) Benefits described in this subclause are past-
24 due monthly benefits under this title (which, for purposes
25 of this subclause, include State supplementary payments

1 made by the Commissioner pursuant to an agreement
2 under section 1616 or section 212(b) of Public Law 93–
3 66) in an amount (after any withholding by the Commis-
4 sioner for reimbursement to a State for interim assistance
5 under subsection (g)) that exceeds the product of—

6 “(aa) 6, and

7 “(bb) the maximum monthly benefit payable
8 under this title to an eligible individual.

9 “(ii)(I) A representative payee shall use funds in the
10 account established under clause (i) to pay for allowable
11 expenses described in subclause (II).

12 “(II) An allowable expense described in this subclause
13 is an expense for—

14 “(aa) education or job skills training;

15 “(bb) personal needs assistance;

16 “(cc) special equipment;

17 “(dd) housing modification;

18 “(ee) medical treatment;

19 “(ff) therapy or rehabilitation; or

20 “(gg) any other item or service that the Com-
21 missioner determines to be appropriate;

22 provided that such expense benefits such individual and,
23 in the case of an expense described in item (bb), (cc), (dd),
24 (ff), or (gg), is related to the impairment (or combination
25 of impairments) of such individual.

1 “(III) The use of funds from an account established
2 under clause (i) in any manner not authorized by this
3 clause—

4 “(aa) by a representative payee shall be consid-
5 ered a misapplication of benefits for all purposes of
6 this paragraph, and any representative payee who
7 knowingly misapplies benefits from such an account
8 shall be liable to the Commissioner in an amount
9 equal to the total amount of such benefits; and

10 “(bb) by an eligible individual who is his or her
11 own payee shall be considered a misapplication of
12 benefits for all purposes of this paragraph and the
13 total amount of such benefits so used shall be con-
14 sidered to be the uncompensated value of a disposed
15 resource and shall be subject to the provisions of
16 section 1613(c).

17 “(IV) This clause shall continue to apply to funds in
18 the account after the child has reached age 18, regardless
19 of whether benefits are paid directly to the beneficiary or
20 through a representative payee.

21 “(iii) The representative payee may deposit into the
22 account established pursuant to clause (i)—

23 “(I) past-due benefits payable to the eligible in-
24 dividual in an amount less than that specified in
25 clause (i)(II), and

1 “(II) any other funds representing an under-
2 payment under this title to such individual, provided
3 that the amount of such underpayment is equal to
4 or exceeds the maximum monthly benefit payable
5 under this title to an eligible individual.

6 “(iv) The Commissioner of Social Security shall es-
7 tablish a system for accountability monitoring whereby
8 such representative payee shall report, at such time and
9 in such manner as the Commissioner shall require, on ac-
10 tivity respecting funds in the account established pursuant
11 to clause (i).”.

12 (2) EXCLUSION FROM RESOURCES.—Section
13 1613(a) (42 U.S.C. 1382b(a)) is amended—

14 (A) by striking “and” at the end of para-
15 graph (10);

16 (B) by striking the period at the end of
17 paragraph (11) and inserting “; and”; and

18 (C) by inserting after paragraph (11) the
19 following new paragraph:

20 “(12) any account, including accrued interest or
21 other earnings thereon, established and maintained
22 in accordance with section 1631(a)(2)(F).”.

23 (3) EXCLUSION FROM INCOME.—Section
24 1612(b) (42 U.S.C. 1382a(b)) is amended—

1 (A) by striking “and” at the end of para-
2 graph (19);

3 (B) by striking the period at the end of
4 paragraph (20) and inserting “; and”; and

5 (C) by adding at the end the following new
6 paragraph:

7 “(21) the interest or other earnings on any ac-
8 count established and maintained in accordance with
9 section 1631(a)(2)(F).”.

10 (4) EFFECTIVE DATE.—The amendments made
11 by this subsection shall apply to payments made
12 after the date of the enactment of this Act.

13 **SEC. 4214. REDUCTION IN CASH BENEFITS PAYABLE TO IN-**
14 **STITUTIONALIZED INDIVIDUALS WHOSE MED-**
15 **ICAL COSTS ARE COVERED BY PRIVATE IN-**
16 **SURANCE.**

17 (a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C.
18 1382(e)(1)(B)) is amended—

19 (1) by striking “title XIX, or” and inserting
20 “title XIX,”; and

21 (2) by inserting “or, in the case of an eligible
22 individual under the age of 18, receiving payments
23 (with respect to such individual) under any health
24 insurance policy issued by a private provider of such
25 insurance” after “section 1614(f)(2)(B),”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to benefits for months beginning
3 90 or more days after the date of the enactment of this
4 Act, without regard to whether regulations have been is-
5 sued to implement such amendments.

6 **SEC. 4215. REGULATIONS.**

7 Within 3 months after the date of the enactment of
8 this Act, the Commissioner of Social Security shall pre-
9 scribe such regulations as may be necessary to implement
10 the amendments made by this chapter.

11 **CHAPTER 3—ADDITIONAL ENFORCEMENT**
12 **PROVISIONS**

13 **SEC. 4221. INSTALLMENT PAYMENT OF LARGE PAST-DUE**
14 **SUPPLEMENTAL SECURITY INCOME BENE-**
15 **FITS.**

16 (a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383)
17 is amended by adding at the end the following new para-
18 graph:

19 “(10)(A) If an individual is eligible for past-due
20 monthly benefits under this title in an amount that (after
21 any withholding for reimbursement to a State for interim
22 assistance under subsection (g)) equals or exceeds the
23 product of—

24 “(i) 12, and

1 “(ii) the maximum monthly benefit payable
2 under this title to an eligible individual (or, if appro-
3 priate, to an eligible individual and eligible spouse),
4 then the payment of such past-due benefits (after any such
5 reimbursement to a State) shall be made in installments
6 as provided in subparagraph (B).

7 “(B)(i) The payment of past-due benefits subject to
8 this subparagraph shall be made in not to exceed 3 install-
9 ments that are made at 6-month intervals.

10 “(ii) Except as provided in clause (iii), the amount
11 of each of the first and second installments may not exceed
12 an amount equal to the product of clauses (i) and (ii) of
13 subparagraph (A).

14 “(iii) In the case of an individual who has—

15 “(I) outstanding debt attributable to—

16 “(aa) food,

17 “(bb) clothing,

18 “(cc) shelter, or

19 “(dd) medically necessary services, supplies
20 or equipment, or medicine; or

21 “(II) current expenses or expenses anticipated
22 in the near term attributable to—

23 “(aa) medically necessary services, supplies
24 or equipment, or medicine, or

25 “(bb) the purchase of a home, and

1 such debt or expenses are not subject to reimbursement
2 by a public assistance program, the Secretary under title
3 XVIII, a State plan approved under title XIX, or any pri-
4 vate entity legally liable to provide payment pursuant to
5 an insurance policy, pre-paid plan, or other arrangement,
6 the limitation specified in clause (ii) may be exceeded by
7 an amount equal to the total of such debt and expenses.

8 “(C) This paragraph shall not apply to any individual
9 who, at the time of the Commissioner’s determination that
10 such individual is eligible for the payment of past-due
11 monthly benefits under this title—

12 “(i) is afflicted with a medically determinable
13 impairment that is expected to result in death within
14 12 months; or

15 “(ii) is ineligible for benefits under this title
16 and the Commissioner determines that such individ-
17 ual is likely to remain ineligible for the next 12
18 months.

19 “(D) For purposes of this paragraph, the term ‘bene-
20 fits under this title’ includes supplementary payments pur-
21 suant to an agreement for Federal administration under
22 section 1616(a), and payments pursuant to an agreement
23 entered into under section 212(b) of Public Law 93–66.”.

24 (b) CONFORMING AMENDMENT.—Section 1631(a)(1)
25 (42 U.S.C. 1383(a)(1)) is amended by inserting “(subject

1 to paragraph (10))” immediately before “in such install-
2 ments”.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 this section are effective with respect to past-due
6 benefits payable under title XVI of the Social Secu-
7 rity Act after the third month following the month
8 in which this Act is enacted.

9 (2) BENEFITS PAYABLE UNDER TITLE XVI.—

10 For purposes of this subsection, the term “benefits
11 payable under title XVI of the Social Security Act”
12 includes supplementary payments pursuant to an
13 agreement for Federal administration under section
14 1616(a) of the Social Security Act, and payments
15 pursuant to an agreement entered into under section
16 212(b) of Public Law 93–66.

17 **SEC. 4222. RECOVERY OF SUPPLEMENTAL SECURITY IN-**
18 **COME OVERPAYMENTS FROM SOCIAL SECU-**
19 **RITY BENEFITS.**

20 (a) IN GENERAL.—Part A of title XI is amended by
21 adding at the end the following new section:

22 “RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL
23 SECURITY BENEFITS

24 “SEC. 1146. (a) IN GENERAL.—Whenever the Com-
25 missioner of Social Security determines that more than
26 the correct amount of any payment has been made to any

1 person under the supplemental security income program
2 authorized by title XVI, and the Commissioner is unable
3 to make proper adjustment or recovery of the amount so
4 incorrectly paid as provided in section 1631(b), the Com-
5 missioner (notwithstanding section 207) may recover the
6 amount incorrectly paid by decreasing any amount which
7 is payable under the Federal Old-Age and Survivors Insur-
8 ance program or the Federal Disability Insurance pro-
9 gram authorized by title II to that person or that person's
10 estate.

11 “(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR
12 AMOUNT.—Notwithstanding subsections (a) and (b) of
13 section 1611, in any case in which the Commissioner takes
14 action in accordance with subsection (a) to recover an
15 overpayment from any person, neither that person, nor
16 any individual whose eligibility or benefit amount is deter-
17 mined by considering any part of that person's income,
18 shall, as a result of such action—

19 “(1) become eligible under the program of sup-
20 plemental security income benefits under title XVI,
21 or

22 “(2) if such person or individual is already so
23 eligible, become eligible for increased benefits there-
24 under.

1 “(c) PROGRAM UNDER TITLE XVI.—For purposes of
2 this section, the term ‘supplemental security income pro-
3 gram authorized by title XVI’ includes supplementary pay-
4 ments pursuant to an agreement for Federal administra-
5 tion under section 1616(a), and payments pursuant to an
6 agreement entered into under section 212(b) of Public
7 Law 93–66.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 204 (42 U.S.C. 404) is amended by
10 adding at the end the following new subsection:

11 “(g) For payments which are adjusted or withheld
12 to recover an overpayment of supplemental security in-
13 come benefits paid under title XVI (including State sup-
14 plementary payments which were paid under an agreement
15 pursuant to section 1616(a) or section 212(b) of Public
16 Law 93-66), see section 1146.”.

17 (2) Section 1631(b) is amended by adding at
18 the end the following new paragraph:

19 “(5) For the recovery of overpayments of benefits
20 under this title from benefits payable under title II, see
21 section 1146.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall take effect on the date of the enactment
24 of this Act and shall apply to overpayments outstanding
25 on or after such date.

1 **SEC. 4223. REGULATIONS.**

2 Within 3 months after the date of the enactment of
3 this Act, the Commissioner of Social Security shall pre-
4 scribe such regulations as may be necessary to implement
5 the amendments made by this chapter.

6 **CHAPTER 4—STATE SUPPLEMENTATION**
7 **PROGRAMS**

8 **SEC. 4225. REPEAL OF MAINTENANCE OF EFFORT RE-**
9 **QUIREMENTS APPLICABLE TO OPTIONAL**
10 **STATE PROGRAMS FOR SUPPLEMENTATION**
11 **OF SSI BENEFITS.**

12 Section 1618 (42 U.S.C. 1382g) is hereby repealed.

13 **CHAPTER 5—STUDIES REGARDING SUP-**
14 **PLEMENTAL SECURITY INCOME PRO-**
15 **GRAM**

16 **SEC. 4231. ANNUAL REPORT ON THE SUPPLEMENTAL SECU-**
17 **RITY INCOME PROGRAM.**

18 Title XVI (42 U.S.C. 1381 et seq.), as amended by
19 section 4201(c) of this Act, is amended by adding at the
20 end the following new section:

21 “ANNUAL REPORT ON PROGRAM

22 “SEC. 1637. (a) Not later than May 30 of each year,
23 the Commissioner of Social Security shall prepare and de-
24 liver a report annually to the President and the Congress
25 regarding the program under this title, including—

1 “(1) a comprehensive description of the pro-
2 gram;

3 “(2) historical and current data on allowances
4 and denials, including number of applications and
5 allowance rates for initial determinations, reconsid-
6 eration determinations, administrative law judge
7 hearings, appeals council reviews, and Federal court
8 decisions;

9 “(3) historical and current data on characteris-
10 tics of recipients and program costs, by recipient
11 group (aged, blind, disabled adults, and disabled
12 children);

13 “(4) projections of future number of recipients
14 and program costs, through at least 25 years;

15 “(5) number of redeterminations and continu-
16 ing disability reviews, and the outcomes of such re-
17 determinations and reviews;

18 “(6) data on the utilization of work incentives;

19 “(7) detailed information on administrative and
20 other program operation costs;

21 “(8) summaries of relevant research undertaken
22 by the Social Security Administration, or by other
23 researchers;

24 “(9) State supplementation program operations;

1 “(10) a historical summary of statutory
2 changes to this title; and

3 “(11) such other information as the Commis-
4 sioner deems useful.

5 “(b) Each member of the Social Security Advisory
6 Board shall be permitted to provide an individual report,
7 or a joint report if agreed, of views of the program under
8 this title, to be included in the annual report required
9 under this section.”.

10 **SEC. 4232. 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. 4233. STUDY BY GENERAL ACCOUNTING OFFICE.**

12 Not later than January 1, 1999, the Comptroller
13 General of the United States shall study and report on—

14 (1) the impact of the amendments made by,
15 and the provisions of, this subtitle on the supple-
16 mental security income program under title XVI of
17 the Social Security Act; and

18 (2) extra expenses incurred by families of chil-
19 dren receiving benefits under such title that are not
20 covered by other Federal, State, or local programs.

1 **CHAPTER 6—NATIONAL COMMISSION ON**
2 **THE FUTURE OF DISABILITY**

3 **SEC. 4241. ESTABLISHMENT.**

4 There is established a commission to be known as the
5 National Commission on the Future of Disability (referred
6 to in this chapter as the “Commission”).

7 **SEC. 4242. DUTIES OF THE COMMISSION.**

8 (a) **IN GENERAL.**—The Commission shall develop
9 and carry out a comprehensive study of all matters related
10 to the nature, purpose, and adequacy of all Federal pro-
11 grams serving individuals with disabilities. In particular,
12 the Commission shall study the disability insurance pro-
13 gram under title II of the Social Security Act and the sup-
14 plemental security income disability program under title
15 XVI of such Act.

16 (b) **MATTERS STUDIED.**—The Commission shall pre-
17 pare an inventory of Federal programs serving individuals
18 with disabilities, and shall examine—

19 (1) trends and projections regarding the size
20 and characteristics of the population of individuals
21 with disabilities, and the implications of such analy-
22 ses for program planning;

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

1 (3) the adequacy of Federal efforts in rehabili-
2 tation research and training, and opportunities to
3 improve the lives of individuals with disabilities
4 through all manners of scientific and engineering re-
5 search; and

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

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

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

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

18 (3) the suitability of the organization and loca-
19 tion of disability programs within the Federal Gov-
20 ernment;

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

24 (5) such other matters as the Commission con-
25 siders appropriate.

1 **SEC. 4243. MEMBERSHIP.**

2 (a) NUMBER AND APPOINTMENT.—

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

5 (A) five shall be appointed by the Presi-
6 dent, of whom not more than 3 shall be of the
7 same major political party;

8 (B) three shall be appointed by the Major-
9 ity Leader of the Senate;

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

12 (D) three shall be appointed by the Speak-
13 er of the House of Representatives; and

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

16 (2) REPRESENTATION.—The Commission mem-
17 bers shall be chosen based on their education, train-
18 ing, or experience. In appointing individuals as
19 members of the Commission, the President and the
20 Majority and Minority Leaders of the Senate and
21 the Speaker and Minority Leader of the House of
22 Representatives shall seek to ensure that the mem-
23 bership of the Commission reflects the general inter-
24 ests of the business and taxpaying community and
25 the diversity of individuals with disabilities in the
26 United States.

1 (b) **COMPTROLLER GENERAL.**—The Comptroller
2 General of the United States shall advise the Commission
3 on the methodology and approach of the study of the Com-
4 mission.

5 (c) **TERM OF APPOINTMENT.**—The members shall
6 serve on the Commission for the life of the Commission.

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

11 (e) **QUORUM.**—Ten members of the Commission shall
12 constitute a quorum, but a lesser number may hold hear-
13 ings.

14 (f) **CHAIRPERSON AND VICE CHAIRPERSON.**—Not
15 later than 15 days after the members of the Commission
16 are appointed, such members shall designate a Chair-
17 person and Vice Chairperson from among the members of
18 the Commission.

19 (g) **CONTINUATION OF MEMBERSHIP.**—If a member
20 of the Commission becomes an officer or employee of any
21 government after appointment to the Commission, the in-
22 dividual may continue as a member until a successor mem-
23 ber is appointed.

24 (h) **VACANCIES.**—A vacancy on the Commission shall
25 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 (i) COMPENSATION.—Members of the Commission
4 shall receive no additional pay, allowances, or benefits by
5 reason of their service on the Commission.

6 (j) 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. 4244. 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 chapter.

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. 4245. 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 chapter.

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 chapter. 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. 4246. REPORTS.**

5 (a) **INTERIM REPORT.**—Not later than 1 year prior
6 to the date on which the Commission terminates pursuant
7 to section 4247, 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. 4247. 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 **SEC. 4248. AUTHORIZATION OF APPROPRIATIONS.**

10 There are authorized to be appropriated such sums
11 as are necessary to carry out the purposes of the Commis-
12 sion.

13 **Subtitle C—Child Support**

14 **SEC. 4300. REFERENCE TO SOCIAL SECURITY ACT.**

15 Except as otherwise specifically provided, wherever in
16 this subtitle an amendment is expressed in terms of an
17 amendment to or repeal of a section or other provision,
18 the reference shall be considered to be made to that sec-
19 tion or other provision of the Social Security Act.

20 **CHAPTER 1—ELIGIBILITY FOR SERVICES;**
21 **DISTRIBUTION OF PAYMENTS**

22 **SEC. 4301. STATE OBLIGATION TO PROVIDE CHILD SUP-**
23 **PORT ENFORCEMENT SERVICES.**

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

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

3 “(4) provide that the State will—

4 “(A) provide services relating to the estab-
5 lishment of paternity or the establishment,
6 modification, or enforcement of child support
7 obligations, as appropriate, under the plan with
8 respect to—

9 “(i) each child for whom (I) assist-
10 ance is provided under the State program
11 funded under part A of this title, (II) ben-
12 efits or services for foster care mainte-
13 nance are provided under the State pro-
14 gram funded under part E of this title, or
15 (III) medical assistance is provided under
16 the State plan under title XIX, unless, in
17 accordance with paragraph (29), good
18 cause or other exceptions exist;

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

22 “(B) enforce any support obligation estab-
23 lished with respect to—

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

1 “(ii) the custodial parent of such a
2 child;”; and

3 (2) in paragraph (6)—

4 (A) by striking “provide that” and insert-
5 ing “provide that—”;

6 (B) by striking subparagraph (A) and in-
7 serting the following new subparagraph:

8 “(A) services under the plan shall be made
9 available to residents of other States on the
10 same terms as to residents of the State submit-
11 ting the plan;”;

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

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

18 (i) by indenting the subparagraph in
19 the same manner as, and aligning the left
20 margin of the subparagraph with the left
21 margin of, the matter inserted by subpara-
22 graph (B) of this paragraph; and

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

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

3 (b) CONTINUATION OF SERVICES FOR FAMILIES
4 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
5 PROGRAM FUNDED UNDER PART A.—Section 454 (42
6 U.S.C. 654) is amended—

7 (1) by striking “and” at the end of paragraph
8 (23);

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

11 (3) by adding after paragraph (24) the follow-
12 ing new paragraph:

13 “(25) provide that if a family with respect to
14 which services are provided under the plan ceases to
15 receive assistance under the State program funded
16 under part A, the State shall provide appropriate no-
17 tice to the family and continue to provide such serv-
18 ices, subject to the same conditions and on the same
19 basis as in the case of other individuals to whom
20 services are furnished under the plan, except that an
21 application or other request to continue services
22 shall not be required of such a family and paragraph
23 (6)(B) shall not apply to the family.”.

24 (c) CONFORMING AMENDMENTS.—

1 (1) Section 452(b) (42 U.S.C. 652(b)) is
2 amended by striking “454(6)” and inserting
3 “454(4)”.

4 (2) Section 452(g)(2)(A) (42 U.S.C.
5 652(g)(2)(A)) is amended by striking “454(6)” each
6 place it appears and inserting “454(4)(A)(ii)”.

7 (3) Section 466(a)(3)(B) (42 U.S.C.
8 666(a)(3)(B)) is amended by striking “in the case of
9 overdue support which a State has agreed to collect
10 under section 454(6)” and inserting “in any other
11 case”.

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

15 **SEC. 4302. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
16 **TIONS.**

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

19 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

20 “(a) IN GENERAL.—Subject to subsection (e), an
21 amount collected on behalf of a family as support by a
22 State pursuant to a plan approved under this part shall
23 be distributed as follows:

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

4 “(A) pay to the Federal Government the
5 Federal share of the amount so collected; and

6 “(B) retain, or distribute to the family, the
7 State share of the amount so collected.

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

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

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

22 “(i) DISTRIBUTION OF ARREARAGES
23 THAT ACCRUED AFTER THE FAMILY
24 CEASED TO RECEIVE ASSISTANCE.—

1 “(I) PRE-OCTOBER 1997.—Except
2 as provided in subclause (II), the pro-
3 visions of this section (other than sub-
4 section (b)(1)) as in effect and applied
5 on the day before the date of the en-
6 actment of section 4302 of the Per-
7 sonal Responsibility and Work Oppor-
8 tunity Act of 1996 shall apply with
9 respect to the distribution of support
10 arrearrages that—

11 “(aa) accrued after the fam-
12 ily ceased to receive assistance,
13 and

14 “(bb) are collected before
15 October 1, 1997.

16 “(II) POST-SEPTEMBER 1997.—
17 With respect to the amount so col-
18 lected on or after October 1, 1997 (or
19 before such date, at the option of the
20 State)—

21 “(aa) IN GENERAL.—The
22 State shall first distribute the
23 amount so collected (other than
24 any amount described in clause
25 (iv)) to the family to the extent

1 necessary to satisfy any support
2 arrearages with respect to the
3 family that accrued after the
4 family ceased to receive assist-
5 ance from the State.

6 “(bb) REIMBURSEMENT OF
7 GOVERNMENTS FOR ASSISTANCE
8 PROVIDED TO THE FAMILY.—
9 After the application of division
10 (aa) and clause (ii)(II)(aa) with
11 respect to the amount so col-
12 lected, the State shall retain the
13 State share of the amount so col-
14 lected, and pay to the Federal
15 Government the Federal share
16 (as defined in subsection (c)(2))
17 of the amount so collected, but
18 only to the extent necessary to
19 reimburse amounts paid to the
20 family as assistance by the State.

21 “(cc) DISTRIBUTION OF THE
22 REMAINDER TO THE FAMILY.—
23 To the extent that neither divi-
24 sion (aa) nor division (bb) applies
25 to the amount so collected, the

1 State shall distribute the amount
2 to the family.

3 “(ii) DISTRIBUTION OF ARREARAGES
4 THAT ACCRUED BEFORE THE FAMILY RE-
5 CEIVED ASSISTANCE.—

6 “(I) PRE-OCTOBER 2000.—Except
7 as provided in subclause (II), the pro-
8 visions of this section (other than sub-
9 section (b)(1)) as in effect and applied
10 on the day before the date of the en-
11 actment of section 4302 of the Per-
12 sonal Responsibility and Work Oppor-
13 tunity Act of 1996 shall apply with
14 respect to the distribution of support
15 arrearages that—

16 “(aa) accrued before the
17 family received assistance, and

18 “(bb) are collected before
19 October 1, 2000.

20 “(II) POST-SEPTEMBER 2000.—
21 Unless, based on the report required
22 by paragraph (4), the Congress deter-
23 mines otherwise, with respect to the
24 amount so collected on or after Octo-

1 ber 1, 2000 (or before such date, at
2 the option of the State)—

3 “(aa) IN GENERAL.—The
4 State shall first distribute the
5 amount so collected (other than
6 any amount described in clause
7 (iv)) to the family to the extent
8 necessary to satisfy any support
9 arrearages with respect to the
10 family that accrued before the
11 family received assistance from
12 the State.

13 “(bb) REIMBURSEMENT OF
14 GOVERNMENTS FOR ASSISTANCE
15 PROVIDED TO THE FAMILY.—
16 After the application of clause
17 (i)(II)(aa) and division (aa) with
18 respect to the amount so col-
19 lected, the State shall retain the
20 State share of the amount so col-
21 lected, and pay to the Federal
22 Government the Federal share
23 (as defined in subsection (c)(2))
24 of the amount so collected, but
25 only to the extent necessary to

1 reimburse amounts paid to the
2 family as assistance by the State.

3 “(cc) DISTRIBUTION OF THE
4 REMAINDER TO THE FAMILY.—
5 To the extent that neither divi-
6 sion (aa) nor division (bb) applies
7 to the amount so collected, the
8 State shall distribute the amount
9 to the family.

10 “(iii) DISTRIBUTION OF ARREARAGES
11 THAT ACCRUED WHILE THE FAMILY RE-
12 CEIVED ASSISTANCE.—In the case of a
13 family described in this subparagraph, the
14 provisions of paragraph (1) shall apply
15 with respect to the distribution of support
16 arrearages that accrued while the family
17 received assistance.

18 “(iv) AMOUNTS COLLECTED PURSU-
19 ANT TO SECTION 464.—Notwithstanding
20 any other provision of this section, any
21 amount of support collected pursuant to
22 section 464 shall be retained by the State
23 to the extent past-due support has been as-
24 signed to the State as a condition of re-
25 ceiving assistance from the State, up to the

1 amount necessary to reimburse the State
2 for amounts paid to the family as assist-
3 ance by the State. The State shall pay to
4 the Federal Government the Federal share
5 of the amounts so retained. To the extent
6 the amount collected pursuant to section
7 464 exceeds the amount so retained, the
8 State shall distribute the excess to the
9 family.

10 “(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subpara-
11 graph, unless an earlier effective date is re-
12 quired by this section, effective October 1,
13 2000, the State shall treat any support ar-
14 rearages collected, except for amounts col-
15 lected pursuant to section 464, as accruing
16 in the following order:
17

18 “(I) To the period after the fam-
19 ily ceased to receive assistance.

20 “(II) To the period before the
21 family received assistance.

22 “(III) To the period while the
23 family was receiving assistance.

24 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-
25 ANCE.—In the case of any other family, the State

1 shall distribute the amount so collected to the fam-
2 ily.

3 “(4) STUDY AND REPORT.—Not later than Oc-
4 tober 1, 1998, the Secretary shall report to the Con-
5 gress the Secretary’s findings with respect to—

6 “(A) whether the distribution of post-as-
7 sistance arrearages to families has been effec-
8 tive in moving people off of welfare and keeping
9 them off of welfare;

10 “(B) whether early implementation of a
11 pre-assistance arrearage program by some
12 States has been effective in moving people off
13 of welfare and keeping them off of welfare;

14 “(C) what the overall impact has been of
15 the amendments made by the Personal Respon-
16 sibility and Work Opportunity Act of 1996 with
17 respect to child support enforcement in moving
18 people off of welfare and keeping them off of
19 welfare; and

20 “(D) based on the information and data
21 the Secretary has obtained, what changes, if
22 any, should be made in the policies related to
23 the distribution of child support arrearages.

24 “(b) CONTINUATION OF ASSIGNMENTS.—Any rights
25 to support obligations, which were assigned to a State as

1 a condition of receiving assistance from the State under
2 part A and which were in effect on the day before the
3 date of the enactment of the Personal Responsibility and
4 Work Opportunity Act of 1996, shall remain assigned
5 after such date.

6 “(c) DEFINITIONS.—As used in subsection (a):

7 “(1) ASSISTANCE.—The term ‘assistance from
8 the State’ means—

9 “(A) assistance under the State program
10 funded under part A or under the State plan
11 approved under part A of this title (as in effect
12 on the day before the date of the enactment of
13 the Personal Responsibility and Work Oppor-
14 tunity Act of 1996); and

15 “(B) foster care maintenance payments
16 under the State plan approved under part E of
17 this title.

18 “(2) FEDERAL SHARE.—The term ‘Federal
19 share’ means that portion of the amount collected
20 resulting from the application of the Federal medical
21 assistance percentage in effect for the fiscal year in
22 which the amount is collected.

23 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
24 AGE.—The term ‘Federal medical assistance per-
25 centage’ means—

1 “(A) the Federal medical assistance per-
2 centage (as defined in section 1118), in the case
3 of Puerto Rico, the Virgin Islands, Guam, and
4 American Samoa; or

5 “(B) the Federal medical assistance per-
6 centage (as defined in section 1905(b), as in ef-
7 fect on September 30, 1996) in the case of any
8 other State.

9 “(4) STATE SHARE.—The term ‘State share’
10 means 100 percent minus the Federal share.

11 “(d) HOLD HARMLESS PROVISION.—If the amounts
12 collected which could be retained by the State in the fiscal
13 year (to the extent necessary to reimburse the State for
14 amounts paid to families as assistance by the State) are
15 less than the State share of the amounts collected in fiscal
16 year 1995 (determined in accordance with section 457 as
17 in effect on the day before the date of the enactment of
18 the Personal Responsibility and Work Opportunity Act of
19 1996), the State share for the fiscal year shall be an
20 amount equal to the State share in fiscal year 1995.

21 “(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBU-
22 TION UNDER THIS SECTION.—At State option, this sec-
23 tion shall not apply to any amount collected on behalf of
24 a family as support by the State (and paid to the family
25 in addition to the amount of assistance otherwise payable

1 to the family) pursuant to a plan approved under this part
2 if such amount would have been paid to the family by the
3 State under section 402(a)(28), as in effect and applied
4 on the day before the date of the enactment of section
5 4302 of the Personal Responsibility and Work Oppor-
6 tunity Act of 1996. For purposes of subsection (d), the
7 State share of such amount paid to the family shall be
8 considered amounts which could be retained by the State
9 if such payments were reported by the State as part of
10 the State share of amounts collected in fiscal year 1995.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is
13 amended by striking “section 457(b)(4) or (d)(3)”
14 and inserting “section 457”.

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

16 (A) in paragraph (11)—

17 (i) by striking “(11)” and inserting
18 “(11)(A)”; and

19 (ii) by inserting after the semicolon
20 “and”; and

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

23 (c) EFFECTIVE DATES.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), the amendments made by this section

1 shall be effective on October 1, 1996, or earlier at
2 the State's option.

3 (2) CONFORMING AMENDMENTS.—The amend-
4 ments made by subsection (b)(2) shall become effec-
5 tive on the date of the enactment of this Act.

6 **SEC. 4303. PRIVACY SAFEGUARDS.**

7 (a) STATE PLAN REQUIREMENT.—Section 454 (42
8 U.S.C. 654), as amended by section 4301(b) of this Act,
9 is amended—

10 (1) by striking “and” at the end of paragraph
11 (24);

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

14 (3) by adding after paragraph (25) the follow-
15 ing new paragraph:

16 “(26) will have in effect safeguards, applicable
17 to all confidential information handled by the State
18 agency, that are designed to protect the privacy
19 rights of the parties, including—

20 “(A) safeguards against unauthorized use
21 or disclosure of information relating to proceed-
22 ings or actions to establish paternity, or to es-
23 tablish or enforce support;

24 “(B) prohibitions against the release of in-
25 formation on the whereabouts of 1 party to an-

1 other party against whom a protective order
2 with respect to the former party has been en-
3 tered; and

4 “(C) prohibitions against the release of in-
5 formation on the whereabouts of 1 party to an-
6 other party if the State has reason to believe
7 that the release of the information may result
8 in physical or emotional harm to the former
9 party.”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall become effective on October 1, 1997.

12 **SEC. 4304. RIGHTS TO NOTIFICATION OF HEARINGS.**

13 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
14 amended by section 4302(b)(2) of this Act, is amended
15 by inserting after paragraph (11) the following new para-
16 graph:

17 “(12) provide for the establishment of proce-
18 dures to require the State to provide individuals who
19 are applying for or receiving services under the State
20 plan, or who are parties to cases in which services
21 are being provided under the State plan—

22 “(A) with notice of all proceedings in
23 which support obligations might be established
24 or modified; and

1 “(B) with a copy of any order establishing
 2 or modifying a child support obligation, or (in
 3 the case of a petition for modification) a notice
 4 of determination that there should be no change
 5 in the amount of the child support award, with-
 6 in 14 days after issuance of such order or de-
 7 termination;”.

8 (b) EFFECTIVE DATE.—The amendment made by
 9 subsection (a) shall become effective on October 1, 1997.

10 **CHAPTER 2—LOCATE AND CASE**
 11 **TRACKING**

12 **SEC. 4311. STATE CASE REGISTRY.**

13 Section 454A, as added by section 4344(a)(2) of this
 14 Act, is amended by adding at the end the following new
 15 subsections:

16 “(e) STATE CASE REGISTRY.—

17 “(1) CONTENTS.—The automated system re-
 18 quired by this section shall include a registry (which
 19 shall be known as the ‘State case registry’) that con-
 20 tains records with respect to—

21 “(A) each case in which services are being
 22 provided by the State agency under the State
 23 plan approved under this part; and

1 “(B) each support order established or
2 modified in the State on or after October 1,
3 1998.

4 “(2) LINKING OF LOCAL REGISTRIES.—The
5 State case registry may be established by linking
6 local case registries of support orders through an
7 automated information network, subject to this sec-
8 tion.

9 “(3) USE OF STANDARDIZED DATA ELE-
10 MENTS.—Such records shall use standardized data
11 elements for both parents (such as names, social se-
12 curity numbers and other uniform identification
13 numbers, dates of birth, and case identification
14 numbers), and contain such other information (such
15 as on case status) as the Secretary may require.

16 “(4) PAYMENT RECORDS.—Each case record in
17 the State case registry with respect to which services
18 are being provided under the State plan approved
19 under this part and with respect to which a support
20 order has been established shall include a record
21 of—

22 “(A) the amount of monthly (or other peri-
23 odic) support owed under the order, and other
24 amounts (including arrearages, interest or late

1 payment penalties, and fees) due or overdue
2 under the order;

3 “(B) any amount described in subpara-
4 graph (A) that has been collected;

5 “(C) the distribution of such collected
6 amounts;

7 “(D) the birth date of any child for whom
8 the order requires the provision of support; and

9 “(E) the amount of any lien imposed with
10 respect to the order pursuant to section
11 466(a)(4).

12 “(5) UPDATING AND MONITORING.—The State
13 agency operating the automated system required by
14 this section shall promptly establish and update,
15 maintain, and regularly monitor, case records in the
16 State case registry with respect to which services are
17 being provided under the State plan approved under
18 this part, on the basis of—

19 “(A) information on administrative actions
20 and administrative and judicial proceedings and
21 orders relating to paternity and support;

22 “(B) information obtained from compari-
23 son with Federal, State, or local sources of in-
24 formation;

1 “(C) information on support collections
2 and distributions; and

3 “(D) any other relevant information.

4 “(f) INFORMATION COMPARISONS AND OTHER DIS-
5 CLOSURES OF INFORMATION.—The State shall use the
6 automated system required by this section to extract infor-
7 mation from (at such times, and in such standardized for-
8 mat or formats, as may be required by the Secretary), to
9 share and compare information with, and to receive infor-
10 mation from, other data bases and information compari-
11 son services, in order to obtain (or provide) information
12 necessary to enable the State agency (or the Secretary or
13 other State or Federal agencies) to carry out this part,
14 subject to section 6103 of the Internal Revenue Code of
15 1986. Such information comparison activities shall include
16 the following:

17 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
18 PORT ORDERS.—Furnishing to the Federal Case
19 Registry of Child Support Orders established under
20 section 453(h) (and update as necessary, with infor-
21 mation including notice of expiration of orders) the
22 minimum amount of information on child support
23 cases recorded in the State case registry that is nec-
24 essary to operate the registry (as specified by the
25 Secretary in regulations).

1 “(2) FEDERAL PARENT LOCATOR SERVICE.—
2 Exchanging information with the Federal Parent
3 Locator Service for the purposes specified in section
4 453.

5 “(3) TEMPORARY FAMILY ASSISTANCE AND
6 MEDICAID AGENCIES.—Exchanging information with
7 State agencies (of the State and of other States) ad-
8 ministering programs funded under part A, pro-
9 grams operated under a State plan approved under
10 title XIX, and other programs designated by the
11 Secretary, as necessary to perform State agency re-
12 sponsibilities under this part and under such pro-
13 grams.

14 “(4) INTRASTATE AND INTERSTATE INFORMA-
15 TION COMPARISONS.—Exchanging information with
16 other agencies of the State, agencies of other States,
17 and interstate information networks, as necessary
18 and appropriate to carry out (or assist other States
19 to carry out) the purposes of this part.”.

20 **SEC. 4312. COLLECTION AND DISBURSEMENT OF SUPPORT**
21 **PAYMENTS.**

22 (a) STATE PLAN REQUIREMENT.—Section 454 (42
23 U.S.C. 654), as amended by sections 4301(b) and 4303(a)
24 of this Act, is amended—

1 (1) by striking “and” at the end of paragraph
2 (25);

3 (2) by striking the period at the end of para-
4 graph (26) and inserting “; and”; and

5 (3) by adding after paragraph (26) the follow-
6 ing new paragraph:

7 “(27) provide that, on and after October 1,
8 1998, the State agency will—

9 “(A) operate a State disbursement unit in
10 accordance with section 454B; and

11 “(B) have sufficient State staff (consisting
12 of State employees) and (at State option) con-
13 tractors reporting directly to the State agency
14 to—

15 “(i) monitor and enforce support col-
16 lections through the unit in cases being en-
17 forced by the State pursuant to section
18 454(4) (including carrying out the auto-
19 mated data processing responsibilities de-
20 scribed in section 454A(g)); and

21 “(ii) take the actions described in sec-
22 tion 466(c)(1) in appropriate cases.”.

23 (b) ESTABLISHMENT OF STATE DISBURSEMENT
24 UNIT.—Part D of title IV (42 U.S.C. 651–669), as

1 amended by section 4344(a)(2) of this Act, is amended
2 by inserting after section 454A the following new section:

3 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
4 **PORT PAYMENTS.**

5 “(a) STATE DISBURSEMENT UNIT.—

6 “(1) IN GENERAL.—In order for a State to
7 meet the requirements of this section, the State
8 agency must establish and operate a unit (which
9 shall be known as the ‘State disbursement unit’) for
10 the collection and disbursement of payments under
11 support orders—

12 “(A) in all cases being enforced by the
13 State pursuant to section 454(4); and

14 “(B) in all cases not being enforced by the
15 State under this part in which the support
16 order is initially issued in the State on or after
17 January 1, 1994, and in which the income of
18 the noncustodial parent are subject to withhold-
19 ing pursuant to section 466(a)(8)(B).

20 “(2) OPERATION.—The State disbursement
21 unit shall be operated—

22 “(A) directly by the State agency (or 2 or
23 more State agencies under a regional coopera-
24 tive agreement), or (to the extent appropriate)

1 by a contractor responsible directly to the State
2 agency; and

3 “(B) except in cases described in para-
4 graph (1)(B), in coordination with the auto-
5 mated system established by the State pursuant
6 to section 454A.

7 “(3) LINKING OF LOCAL DISBURSEMENT
8 UNITS.—The State disbursement unit may be estab-
9 lished by linking local disbursement units through
10 an automated information network, subject to this
11 section, if the Secretary agrees that the system will
12 not cost more nor take more time to establish or op-
13 erate than a centralized system. In addition, employ-
14 ers shall be given 1 location to which income with-
15 holding is sent.

16 “(b) REQUIRED PROCEDURES.—The State disburse-
17 ment unit shall use automated procedures, electronic proc-
18 esses, and computer-driven technology to the maximum
19 extent feasible, efficient, and economical, for the collection
20 and disbursement of support payments, including proce-
21 dures—

22 “(1) for receipt of payments from parents, em-
23 ployers, and other States, and for disbursements to
24 custodial parents and other obligees, the State agen-
25 cy, and the agencies of other States;

1 “(2) for accurate identification of payments;

2 “(3) to ensure prompt disbursement of the cus-
3 todial parent’s share of any payment; and

4 “(4) to furnish to any parent, upon request,
5 timely information on the current status of support
6 payments under an order requiring payments to be
7 made by or to the parent, except that, with respect
8 to a case described in subsection (a)(1)(B), the
9 State disbursement unit shall not be required to
10 maintain records of payments which, after the effec-
11 tive date of this section, are made to, and distrib-
12 uted by, the unit.

13 “(c) TIMING OF DISBURSEMENTS.—

14 “(1) IN GENERAL.—Except as provided in para-
15 graph (2), the State disbursement unit shall distrib-
16 ute all amounts payable under section 457(a) within
17 2 business days after receipt from the employer or
18 other source of periodic income, if sufficient infor-
19 mation identifying the payee is provided.

20 “(2) PERMISSIVE RETENTION OF ARREAR-
21 AGES.—The State disbursement unit may delay the
22 distribution of collections toward arrearages until
23 the resolution of any timely appeal with respect to
24 such arrearages.

1 “(d) BUSINESS DAY DEFINED.—As used in this sec-
2 tion, the term ‘business day’ means a day on which State
3 offices are open for regular business.”.

4 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
5 added by section 4344(a)(2) and as amended by section
6 4311 of this Act, is amended by adding at the end the
7 following new subsection:

8 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
9 PAYMENTS.—

10 “(1) IN GENERAL.—The State shall use the
11 automated system required by this section, to the
12 maximum extent feasible, to assist and facilitate the
13 collection and disbursement of support payments
14 through the State disbursement unit operated under
15 section 454B, through the performance of functions,
16 including, at a minimum—

17 “(A) transmission of orders and notices to
18 employers (and other debtors) for the withhold-
19 ing of income—

20 “(i) within 2 business days after re-
21 ceipt of notice of, and the income source
22 subject to, such withholding from a court,
23 another State, an employer, the Federal
24 Parent Locator Service, or another source
25 recognized by the State; and

1 “(ii) using uniform formats prescribed
2 by the Secretary;

3 “(B) ongoing monitoring to promptly iden-
4 tify failures to make timely payment of support;
5 and

6 “(C) automatic use of enforcement proce-
7 dures (including procedures authorized pursu-
8 ant to section 466(c)) if payments are not time-
9 ly made.

10 “(2) BUSINESS DAY DEFINED.—As used in
11 paragraph (1), the term ‘business day’ means a day
12 on which State offices are open for regular busi-
13 ness.”.

14 (d) EFFECTIVE DATES.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendments made by this section
17 shall become effective on October 1, 1998.

18 (2) LIMITED EXCEPTION TO UNIT HANDLING
19 PAYMENTS.—Notwithstanding section 454B(b)(1) of
20 the Social Security Act, as added by this section,
21 any State which, as of the date of the enactment of
22 this Act, processes the receipt of child support pay-
23 ments through local courts may, at the option of the
24 State, continue to process through September 30,
25 1999, such payments through such courts as proc-

1 essed such payments on or before such date of en-
2 actment.

3 (e) SENSE OF THE CONGRESS.—It is the sense of the
4 Congress that, in determining whether to comply with sec-
5 tion 454B of the Social Security Act by establishing a sin-
6 gle, centralized unit for the collection and disbursement
7 of support payments or by linking together through auto-
8 mation local units for the collection and disbursement of
9 support payments, a State should choose the method of
10 compliance which best meets the needs of parents, employ-
11 ers, and children.

12 **SEC. 4313. STATE DIRECTORY OF NEW HIRES.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42
14 U.S.C. 654), as amended by sections 4301(b), 4303(a)
15 and 4312(a) of this Act, is amended—

16 (1) by striking “and” at the end of paragraph
17 (26);

18 (2) by striking the period at the end of para-
19 graph (27) and inserting “; and”; and

20 (3) by adding after paragraph (27) the follow-
21 ing new paragraph:

22 “(28) provide that, on and after October 1,
23 1997, the State will operate a State Directory of
24 New Hires in accordance with section 453A.”.

1 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
2 title IV (42 U.S.C. 651–669) is amended by inserting
3 after section 453 the following new section:

4 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

5 “(a) ESTABLISHMENT.—

6 “(1) IN GENERAL.—

7 “(A) REQUIREMENT FOR STATES THAT
8 HAVE NO DIRECTORY.—Except as provided in
9 subparagraph (B), not later than October 1,
10 1997, each State shall establish an automated
11 directory (to be known as the ‘State Directory
12 of New Hires’) which shall contain information
13 supplied in accordance with subsection (b) by
14 employers on each newly hired employee.

15 “(B) STATES WITH NEW HIRE REPORTING
16 IN EXISTENCE.—A State which has a new hire
17 reporting law in existence on the date of the en-
18 actment of this section may continue to operate
19 under the State law, but the State must meet
20 the requirements of subsection (g)(2) not later
21 than October 1, 1997, and the requirements of
22 this section (other than subsection (g)(2)) not
23 later than October 1, 1998.

24 “(2) DEFINITIONS.—As used in this section:

25 “(A) EMPLOYEE.—The term ‘employee’—

1 “(i) means an individual who is an
2 employee within the meaning of chapter 24
3 of the Internal Revenue Code of 1986; and

4 “(ii) does not include an employee of
5 a Federal or State agency performing in-
6 telligence or counterintelligence functions,
7 if the head of such agency has determined
8 that reporting pursuant to paragraph (1)
9 with respect to the employee could endan-
10 ger the safety of the employee or com-
11 promise an ongoing investigation or intel-
12 ligence mission.

13 “(B) EMPLOYER.—

14 “(i) IN GENERAL.—The term ‘em-
15 ployer’ has the meaning given such term in
16 section 3401(d) of the Internal Revenue
17 Code of 1986 and includes any govern-
18 mental entity and any labor organization.

19 “(ii) LABOR ORGANIZATION.—The
20 term ‘labor organization’ shall have the
21 meaning given such term in section 2(5) of
22 the National Labor Relations Act, and in-
23 cludes any entity (also known as a ‘hiring
24 hall’) which is used by the organization
25 and an employer to carry out requirements

1 described in section 8(f)(3) of such Act of
2 an agreement between the organization
3 and the employer.

4 “(b) EMPLOYER INFORMATION.—

5 “(1) REPORTING REQUIREMENT.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraphs (B) and (C), each employer shall
8 furnish to the Directory of New Hires of the
9 State in which a newly hired employee works, a
10 report that contains the name, address, and so-
11 cial security number of the employee, and the
12 name and address of, and identifying number
13 assigned under section 6109 of the Internal
14 Revenue Code of 1986 to, the employer.

15 “(B) MULTISTATE EMPLOYERS.—An em-
16 ployer that has employees who are employed in
17 2 or more States and that transmits reports
18 magnetically or electronically may comply with
19 subparagraph (A) by designating 1 State in
20 which such employer has employees to which
21 the employer will transmit the report described
22 in subparagraph (A), and transmitting such re-
23 port to such State. Any employer that transmits
24 reports pursuant to this subparagraph shall no-
25 tify the Secretary in writing as to which State

1 such employer designates for the purpose of
2 sending reports.

3 “(C) FEDERAL GOVERNMENT EMPLOY-
4 ERS.—Any department, agency, or instrumen-
5 tality of the United States shall comply with
6 subparagraph (A) by transmitting the report
7 described in subparagraph (A) to the National
8 Directory of New Hires established pursuant to
9 section 453.

10 “(2) TIMING OF REPORT.—Each State may
11 provide the time within which the report required by
12 paragraph (1) shall be made with respect to an em-
13 ployee, but such report shall be made—

14 “(A) not later than 20 days after the date
15 the employer hires the employee; or

16 “(B) in the case of an employer transmit-
17 ting reports magnetically or electronically, by 2
18 monthly transmissions (if necessary) not less
19 than 12 days nor more than 16 days apart.

20 “(c) REPORTING FORMAT AND METHOD.—Each re-
21 port required by subsection (b) shall be made on a W-
22 4 form or, at the option of the employer, an equivalent
23 form, and may be transmitted by 1st class mail, magneti-
24 cally, 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 May 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 and address of,
7 and identifying number assigned under section 6109
8 of the Internal Revenue Code of 1986 to, the em-
9 ployer.

10 “(g) TRANSMISSION OF INFORMATION.—

11 “(1) TRANSMISSION OF WAGE WITHHOLDING
12 NOTICES TO EMPLOYERS.—Within 2 business days
13 after the date information regarding a newly hired
14 employee is entered into the State Directory of New
15 Hires, the State agency enforcing the employee’s
16 child support obligation shall transmit a notice to
17 the employer of the employee directing the employer
18 to withhold from the income of the employee an
19 amount equal to the monthly (or other periodic)
20 child support obligation (including any past due sup-
21 port obligation) of the employee, unless the employ-
22 ee’s income is not subject to withholding pursuant to
23 section 466(b)(3).

24 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
25 TORY OF NEW HIRES.—

1 “(A) NEW HIRE INFORMATION.—Within 3
2 business days after the date information re-
3 garding a newly hired employee is entered into
4 the State Directory of New Hires, the State Di-
5 rectory of New Hires shall furnish the informa-
6 tion to the National Directory of New Hires.

7 “(B) WAGE AND UNEMPLOYMENT COM-
8 PENSATION INFORMATION.—The State Direc-
9 tory of New Hires shall, on a quarterly basis,
10 furnish to the National Directory of New Hires
11 extracts of the reports required under section
12 303(a)(6) to be made to the Secretary of Labor
13 concerning the wages and unemployment com-
14 pensation paid to individuals, by such dates, in
15 such format, and containing such information
16 as the Secretary of Health and Human Services
17 shall specify in regulations.

18 “(3) BUSINESS DAY DEFINED.—As used in this
19 subsection, the term ‘business day’ means a day on
20 which State offices are open for regular business.

21 “(h) OTHER USES OF NEW HIRE INFORMATION.—

22 “(1) LOCATION OF CHILD SUPPORT OBLI-
23 GORS.—The agency administering the State plan ap-
24 proved under this part shall use information received
25 pursuant to subsection (f)(2) to locate individuals

1 for purposes of establishing paternity and establish-
2 ing, modifying, and enforcing child support obliga-
3 tions, and may disclose such information to any
4 agent of the agency that is under contract with the
5 agency to carry out such purposes.

6 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
7 TAIN PROGRAMS.—A State agency responsible for
8 administering a program specified in section 1137(b)
9 shall have access to information reported by employ-
10 ers pursuant to subsection (b) of this section for
11 purposes of verifying eligibility for the program.

12 “(3) ADMINISTRATION OF EMPLOYMENT SECU-
13 RITY AND WORKERS’ COMPENSATION.—State agen-
14 cies operating employment security and workers’
15 compensation programs shall have access to informa-
16 tion reported by employers pursuant to subsection
17 (b) for the purposes of administering such pro-
18 grams.”.

19 (c) QUARTERLY WAGE REPORTING.—Section
20 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

21 (1) by inserting “(including State and local gov-
22 ernmental entities and labor organizations (as de-
23 fined in section 453A(a)(2)(B)(iii))” after “employ-
24 ers”; and

1 (2) by inserting “, and except that no report
2 shall be filed with respect to an employee of a State
3 or local agency performing intelligence or counter-
4 intelligence functions, if the head of such agency has
5 determined that filing such a report could endanger
6 the safety of the employee or compromise an ongo-
7 ing investigation or intelligence mission” after
8 “paragraph (2)”.

9 (d) DISCLOSURE TO CERTAIN AGENTS.—Section
10 303(e) (42 U.S.C. 503(e)) is amended by adding at the
11 end the following:

12 “(5) A State or local child support enforcement agen-
13 cy may disclose to any agent of the agency that is under
14 contract with the agency to carry out the purposes de-
15 scribed in paragraph (1)(B) wage information that is dis-
16 closed to an officer or employee of the agency under para-
17 graph (1)(A). Any agent of a State or local child support
18 agency that receives wage information under this para-
19 graph shall comply with the safeguards established pursu-
20 ant to paragraph (1)(B).”.

21 **SEC. 4314. AMENDMENTS CONCERNING INCOME WITH-**
22 **HOLDING.**

23 (a) MANDATORY INCOME WITHHOLDING.—

24 (1) IN GENERAL.—Section 466(a)(1) (42
25 U.S.C. 666(a)(1)) is amended to read as follows:

1 “(1)(A) Procedures described in subsection (b)
2 for the withholding from income of amounts payable
3 as support in cases subject to enforcement under the
4 State plan.

5 “(B) Procedures under which the income of a
6 person with a support obligation imposed by a sup-
7 port order issued (or modified) in the State before
8 October 1, 1996, if not otherwise subject to with-
9 holding under subsection (b), shall become subject
10 to withholding as provided in subsection (b) if ar-
11 rearages occur, without the need for a judicial or
12 administrative hearing.”.

13 (2) CONFORMING AMENDMENTS.—

14 (A) Section 466(b) (42 U.S.C. 666(b)) is
15 amended in the matter preceding paragraph
16 (1), by striking “subsection (a)(1)” and insert-
17 ing “subsection (a)(1)(A)”.

18 (B) Section 466(b)(4) (42 U.S.C.
19 666(b)(4)) is amended to read as follows:

20 “(4)(A) Such withholding must be carried out
21 in full compliance with all procedural due process re-
22 quirements of the State, and the State must send
23 notice to each noncustodial parent to whom para-
24 graph (1) applies—

1 “(i) that the withholding has commenced;
2 and

3 “(ii) of the procedures to follow if the non-
4 custodial parent desires to contest such with-
5 holding on the grounds that the withholding or
6 the amount withheld is improper due to a mis-
7 take of fact.

8 “(B) The notice under subparagraph (A) of this
9 paragraph shall include the information provided to
10 the employer under paragraph (6)(A).”.

11 (C) Section 466(b)(5) (42 U.S.C.
12 666(b)(5)) is amended by striking all that fol-
13 lows “administered by” and inserting “the
14 State through the State disbursement unit es-
15 tablished pursuant to section 454B, in accord-
16 ance with the requirements of section 454B.”.

17 (D) Section 466(b)(6)(A) (42 U.S.C.
18 666(b)(6)(A)) is amended—

19 (i) in clause (i), by striking “to the
20 appropriate agency” and all that follows
21 and inserting “to the State disbursement
22 unit within 5 business days after the date
23 the amount would (but for this subsection)
24 have been paid or credited to the employee,
25 for distribution in accordance with this

1 part. The employer shall withhold funds as
2 directed in the notice. For terms and con-
3 ditions for withholding income that are not
4 specified in a notice issued by another
5 State, the employer shall apply the law of
6 the State in which the obligor works. An
7 employer who complies with an income
8 withholding notice that is regular on its
9 face shall not be subject to civil liability to
10 any individual or agency for conduct in
11 compliance with the notice.”.

12 (ii) in clause (ii), by inserting “be in
13 a standard format prescribed by the Sec-
14 retary, and” after “shall”; and

15 (iii) by adding at the end the follow-
16 ing new clause:

17 “(iii) As used in this subparagraph, the term
18 ‘business day’ means a day on which State offices
19 are open for regular business.”.

20 (E) Section 466(b)(6)(D) (42 U.S.C.
21 666(b)(6)(D)) is amended by striking “any em-
22 ployer” and all that follows and inserting “any
23 employer who—

24 “(i) discharges from employment, refuses
25 to employ, or takes disciplinary action against

1 any noncustodial parent subject to income with-
2 holding required by this subsection because of
3 the existence of such withholding and the obli-
4 gations or additional obligations which it im-
5 poses upon the employer; or

6 “(ii) fails to withhold support from income
7 or to pay such amounts to the State disburse-
8 ment unit in accordance with this subsection.”.

9 (F) Section 466(b) (42 U.S.C. 666(b)) is
10 amended by adding at the end the following
11 new paragraph:

12 “(11) Procedures under which the agency ad-
13 ministering the State plan approved under this part
14 may execute a withholding order without advance
15 notice to the obligor, including issuing the withhold-
16 ing order through electronic means.”.

17 (b) DEFINITION OF INCOME.—

18 (1) IN GENERAL.—Section 466(b)(8) (42
19 U.S.C. 666(b)(8)) is amended to read as follows:

20 “(8) For purposes of subsection (a) and this
21 subsection, the term ‘income’ means any periodic
22 form of payment due to an individual, regardless of
23 source, including wages, salaries, commissions, bo-
24 nuses, worker’s compensation, disability, payments

1 pursuant to a pension or retirement program, and
2 interest.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Subsections (a)(8)(A), (a)(8)(B)(i),
5 (b)(3)(A), (b)(3)(B), (b)(6)(A)(i), and
6 (b)(6)(C), and (b)(7) of section 466 (42 U.S.C.
7 666(a)(8)(A), (a)(8)(B)(i), (b)(3)(A), (b)(3)(B),
8 (b)(6)(A)(i), and (b)(6)(C), and (b)(7)) are
9 each amended by striking “wages” each place
10 such term appears and inserting “income”.

11 (B) Section 466(b)(1) (42 U.S.C.
12 666(b)(1)) is amended by striking “wages (as
13 defined by the State for purposes of this sec-
14 tion)” and inserting “income”.

15 (c) CONFORMING AMENDMENT.—Section 466(c) (42
16 U.S.C. 666(c)) is repealed.

17 **SEC. 4315. LOCATOR INFORMATION FROM INTERSTATE**
18 **NETWORKS.**

19 Section 466(a) (42 U.S.C. 666(a)) is amended by in-
20 serting after paragraph (11) the following new paragraph:

21 “(12) LOCATOR INFORMATION FROM INTER-
22 STATE NETWORKS.—Procedures to ensure that all
23 Federal and State agencies conducting activities
24 under this part have access to any system used by

1 the State to locate an individual for purposes relat-
2 ing to motor vehicles or law enforcement.”.

3 **SEC. 4316. EXPANSION OF THE FEDERAL PARENT LOCATOR**
4 **SERVICE.**

5 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
6 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
7 amended—

8 (1) in subsection (a), by striking all that follows
9 “subsection (c))” and inserting “, for the purpose of
10 establishing parentage, establishing, setting the
11 amount of, modifying, or enforcing child support ob-
12 ligations, or enforcing child custody or visitation or-
13 ders—

14 “(1) information on, or facilitating the discov-
15 ery of, the location of any individual—

16 “(A) who is under an obligation to pay
17 child support or provide child custody or visita-
18 tion rights;

19 “(B) against whom such an obligation is
20 sought;

21 “(C) to whom such an obligation is owed,
22 including the individual’s social security number (or
23 numbers), most recent address, and the name, ad-
24 dress, and employer identification number of the in-
25 dividual’s employer;

1 “(2) information on the individual’s wages (or
2 other income) from, and benefits of, employment (in-
3 cluding rights to or enrollment in group health care
4 coverage); and

5 “(3) information on the type, status, location,
6 and amount of any assets of, or debts owed by or
7 to, any such individual.”; and

8 (2) in subsection (b)—

9 (A) in the matter preceding paragraph (1),
10 by striking “social security” and all that follows
11 through “absent parent” and inserting “infor-
12 mation described in subsection (a)”;

13 (B) in the flush paragraph at the end, by
14 adding the following: “No information shall be
15 disclosed to any person if the State has notified
16 the Secretary that the State has reasonable evi-
17 dence of domestic violence or child abuse and
18 the disclosure of such information could be
19 harmful to the custodial parent or the child of
20 such parent. Information received or transmit-
21 ted pursuant to this section shall be subject to
22 the safeguard provisions contained in section
23 454(26).”.

1 (b) AUTHORIZED PERSON FOR INFORMATION RE-
2 GARDING VISITATION RIGHTS.—Section 453(c) (42
3 U.S.C. 653(c)) is amended—

4 (1) in paragraph (1), by striking “support” and
5 inserting “support or to seek to enforce orders pro-
6 viding child custody or visitation rights”; and

7 (2) in paragraph (2), by striking “, or any
8 agent of such court; and” and inserting “or to issue
9 an order against a resident parent for child custody
10 or visitation rights, or any agent of such court;”.

11 (c) REIMBURSEMENT FOR INFORMATION FROM FED-
12 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
13 653(e)(2)) is amended in the 4th sentence by inserting
14 “in an amount which the Secretary determines to be rea-
15 sonable payment for the information exchange (which
16 amount shall not include payment for the costs of obtain-
17 ing, compiling, or maintaining the information)” before
18 the period.

19 (d) REIMBURSEMENT FOR REPORTS BY STATE
20 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
21 adding at the end the following new subsection:

22 “(g) REIMBURSEMENT FOR REPORTS BY STATE
23 AGENCIES.—The Secretary may reimburse Federal and
24 State agencies for the costs incurred by such entities in
25 furnishing information requested by the Secretary under

1 this section in an amount which the Secretary determines
2 to be reasonable payment for the information exchange
3 (which amount shall not include payment for the costs of
4 obtaining, compiling, or maintaining the information).”.

5 (e) CONFORMING AMENDMENTS.—

6 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
7 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
8 653(b), 663(a), 663(e), and 663(f)) are each amend-
9 ed by inserting “Federal” before “Parent” each
10 place such term appears.

11 (2) Section 453 (42 U.S.C. 653) is amended in
12 the heading by adding “FEDERAL” before “PAR-
13 ENT”.

14 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
15 653), as amended by subsection (d) of this section, is
16 amended by adding at the end the following new sub-
17 sections:

18 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
19 ORDERS.—

20 “(1) IN GENERAL.—Not later than October 1,
21 1998, in order to assist States in administering pro-
22 grams under State plans approved under this part
23 and programs funded under part A, and for the
24 other purposes specified in this section, the Sec-
25 retary shall establish and maintain in the Federal

1 Parent Locator Service an automated registry
2 (which shall be known as the ‘Federal Case Registry
3 of Child Support Orders’), which shall contain ab-
4 stracts of support orders and other information de-
5 scribed in paragraph (2) with respect to each case
6 in each State case registry maintained pursuant to
7 section 454A(e), as furnished (and regularly up-
8 dated), pursuant to section 454A(f), by State agen-
9 cies administering programs under this part.

10 “(2) CASE INFORMATION.—The information re-
11 ferred to in paragraph (1) with respect to a case
12 shall be such information as the Secretary may
13 specify in regulations (including the names, social
14 security numbers or other uniform identification
15 numbers, and State case identification numbers) to
16 identify the individuals who owe or are owed support
17 (or with respect to or on behalf of whom support ob-
18 ligations are sought to be established), and the State
19 or States which have the case.

20 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

21 “(1) IN GENERAL.—In order to assist States in
22 administering programs under State plans approved
23 under this part and programs funded under part A,
24 and for the other purposes specified in this section,
25 the Secretary shall, not later than October 1, 1997,

1 establish and maintain in the Federal Parent Loca-
2 tor Service an automated directory to be known as
3 the National Directory of New Hires, which shall
4 contain the information supplied pursuant to section
5 453A(g)(2).

6 “(2) ENTRY OF DATA.—Information shall be
7 entered into the data base maintained by the Na-
8 tional Directory of New Hires within 2 business
9 days of receipt pursuant to section 453A(g)(2).

10 “(3) ADMINISTRATION OF FEDERAL TAX
11 LAWS.—The Secretary of the Treasury shall have
12 access to the information in the National Directory
13 of New Hires for purposes of administering section
14 32 of the Internal Revenue Code of 1986, or the
15 advance payment of the earned income tax credit
16 under section 3507 of such Code, and verifying a
17 claim with respect to employment in a tax return.

18 “(4) LIST OF MULTISTATE EMPLOYERS.—The
19 Secretary shall maintain within the National Direc-
20 tory of New Hires a list of multistate employers that
21 report information regarding newly hired employees
22 pursuant to section 453A(b)(1)(B), and the State
23 which each such employer has designated to receive
24 such information.

1 “(j) INFORMATION COMPARISONS AND OTHER DIS-
2 CLOSURES.—

3 “(1) VERIFICATION BY SOCIAL SECURITY AD-
4 MINISTRATION.—

5 “(A) IN GENERAL.—The Secretary shall
6 transmit information on individuals and em-
7 ployers maintained under this section to the So-
8 cial Security Administration to the extent nec-
9 essary for verification in accordance with sub-
10 paragraph (B).

11 “(B) VERIFICATION BY SSA.—The Social
12 Security Administration shall verify the accu-
13 racy of, correct, or supply to the extent pos-
14 sible, and report to the Secretary, the following
15 information supplied by the Secretary pursuant
16 to subparagraph (A):

17 “(i) The name, social security num-
18 ber, and birth date of each such individual.

19 “(ii) The employer identification num-
20 ber of each such employer.

21 “(2) INFORMATION COMPARISONS.—For the
22 purpose of locating individuals in a paternity estab-
23 lishment case or a case involving the establishment,
24 modification, or enforcement of a support order, the
25 Secretary shall—

1 “(A) compare information in the National
2 Directory of New Hires against information in
3 the support case abstracts in the Federal Case
4 Registry of Child Support Orders not less often
5 than every 2 business days; and

6 “(B) within 2 business days after such a
7 comparison reveals a match with respect to an
8 individual, report the information to the State
9 agency responsible for the case.

10 “(3) INFORMATION COMPARISONS AND DISCLO-
11 SURES OF INFORMATION IN ALL REGISTRIES FOR
12 TITLE IV PROGRAM PURPOSES.—To the extent and
13 with the frequency that the Secretary determines to
14 be effective in assisting States to carry out their re-
15 sponsibilities under programs operated under this
16 part and programs funded under part A, the Sec-
17 retary shall—

18 “(A) compare the information in each com-
19 ponent of the Federal Parent Locator Service
20 maintained under this section against the infor-
21 mation in each other such component (other
22 than the comparison required by paragraph
23 (2)), and report instances in which such a com-
24 parison reveals a match with respect to an indi-

1 vidual to State agencies operating such pro-
2 grams; and

3 “(B) disclose information in such registries
4 to such State agencies.

5 “(4) PROVISION OF NEW HIRE INFORMATION
6 TO THE SOCIAL SECURITY ADMINISTRATION.—The
7 National Directory of New Hires shall provide the
8 Commissioner of Social Security with all information
9 in the National Directory, which shall be used to de-
10 termine the accuracy of payments under the supple-
11 mental security income program under title XVI and
12 in connection with benefits under title II.

13 “(5) RESEARCH.—The Secretary may provide
14 access to information reported by employers pursu-
15 ant to section 453A(b) for research purposes found
16 by the Secretary to be likely to contribute to achiev-
17 ing the purposes of part A or this part, but without
18 personal identifiers.

19 “(k) FEES.—

20 “(1) FOR SSA VERIFICATION.—The Secretary
21 shall reimburse the Commissioner of Social Security,
22 at a rate negotiated between the Secretary and the
23 Commissioner, for the costs incurred by the Com-
24 missioner in performing the verification services de-
25 scribed in subsection (j).

1 “(2) FOR INFORMATION FROM STATE DIREC-
2 TORIES OF NEW HIRES.—The Secretary shall reim-
3 burse costs incurred by State directories of new
4 hires in furnishing information as required by sub-
5 section (j)(3), at rates which the Secretary deter-
6 mines to be reasonable (which rates shall not include
7 payment for the costs of obtaining, compiling, or
8 maintaining such information).

9 “(3) FOR INFORMATION FURNISHED TO STATE
10 AND FEDERAL AGENCIES.—A State or Federal agen-
11 cy that receives information from the Secretary pur-
12 suant to this section shall reimburse the Secretary
13 for costs incurred by the Secretary in furnishing the
14 information, at rates which the Secretary determines
15 to be reasonable (which rates shall include payment
16 for the costs of obtaining, verifying, maintaining,
17 and comparing the information).

18 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
19 formation in the Federal Parent Locator Service, and in-
20 formation resulting from comparisons using such informa-
21 tion, shall not be used or disclosed except as expressly pro-
22 vided in this section, subject to section 6103 of the Inter-
23 nal Revenue Code of 1986.

24 “(m) INFORMATION INTEGRITY AND SECURITY.—
25 The Secretary shall establish and implement safeguards

1 with respect to the entities established under this section
2 designed to—

3 “(1) ensure the accuracy and completeness of
4 information in the Federal Parent Locator Service;
5 and

6 “(2) restrict access to confidential information
7 in the Federal Parent Locator Service to authorized
8 persons, and restrict use of such information to au-
9 thorized purposes.

10 “(n) FEDERAL GOVERNMENT REPORTING.—Each
11 department, agency, and instrumentality of the United
12 States shall on a quarterly basis report to the Federal
13 Parent Locator Service the name and social security num-
14 ber of each employee and the wages paid to the employee
15 during the previous quarter, except that such a report
16 shall not be filed with respect to an employee of a depart-
17 ment, agency, or instrumentality performing intelligence
18 or counterintelligence functions, if the head of such de-
19 partment, agency, or instrumentality has determined that
20 filing such a report could endanger the safety of the em-
21 ployee or compromise an ongoing investigation or intel-
22 ligence mission.”.

23 (g) CONFORMING AMENDMENTS.—

24 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
25 CURITY ACT.—

1 (A) Section 454(8)(B) (42 U.S.C.
2 654(8)(B)) is amended to read as follows:

3 “(B) the Federal Parent Locator Service
4 established under section 453;”.

5 (B) Section 454(13) (42 U.S.C.654(13)) is
6 amended by inserting “and provide that infor-
7 mation requests by parents who are residents of
8 other States be treated with the same priority
9 as requests by parents who are residents of the
10 State submitting the plan” before the semi-
11 colon.

12 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
13 Section 3304(a)(16) of the Internal Revenue Code of
14 1986 is amended—

15 (A) by striking “Secretary of Health, Edu-
16 cation, and Welfare” each place such term ap-
17 pears and inserting “Secretary of Health and
18 Human Services”;

19 (B) in subparagraph (B), by striking
20 “such information” and all that follows and in-
21 sserting “information furnished under subpara-
22 graph (A) or (B) is used only for the purposes
23 authorized under such subparagraph;”;

24 (C) by striking “and” at the end of sub-
25 paragraph (A);

1 (D) by redesignating subparagraph (B) as
2 subparagraph (C); and

3 (E) by inserting after subparagraph (A)
4 the following new subparagraph:

5 “(B) wage and unemployment compensation in-
6 formation contained in the records of such agency
7 shall be furnished to the Secretary of Health and
8 Human Services (in accordance with regulations pro-
9 mulgated by such Secretary) as necessary for the
10 purposes of the National Directory of New Hires es-
11 tablished under section 453(i) of the Social Security
12 Act, and”.

13 (3) TO STATE GRANT PROGRAM UNDER TITLE
14 III OF THE SOCIAL SECURITY ACT.—Subsection (h)
15 of section 303 (42 U.S.C. 503) is amended to read
16 as follows:

17 “(h)(1) The State agency charged with the adminis-
18 tration of the State law shall, on a reimbursable basis—

19 “(A) disclose quarterly, to the Secretary of
20 Health and Human Services, wage and claim infor-
21 mation, as required pursuant to section 453(i)(1),
22 contained in the records of such agency;

23 “(B) ensure that information provided pursuant
24 to subparagraph (A) meets such standards relating
25 to correctness and verification as the Secretary of

1 Health and Human Services, with the concurrence
2 of the Secretary of Labor, may find necessary; and

3 “(C) establish such safeguards as the Secretary
4 of Labor determines are necessary to insure that in-
5 formation disclosed under subparagraph (A) is used
6 only for purposes of section 453(i)(1) in carrying out
7 the child support enforcement program under title
8 IV.

9 “(2) Whenever the Secretary of Labor, after reason-
10 able notice and opportunity for hearing to the State agen-
11 cy charged with the administration of the State law, finds
12 that there is a failure to comply substantially with the re-
13 quirements of paragraph (1), the Secretary of Labor shall
14 notify such State agency that further payments will not
15 be made to the State until the Secretary of Labor is satis-
16 fied that there is no longer any such failure. Until the
17 Secretary of Labor is so satisfied, the Secretary shall
18 make no future certification to the Secretary of the Treas-
19 ury with respect to the State.

20 “(3) For purposes of this subsection—

21 “(A) the term ‘wage information’ means infor-
22 mation regarding wages paid to an individual, the
23 social security account number of such individual,
24 and the name, address, State, and the Federal em-

1 ployer identification number of the employer paying
2 such wages to such individual; and

3 “(B) the term ‘claim information’ means infor-
4 mation regarding whether an individual is receiving,
5 has received, or has made application for, unemploy-
6 ment compensation, the amount of any such com-
7 pensation being received (or to be received by such
8 individual), and the individual’s current (or most re-
9 cent) home address.”.

10 (4) DISCLOSURE OF CERTAIN INFORMATION TO
11 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-
12 CIES.—

13 (A) IN GENERAL.—Paragraph (6) of sec-
14 tion 6103(l) of the Internal Revenue Code of
15 1986 (relating to disclosure of return informa-
16 tion to Federal, State, and local child support
17 enforcement agencies) is amended by redesignig-
18 nating subparagraph (B) as subparagraph (C)
19 and by inserting after subparagraph (A) the fol-
20 lowing new subparagraph:

21 “(B) DISCLOSURE TO CERTAIN AGENTS.—
22 The following information disclosed to any child
23 support enforcement agency under subpara-
24 graph (A) with respect to any individual with
25 respect to whom child support obligations are

1 sought to be established or enforced may be dis-
2 closed by such agency to any agent of such
3 agency which is under contract with such agen-
4 cy to carry out the purposes described in sub-
5 paragraph (C):

6 “(i) The address and social security
7 account number (or numbers) of such indi-
8 vidual.

9 “(ii) The amount of any reduction
10 under section 6402(c) (relating to offset of
11 past-due support against overpayments) in
12 any overpayment otherwise payable to such
13 individual.”

14 (B) CONFORMING AMENDMENTS.—

15 (i) Paragraph (3) of section 6103(a)
16 of such Code is amended by striking
17 “(l)(12)” and inserting “paragraph (6) or
18 (12) of subsection (l)”.

19 (ii) Subparagraph (C) of section
20 6103(l)(6) of such Code, as redesignated
21 by subsection (a), is amended to read as
22 follows:

23 “(C) RESTRICTION ON DISCLOSURE.—In-
24 formation may be disclosed under this para-
25 graph only for purposes of, and to the extent

1 necessary in, establishing and collecting child
2 support obligations from, and locating, individ-
3 uals owing such obligations.”

4 (iii) The material following subpara-
5 graph (F) of section 6103(p)(4) of such
6 Code is amended by striking “subsection
7 (1)(12)(B)” and inserting “paragraph
8 (6)(A) or (12)(B) of subsection (1)”.

9 (h) **REQUIREMENT FOR COOPERATION.**—The Sec-
10 retary of Labor and the Secretary of Health and Human
11 Services shall work jointly to develop cost-effective and ef-
12 ficient methods of accessing the information in the various
13 State directories of new hires and the National Directory
14 of New Hires as established pursuant to the amendments
15 made by this chapter. In developing these methods the
16 Secretaries shall take into account the impact, including
17 costs, on the States, and shall also consider the need to
18 insure the proper and authorized use of wage record infor-
19 mation.

20 **SEC. 4317. COLLECTION AND USE OF SOCIAL SECURITY**
21 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
22 **FORCEMENT.**

23 (a) **STATE LAW REQUIREMENT.**—Section 466(a) (42
24 U.S.C. 666(a)), as amended by section 4315 of this Act,

1 is amended by inserting after paragraph (12) the following
2 new paragraph:

3 “(13) RECORDING OF SOCIAL SECURITY NUM-
4 BERS IN CERTAIN FAMILY MATTERS.—Procedures
5 requiring that the social security number of—

6 “(A) any applicant for a professional li-
7 cense, commercial driver’s license, occupational
8 license, or marriage license be recorded on the
9 application;

10 “(B) any individual who is subject to a di-
11 vorce decree, support order, or paternity deter-
12 mination or acknowledgment be placed in the
13 records relating to the matter; and

14 “(C) any individual who has died be placed
15 in the records relating to the death and be re-
16 corded on the death certificate.

17 For purposes of subparagraph (A), if a State allows
18 the use of a number other than the social security
19 number, the State shall so advise any applicants.”.

20 (b) CONFORMING AMENDMENTS.—Section
21 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
22 section 321(a)(9) of the Social Security Independence and
23 Program Improvements Act of 1994, is amended—

24 (1) in clause (i), by striking “may require” and
25 inserting “shall require”;

1 (2) in clause (ii), by inserting after the 1st sen-
2 tence the following: “In the administration of any
3 law involving the issuance of a marriage certificate
4 or license, each State shall require each party named
5 in the certificate or license to furnish to the State
6 (or political subdivision thereof), or any State agen-
7 cy having administrative responsibility for the law
8 involved, the social security number of the party.”;

9 (3) in clause (ii), by inserting “or marriage cer-
10 tificate” after “Such numbers shall not be recorded
11 on the birth certificate”.

12 (4) in clause (vi), by striking “may” and insert-
13 ing “shall”; and

14 (5) by adding at the end the following new
15 clauses:

16 “(x) An agency of a State (or a political subdivision
17 thereof) charged with the administration of any law con-
18 cerning the issuance or renewal of a license, certificate,
19 permit, or other authorization to engage in a profession,
20 an occupation, or a commercial activity shall require all
21 applicants for issuance or renewal of the license, certifi-
22 cate, permit, or other authorization to provide the appli-
23 cant’s social security number to the agency for the purpose
24 of administering such laws, and for the purpose of re-

1 sponding to requests for information from an agency oper-
2 ating pursuant to part D of title IV.

3 “(xi) All divorce decrees, support orders, and pater-
4 nity determinations issued, and all paternity acknowledg-
5 ments made, in each State shall include the social security
6 number of each party to the decree, order, determination,
7 or acknowledgment in the records relating to the matter,
8 for the purpose of responding to requests for information
9 from an agency operating pursuant to part D of title IV.”.

10 **CHAPTER 3—STREAMLINING AND**
11 **UNIFORMITY OF PROCEDURES**

12 **SEC. 4321. ADOPTION OF UNIFORM STATE LAWS.**

13 Section 466 (42 U.S.C. 666) is amended by adding
14 at the end the following new subsection:

15 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
16 ACT.—

17 “(1) ENACTMENT AND USE.—In order to sat-
18 isfy section 454(20)(A), on and after January 1,
19 1998, each State must have in effect the Uniform
20 Interstate Family Support Act, as approved by the
21 American Bar Association on February 9, 1993, to-
22 gether with any amendments officially adopted be-
23 fore January 1, 1998 by the National Conference of
24 Commissioners on Uniform State Laws.

1 “(2) EMPLOYERS TO FOLLOW PROCEDURAL
2 RULES OF STATE WHERE EMPLOYEE WORKS.—The
3 State law enacted pursuant to paragraph (1) shall
4 provide that an employer that receives an income
5 withholding order or notice pursuant to section 501
6 of the Uniform Interstate Family Support Act follow
7 the procedural rules that apply with respect to such
8 order or notice under the laws of the State in which
9 the obligor works.”.

10 **SEC. 4322. IMPROVEMENTS TO FULL FAITH AND CREDIT**
11 **FOR CHILD SUPPORT ORDERS.**

12 Section 1738B of title 28, United States Code, is
13 amended—

14 (1) in subsection (a)(2), by striking “subsection
15 (e)” and inserting “subsections (e), (f), and (i)”;

16 (2) in subsection (b), by inserting after the 2nd
17 undesignated paragraph the following:

18 “‘child’s home State’ means the State in which a
19 child lived with a parent or a person acting as parent for
20 at least 6 consecutive months immediately preceding the
21 time of filing of a petition or comparable pleading for sup-
22 port and, if a child is less than 6 months old, the State
23 in which the child lived from birth with any of them. A
24 period of temporary absence of any of them is counted
25 as part of the 6-month period.”;

1 (3) in subsection (c), by inserting “by a court
2 of a State” before “is made”;

3 (4) in subsection (c)(1), by inserting “and sub-
4 sections (e), (f), and (g)” after “located”;

5 (5) in subsection (d)—

6 (A) by inserting “individual” before “con-
7 testant”; and

8 (B) by striking “subsection (e)” and in-
9 serting “subsections (e) and (f)”;

10 (6) in subsection (e), by striking “make a modi-
11 fication of a child support order with respect to a
12 child that is made” and inserting “modify a child
13 support order issued”;

14 (7) in subsection (e)(1), by inserting “pursuant
15 to subsection (i)” before the semicolon;

16 (8) in subsection (e)(2)—

17 (A) by inserting “individual” before “con-
18 testant” each place such term appears; and

19 (B) by striking “to that court’s making the
20 modification and assuming” and inserting “with
21 the State of continuing, exclusive jurisdiction
22 for a court of another State to modify the order
23 and assume”;

24 (9) by redesignating subsections (f) and (g) as
25 subsections (g) and (h), respectively;

1 (10) by inserting after subsection (e) the follow-
2 ing new subsection:

3 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

4 If 1 or more child support orders have been issued with
5 regard to an obligor and a child, a court shall apply the
6 following rules in determining which order to recognize for
7 purposes of continuing, exclusive jurisdiction and enforce-
8 ment:

9 “(1) If only 1 court has issued a child support
10 order, the order of that court must be recognized.

11 “(2) If 2 or more courts have issued child sup-
12 port orders for the same obligor and child, and only
13 1 of the courts would have continuing, exclusive ju-
14 risdiction under this section, the order of that court
15 must be recognized.

16 “(3) If 2 or more courts have issued child sup-
17 port orders for the same obligor and child, and more
18 than 1 of the courts would have continuing, exclusive
19 jurisdiction under this section, an order issued by a
20 court in the current home State of the child must
21 be recognized, but if an order has not been issued
22 in the current home State of the child, the order
23 most recently issued must be recognized.

24 “(4) If 2 or more courts have issued child sup-
25 port orders for the same obligor and child, and none

1 of the courts would have continuing, exclusive juris-
2 diction under this section, a court may issue a child
3 support order, which must be recognized.

4 “(5) The court that has issued an order recog-
5 nized under this subsection is the court having con-
6 tinuing, exclusive jurisdiction.”;

7 (11) in subsection (g) (as so redesignated)—

8 (A) by striking “PRIOR” and inserting
9 “MODIFIED”; and

10 (B) by striking “subsection (e)” and in-
11 serting “subsections (e) and (f)”;

12 (12) in subsection (h) (as so redesignated)—

13 (A) in paragraph (2), by inserting “includ-
14 ing the duration of current payments and other
15 obligations of support” before the comma; and

16 (B) in paragraph (3), by inserting “arrears
17 under” after “enforce”; and

18 (13) by adding at the end the following new
19 subsection:

20 “(i) REGISTRATION FOR MODIFICATION.—If there is
21 no individual contestant or child residing in the issuing
22 State, the party or support enforcement agency seeking
23 to modify, or to modify and enforce, a child support order
24 issued in another State shall register that order in a State

1 with jurisdiction over the nonmovant for the purpose of
2 modification.”.

3 **SEC. 4323. ADMINISTRATIVE ENFORCEMENT IN INTER-**
4 **STATE CASES.**

5 Section 466(a) (42 U.S.C. 666(a)), as amended by
6 sections 4315 and 4317(a) of this Act, is amended by in-
7 serting after paragraph (13) the following new paragraph:

8 “(14) ADMINISTRATIVE ENFORCEMENT IN
9 INTERSTATE CASES.—Procedures under which—

10 “(A)(i) the State shall respond within 5
11 business days to a request made by another
12 State to enforce a support order; and

13 “(ii) the term ‘business day’ means a day
14 on which State offices are open for regular
15 business;

16 “(B) the State may, by electronic or other
17 means, transmit to another State a request for
18 assistance in a case involving the enforcement
19 of a support order, which request—

20 “(i) shall include such information as
21 will enable the State to which the request
22 is transmitted to compare the information
23 about the case to the information in the
24 data bases of the State; and

1 “(ii) shall constitute a certification by
2 the requesting State—

3 “(I) of the amount of support
4 under the order the payment of which
5 is in arrears; and

6 “(II) that the requesting State
7 has complied with all procedural due
8 process requirements applicable to the
9 case;

10 “(C) if the State provides assistance to an-
11 other State pursuant to this paragraph with re-
12 spect to a case, neither State shall consider the
13 case to be transferred to the caseload of such
14 other State; and

15 “(D) the State shall maintain records of—

16 “(i) the number of such requests for
17 assistance received by the State;

18 “(ii) the number of cases for which
19 the State collected support in response to
20 such a request; and

21 “(iii) the amount of such collected
22 support.”.

23 **SEC. 4324. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

24 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
25 652(a)) is amended—

1 (1) by striking “and” at the end of paragraph
2 (9);

3 (2) by striking the period at the end of para-
4 graph (10) (as amended by section 4346(a) of this
5 Act) and inserting “; and”; and

6 (3) by adding at the end the following new
7 paragraph:

8 “(11) not later than October 1, 1996, after con-
9 sulting with the State directors of programs under
10 this part, promulgate forms to be used by States in
11 interstate cases for—

12 “(A) collection of child support through in-
13 come withholding;

14 “(B) imposition of liens; and

15 “(C) administrative subpoenas.”.

16 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
17 654(9)) is amended—

18 (1) by striking “and” at the end of subpara-
19 graph (C);

20 (2) by inserting “and” at the end of subpara-
21 graph (D); and

22 (3) by adding at the end the following new sub-
23 paragraph:

24 “(E) not later than March 1, 1997, in
25 using the forms promulgated pursuant to sec-

1 tion 452(a)(11) for income withholding, imposi-
2 tion of liens, and issuance of administrative
3 subpoenas in interstate child support cases;”.

4 **SEC. 4325. STATE LAWS PROVIDING EXPEDITED PROCE-**
5 **DURES.**

6 (a) STATE LAW REQUIREMENTS.—Section 466 (42
7 U.S.C. 666), as amended by section 4314 of this Act, is
8 amended—

9 (1) in subsection (a)(2), by striking the first
10 sentence and inserting the following: “Expedited ad-
11 ministrative and judicial procedures (including the
12 procedures specified in subsection (c)) for establish-
13 ing paternity and for establishing, modifying, and
14 enforcing support obligations.”; and

15 (2) by inserting after subsection (b) the follow-
16 ing new subsection:

17 “(c) EXPEDITED PROCEDURES.—The procedures
18 specified in this subsection are the following:

19 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
20 CY.—Procedures which give the State agency the au-
21 thority to take the following actions relating to es-
22 tablishment of paternity or to establishment, modi-
23 fication, or enforcement of support orders, without
24 the necessity of obtaining an order from any other
25 judicial or administrative tribunal, and to recognize

1 and enforce the authority of State agencies of other
2 States to take the following actions:

3 “(A) GENETIC TESTING.—To order genetic
4 testing for the purpose of paternity establish-
5 ment as provided in section 466(a)(5).

6 “(B) FINANCIAL OR OTHER INFORMA-
7 TION.—To subpoena any financial or other in-
8 formation needed to establish, modify, or en-
9 force a support order, and to impose penalties
10 for failure to respond to such a subpoena.

11 “(C) RESPONSE TO STATE AGENCY RE-
12 QUEST.—To require all entities in the State (in-
13 cluding for-profit, nonprofit, and governmental
14 employers) to provide promptly, in response to
15 a request by the State agency of that or any
16 other State administering a program under this
17 part, information on the employment, com-
18 pensation, and benefits of any individual em-
19 ployed by such entity as an employee or con-
20 tractor, and to sanction failure to respond to
21 any such request.

22 “(D) ACCESS TO INFORMATION CON-
23 TAINED IN CERTAIN RECORDS.—To obtain ac-
24 cess, subject to safeguards on privacy and infor-
25 mation security, and subject to the nonliability

1 of entities that afford such access under this
2 subparagraph, to information contained in the
3 following records (including automated access,
4 in the case of records maintained in automated
5 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 with respect to individuals who owe
6 or are owed support (or against or with re-
7 spect to whom a support obligation is
8 sought), consisting of—

9 “(I) the names and addresses of
10 such individuals and the names and
11 addresses of the employers of such in-
12 dividuals, as appearing in customer
13 records of public utilities and cable
14 television companies, pursuant to an
15 administrative subpoena authorized by
16 subparagraph (B); and

17 “(II) information (including in-
18 formation on assets and liabilities) on
19 such individuals held by financial in-
20 stitutions.

21 “(E) CHANGE IN PAYEE.—In cases in
22 which support is subject to an assignment in
23 order to comply with a requirement imposed
24 pursuant to part A or section 1912, or to a re-
25 quirement to pay through the State disburse-

1 ment unit established pursuant to section
2 454B, upon providing notice to obligor and obli-
3 gee, to direct the obligor or other payor to
4 change the payee to the appropriate government
5 entity.

6 “(F) INCOME WITHHOLDING.—To order
7 income withholding in accordance with sub-
8 sections (a)(1)(A) and (b) of section 466.

9 “(G) SECURING ASSETS.—In cases in
10 which there is a support arrearage, to secure
11 assets to satisfy the arrearage by—

12 “(i) intercepting or seizing periodic or
13 lump-sum payments from—

14 “(I) a State or local agency, in-
15 cluding unemployment compensation,
16 workers’ compensation, and other ben-
17 efits; and

18 “(II) judgments, settlements, and
19 lotteries;

20 “(ii) attaching and seizing assets of
21 the obligor held in financial institutions;

22 “(iii) attaching public and private re-
23 tirement funds; and

24 “(iv) imposing liens in accordance
25 with subsection (a)(4) and, in appropriate

1 cases, to force sale of property and dis-
2 tribution of proceeds.

3 “(H) INCREASE MONTHLY PAYMENTS.—

4 For the purpose of securing overdue support, to
5 increase the amount of monthly support pay-
6 ments to include amounts for arrearages, sub-
7 ject to such conditions or limitations as the
8 State may provide.

9 Such procedures shall be subject to due process safe-
10 guards, including (as appropriate) requirements for
11 notice, opportunity to contest the action, and oppor-
12 tunity for an appeal on the record to an independent
13 administrative or judicial tribunal.

14 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

15 The expedited procedures required under subsection
16 (a)(2) shall include the following rules and author-
17 ity, applicable with respect to all proceedings to es-
18 tablish paternity or to establish, modify, or enforce
19 support orders:

20 “(A) LOCATOR INFORMATION; PRESUMP-

21 TIONS CONCERNING NOTICE.—Procedures

22 under which—

23 “(i) each party to any paternity or

24 child support proceeding is required (sub-

25 ject to privacy safeguards) to file with the

1 tribunal and the State case registry upon
2 entry of an order, and to update as appro-
3 priate, information on location and identity
4 of the party, including social security num-
5 ber, residential and mailing addresses, tele-
6 phone number, driver's license number,
7 and name, address, and telephone number
8 of employer; and

9 “(ii) in any subsequent child support
10 enforcement action between the parties,
11 upon sufficient showing that diligent effort
12 has been made to ascertain the location of
13 such a party, the tribunal may deem State
14 due process requirements for notice and
15 service of process to be met with respect to
16 the party, upon delivery of written notice
17 to the most recent residential or employer
18 address filed with the tribunal pursuant to
19 clause (i).

20 “(B) STATEWIDE JURISDICTION.—Proce-
21 dures under which—

22 “(i) the State agency and any admin-
23 istrative or judicial tribunal with authority
24 to hear child support and paternity cases

1 exerts statewide jurisdiction over the par-
2 ties; and

3 “(ii) in a State in which orders are is-
4 sued by courts or administrative tribunals,
5 a case may be transferred between local ju-
6 risdictions in the State without need for
7 any additional filing by the petitioner, or
8 service of process upon the respondent, to
9 retain jurisdiction over the parties.

10 “(3) COORDINATION WITH ERISA.—Notwith-
11 standing subsection (d) of section 514 of the Em-
12 ployee Retirement Income Security Act of 1974 (re-
13 lating to effect on other laws), nothing in this sub-
14 section shall be construed to alter, amend, modify,
15 invalidate, impair, or supersede subsections (a), (b),
16 and (c) of such section 514 as it applies with respect
17 to any procedure referred to in paragraph (1) and
18 any expedited procedure referred to in paragraph
19 (2), except to the extent that such procedure would
20 be consistent with the requirements of section
21 206(d)(3) of such Act (relating to qualified domestic
22 relations orders) or the requirements of section
23 609(a) of such Act (relating to qualified medical
24 child support orders) if the reference in such section
25 206(d)(3) to a domestic relations order and the ref-

1 erence in such section 609(a) to a medical child sup-
 2 port order were a reference to a support order re-
 3 ferred to in paragraphs (1) and (2) relating to the
 4 same matters, respectively.”.

5 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—
 6 Section 454A, as added by section 4344(a)(2) and as
 7 amended by sections 4311 and 4312(c) of this Act, is
 8 amended by adding at the end the following new sub-
 9 section:

10 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
 11 The automated system required by this section shall be
 12 used, to the maximum extent feasible, to implement the
 13 expedited administrative procedures required by section
 14 466(c).”.

15 **CHAPTER 4—PATERNITY ESTABLISHMENT**

16 **SEC. 4331. STATE LAWS CONCERNING PATERNITY ESTAB-**
 17 **LISHMENT.**

18 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
 19 U.S.C. 666(a)(5)) is amended to read as follows:

20 “(5) PROCEDURES CONCERNING PATERNITY ES-

21 TABLISHMENT.—

22 “(A) ESTABLISHMENT PROCESS AVAIL-

23 ABLE FROM BIRTH UNTIL AGE 18.—

24 “(i) Procedures which permit the es-

25 tablishment of the paternity of a child at

1 any time before the child attains 18 years
2 of age.

3 “(ii) As of August 16, 1984, clause (i)
4 shall also apply to a child for whom pater-
5 nity has not been established or for whom
6 a paternity action was brought but dis-
7 missed because a statute of limitations of
8 less than 18 years was then in effect in the
9 State.

10 “(B) PROCEDURES CONCERNING GENETIC
11 TESTING.—

12 “(i) GENETIC TESTING REQUIRED IN
13 CERTAIN CONTESTED CASES.—Procedures
14 under which the State is required, in a
15 contested paternity case (unless otherwise
16 barred by State law) to require the child
17 and all other parties (other than individ-
18 uals found under section 454(29) to have
19 good cause and other exceptions for refus-
20 ing to cooperate) to submit to genetic tests
21 upon the request of any such party, if the
22 request is supported by a sworn statement
23 by the party—

24 “(I) alleging paternity, and set-
25 ting forth facts establishing a reason-

1 able possibility of the requisite sexual
2 contact between the parties; or

3 “(II) denying paternity, and set-
4 ting forth facts establishing a reason-
5 able possibility of the nonexistence of
6 sexual contact between the parties.

7 “(ii) OTHER REQUIREMENTS.—Proce-
8 dures which require the State agency, in
9 any case in which the agency orders ge-
10 netic testing—

11 “(I) to pay costs of such tests,
12 subject to recoupment (if the State so
13 elects) from the alleged father if pa-
14 ternity is established; and

15 “(II) to obtain additional testing
16 in any case if an original test result is
17 contested, upon request and advance
18 payment by the contestant.

19 “(C) VOLUNTARY PATERNITY ACKNOWL-
20 EDGMENT.—

21 “(i) SIMPLE CIVIL PROCESS.—Proce-
22 dures for a simple civil process for volun-
23 tarily acknowledging paternity under which
24 the State must provide that, before a
25 mother and a putative father can sign an

1 acknowledgment of paternity, the mother
2 and the putative father must be given no-
3 tice, orally and in writing, of the alter-
4 natives to, the legal consequences of, and
5 the rights (including, if 1 parent is a
6 minor, any rights afforded due to minority
7 status) and responsibilities that arise from,
8 signing the acknowledgment.

9 “(ii) HOSPITAL-BASED PROGRAM.—
10 Such procedures must include a hospital-
11 based program for the voluntary acknowl-
12 edgment of paternity focusing on the pe-
13 riod immediately before or after the birth
14 of a child.

15 “(iii) PATERNITY ESTABLISHMENT
16 SERVICES.—

17 “(I) STATE-OFFERED SERV-
18 ICES.—Such procedures must require
19 the State agency responsible for main-
20 taining birth records to offer vol-
21 untary paternity establishment serv-
22 ices.

23 “(II) REGULATIONS.—

24 “(aa) SERVICES OFFERED
25 BY HOSPITALS AND BIRTH

1 RECORD AGENCIES.—The Sec-
2 retary shall prescribe regulations
3 governing voluntary paternity es-
4 tablishment services offered by
5 hospitals and birth record agen-
6 cies.

7 “(bb) SERVICES OFFERED
8 BY OTHER ENTITIES.—The Sec-
9 retary shall prescribe regulations
10 specifying the types of other enti-
11 ties that may offer voluntary pa-
12 ternity establishment services,
13 and governing the provision of
14 such services, which shall include
15 a requirement that such an entity
16 must use the same notice provi-
17 sions used by, use the same ma-
18 terials used by, provide the per-
19 sonnel providing such services
20 with the same training provided
21 by, and evaluate the provision of
22 such services in the same manner
23 as the provision of such services
24 is evaluated by, voluntary pater-
25 nity establishment programs of

1 hospitals and birth record agen-
2 cies.

3 “(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures
4 must require the State to develop and use
5 an affidavit for the voluntary acknowledgment of paternity which includes the mini-
6 mum requirements of the affidavit speci-
7 fied by the Secretary under section
8 452(a)(7) for the voluntary acknowledg-
9 ment of paternity, and to give full faith
10 and credit to such an affidavit signed in
11 any other State according to its proce-
12 dures.

13 “(D) STATUS OF SIGNED PATERNITY AC-
14 KNOWLEDGMENT.—

15 “(i) INCLUSION IN BIRTH RECORDS.—
16 Procedures under which the name of the
17 father shall be included on the record of
18 birth of the child of unmarried parents
19 only if—

20 “(I) the father and mother have
21 signed a voluntary acknowledgment of
22 paternity; or
23
24

1 “(II) a court or an administrative
2 agency of competent jurisdiction has
3 issued an adjudication of paternity.

4 Nothing in this clause shall preclude a
5 State agency from obtaining an admission
6 of paternity from the father for submission
7 in a judicial or administrative proceeding,
8 or prohibit the issuance of an order in a
9 judicial or administrative proceeding which
10 bases a legal finding of paternity on an ad-
11 mission of paternity by the father and any
12 other additional showing required by State
13 law.

14 “(ii) LEGAL FINDING OF PATER-
15 NITY.—Procedures under which a signed
16 voluntary acknowledgment of paternity is
17 considered a legal finding of paternity,
18 subject to the right of any signatory to re-
19 scind the acknowledgment within the ear-
20 lier of—

21 “(I) 60 days; or

22 “(II) the date of an administra-
23 tive or judicial proceeding relating to
24 the child (including a proceeding to

1 establish a support order) in which
2 the signatory is a party.

3 “(iii) CONTEST.—Procedures under
4 which, after the 60-day period referred to
5 in clause (ii), a signed voluntary acknowl-
6 edgment of paternity may be challenged in
7 court only on the basis of fraud, duress, or
8 material mistake of fact, with the burden
9 of proof upon the challenger, and under
10 which the legal responsibilities (including
11 child support obligations) of any signatory
12 arising from the acknowledgment may not
13 be suspended during the challenge, except
14 for good cause shown.

15 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
16 CATION PROCEEDINGS.—Procedures under
17 which judicial or administrative proceedings are
18 not required or permitted to ratify an unchal-
19 lenged acknowledgment of paternity.

20 “(F) ADMISSIBILITY OF GENETIC TESTING
21 RESULTS.—Procedures—

22 “(i) requiring the admission into evi-
23 dence, for purposes of establishing pater-
24 nity, of the results of any genetic test that
25 is—

1 “(I) of a type generally acknowl-
2 edged as reliable by accreditation bod-
3 ies designated by the Secretary; and

4 “(II) performed by a laboratory
5 approved by such an accreditation
6 body;

7 “(ii) requiring an objection to genetic
8 testing results to be made in writing not
9 later than a specified number of days be-
10 fore any hearing at which the results may
11 be introduced into evidence (or, at State
12 option, not later than a specified number
13 of days after receipt of the results); and

14 “(iii) making the test results admissi-
15 ble as evidence of paternity without the
16 need for foundation testimony or other
17 proof of authenticity or accuracy, unless
18 objection is made.

19 “(G) PRESUMPTION OF PATERNITY IN
20 CERTAIN CASES.—Procedures which create a re-
21 buttable or, at the option of the State, conclu-
22 sive presumption of paternity upon genetic test-
23 ing results indicating a threshold probability
24 that the alleged father is the father of the child.

1 “(H) DEFAULT ORDERS.—Procedures re-
2 quiring a default order to be entered in a pater-
3 nity case upon a showing of service of process
4 on the defendant and any additional showing
5 required by State law.

6 “(I) NO RIGHT TO JURY TRIAL.—Proce-
7 dures providing that the parties to an action to
8 establish paternity are not entitled to a trial by
9 jury.

10 “(J) TEMPORARY SUPPORT ORDER BASED
11 ON PROBABLE PATERNITY IN CONTESTED
12 CASES.—Procedures which require that a tem-
13 porary order be issued, upon motion by a party,
14 requiring the provision of child support pending
15 an administrative or judicial determination of
16 parentage, if there is clear and convincing evi-
17 dence of paternity (on the basis of genetic tests
18 or other evidence).

19 “(K) PROOF OF CERTAIN SUPPORT AND
20 PATERNITY ESTABLISHMENT COSTS.—Proce-
21 dures under which bills for pregnancy, child-
22 birth, and genetic testing are admissible as evi-
23 dence without requiring third-party foundation
24 testimony, and shall constitute prima facie evi-

1 dence of amounts incurred for such services or
2 for testing on behalf of the child.

3 “(L) STANDING OF PUTATIVE FATHERS.—
4 Procedures ensuring that the putative father
5 has a reasonable opportunity to initiate a pater-
6 nity action.

7 “(M) FILING OF ACKNOWLEDGMENTS AND
8 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
9 RECORDS.—Procedures under which voluntary
10 acknowledgments and adjudications of paternity
11 by judicial or administrative processes are filed
12 with the State registry of birth records for com-
13 parison with information in the State case reg-
14 istry.”.

15 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
16 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
17 amended by inserting “, and specify the minimum require-
18 ments of an affidavit to be used for the voluntary acknowl-
19 edgment of paternity which shall include the social secu-
20 rity number of each parent and, after consultation with
21 the States, other common elements as determined by such
22 designee” before the semicolon.

23 (c) CONFORMING AMENDMENT.—Section 468 (42
24 U.S.C. 668) is amended by striking “a simple civil process
25 for voluntarily acknowledging paternity and”.

1 **SEC. 4332. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
2 **LISHMENT.**

3 Section 454(23) (42 U.S.C. 654(23)) is amended by
4 inserting “and will publicize the availability and encourage
5 the use of procedures for voluntary establishment of pater-
6 nity and child support by means the State deems appro-
7 priate” before the semicolon.

8 **SEC. 4333. COOPERATION BY APPLICANTS FOR AND RECIPI-**
9 **ENTS OF PART A ASSISTANCE.**

10 Section 454 (42 U.S.C. 654), as amended by sections
11 4301(b), 4303(a), 4312(a), and 4313(a) of this Act, is
12 amended—

13 (1) by striking “and” at the end of paragraph
14 (27);

15 (2) by striking the period at the end of para-
16 graph (28) and inserting “; and”; and

17 (3) by inserting after paragraph (28) the fol-
18 lowing new paragraph:

19 “(29) provide that the State agency responsible
20 for administering the State plan—

21 “(A) shall make the determination (and re-
22 determination at appropriate intervals) as to
23 whether an individual who has applied for or is
24 receiving assistance under the State program
25 funded under part A of this title or the State
26 program under title XIX is cooperating in good

1 faith with the State in establishing the pater-
2 nity of, or in establishing, modifying, or enforce-
3 ing a support order for, any child of the individ-
4 ual by providing the State agency with the
5 name of, and such other information as the
6 State agency may require with respect to, the
7 noncustodial parent of the child, subject to good
8 cause and other exceptions which—

9 “(i) shall be defined, taking into ac-
10 count the best interests of the child, and

11 “(ii) shall be applied in each case,
12 by, at the option of the State, the State agency
13 administering the State program under part A,
14 this part, or title XIX;

15 “(B) shall require the individual to supply
16 additional necessary information and appear at
17 interviews, hearings, and legal proceedings;

18 “(C) shall require the individual and the
19 child to submit to genetic tests pursuant to ju-
20 dicial or administrative order;

21 “(D) may request that the individual sign
22 a voluntary acknowledgment of paternity, after
23 notice of the rights and consequences of such
24 an acknowledgment, but may not require the in-
25 dividual to sign an acknowledgment or other-

1 wise relinquish the right to genetic tests as a
2 condition of cooperation and eligibility for as-
3 sistance under the State program funded under
4 part A, or the State program under title XIX;
5 and

6 “(E) shall promptly notify the individual,
7 the State agency administering the State pro-
8 gram funded under part A, and the State agen-
9 cy administering the State program under title
10 XIX, of each such determination, and if non-
11 cooperation is determined, the basis therefor.”.

12 **CHAPTER 5—PROGRAM ADMINISTRATION**
13 **AND FUNDING**

14 **SEC. 4341. PERFORMANCE-BASED INCENTIVES AND PEN-**
15 **ALTIES.**

16 (a) DEVELOPMENT OF NEW SYSTEM.—The Sec-
17 retary of Health and Human Services, in consultation with
18 State directors of programs under part D of title IV of
19 the Social Security Act, shall develop a new incentive sys-
20 tem to replace, in a revenue neutral manner, the system
21 under section 458 of such Act. The new system shall pro-
22 vide additional payments to any State based on such
23 State’s performance under such a program. Not later than
24 November 1, 1996, the Secretary shall report on the new
25 system to the Committee on Ways and Means of the

1 House of Representatives and the Committee on Finance
2 of the Senate.

3 (b) CONFORMING AMENDMENTS TO PRESENT SYS-
4 TEM.—Section 458 (42 U.S.C. 658) is amended—

5 (1) in subsection (a), by striking “aid to fami-
6 lies with dependent children under a State plan ap-
7 proved under part A of this title” and inserting “as-
8 sistance under a program funded under part A”;

9 (2) in subsection (b)(1)(A), by striking “section
10 402(a)(26)” and inserting “section 408(a)(4)”;

11 (3) in subsections (b) and (c)—

12 (A) by striking “AFDC collections” each
13 place it appears and inserting “title IV–A col-
14 lections”, and

15 (B) by striking “non-AFDC collections”
16 each place it appears and inserting “non-title
17 IV–A collections”; and

18 (4) in subsection (c), by striking “combined
19 AFDC/non-AFDC administrative costs” both places
20 it appears and inserting “combined title IV–A/non-
21 title IV–A administrative costs”.

22 (c) CALCULATION OF PATERNITY ESTABLISHMENT
23 PERCENTAGE.—

1 (1) Section 452(g)(1)(A) (42 U.S.C.
2 652(g)(1)(A)) is amended by striking “75” and in-
3 serting “90”.

4 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
5 amended—

6 (A) by redesignating subparagraphs (B)
7 through (E) as subparagraphs (C) through (F),
8 respectively, and by inserting after subpara-
9 graph (A) the following new subparagraph:

10 “(B) for a State with a paternity establishment
11 percentage of not less than 75 percent but less than
12 90 percent for such fiscal year, the paternity estab-
13 lishment percentage of the State for the immediately
14 preceding fiscal year plus 2 percentage points;”;

15 (B) by adding at the end the following new
16 flush sentence:

17 “In determining compliance under this section, a State
18 may use as its paternity establishment percentage either
19 the State’s IV–D paternity establishment percentage (as
20 defined in paragraph (2)(A)) or the State’s statewide pa-
21 ternity establishment percentage (as defined in paragraph
22 (2)(B)).”.

23 (3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
24 amended—

25 (A) in subparagraph (A)—

1 (i) in the matter preceding clause

2 (i)—

3 (I) by striking “paternity estab-
4 lishment percentage” and inserting
5 “IV–D paternity establishment per-
6 centage”; and

7 (II) by striking “(or all States, as
8 the case may be)”; and

9 (ii) by striking “and” at the end; and

10 (B) by redesignating subparagraph (B) as
11 subparagraph (C) and by inserting after sub-
12 paragraph (A) the following new subparagraph:

13 “(B) the term ‘statewide paternity establish-
14 ment percentage’ means, with respect to a State for
15 a fiscal year, the ratio (expressed as a percentage)
16 that the total number of minor children—

17 “(i) who have been born out of wedlock,
18 and

19 “(ii) the paternity of whom has been estab-
20 lished or acknowledged during the fiscal year,
21 bears to the total number of children born out of
22 wedlock during the preceding fiscal year; and”.

23 (4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
24 amended—

1 (A) by striking subparagraph (A) and re-
2 designating subparagraphs (B) and (C) as sub-
3 paragraphs (A) and (B), respectively; and

4 (B) in subparagraph (A) (as so redesign-
5 nated), by striking “the percentage of children
6 born out-of-wedlock in a State” and inserting
7 “the percentage of children in a State who are
8 born out of wedlock or for whom support has
9 not been established”.

10 (d) EFFECTIVE DATES.—

11 (1) INCENTIVE ADJUSTMENTS.—

12 (A) IN GENERAL.—The system developed
13 under subsection (a) and the amendments made
14 by subsection (b) shall become effective on Oc-
15 tober 1, 1998, except to the extent provided in
16 subparagraph (B).

17 (B) APPLICATION OF SECTION 458.—Sec-
18 tion 458 of the Social Security Act, as in effect
19 on the day before the date of the enactment of
20 this section, shall be effective for purposes of
21 incentive payments to States for fiscal years be-
22 fore fiscal year 1999.

23 (2) PENALTY REDUCTIONS.—The amendments
24 made by subsection (c) shall become effective with

1 respect to calendar quarters beginning on or after
2 the date of the enactment of this Act.

3 **SEC. 4342. FEDERAL AND STATE REVIEWS AND AUDITS.**

4 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
5 U.S.C. 654) is amended—

6 (1) in paragraph (14), by striking “(14)” and
7 inserting “(14)(A)”;

8 (2) by redesignating paragraph (15) as sub-
9 paragraph (B) of paragraph (14); and

10 (3) by inserting after paragraph (14) the fol-
11 lowing new paragraph:

12 “(15) provide for—

13 “(A) a process for annual reviews of and
14 reports to the Secretary on the State program
15 operated under the State plan approved under
16 this part, including such information as may be
17 necessary to measure State compliance with
18 Federal requirements for expedited procedures,
19 using such standards and procedures as are re-
20 quired by the Secretary, under which the State
21 agency will determine the extent to which the
22 program is operated in compliance with this
23 part; and

24 “(B) a process of extracting from the auto-
25 mated data processing system required by para-

1 graph (16) and transmitting to the Secretary
2 data and calculations concerning the levels of
3 accomplishment (and rates of improvement)
4 with respect to applicable performance indica-
5 tors (including paternity establishment percent-
6 ages) to the extent necessary for purposes of
7 sections 452(g) and 458;”.

8 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
9 U.S.C. 652(a)(4)) is amended to read as follows:

10 “(4)(A) review data and calculations transmit-
11 ted by State agencies pursuant to section
12 454(15)(B) on State program accomplishments with
13 respect to performance indicators for purposes of
14 subsection (g) of this section and section 458;

15 “(B) review annual reports submitted pursuant
16 to section 454(15)(A) and, as appropriate, provide
17 to the State comments, recommendations for addi-
18 tional or alternative corrective actions, and technical
19 assistance; and

20 “(C) conduct audits, in accordance with the
21 Government auditing standards of the Comptroller
22 General of the United States—

23 “(i) at least once every 3 years (or more
24 frequently, in the case of a State which fails to
25 meet the requirements of this part concerning

1 performance standards and reliability of pro-
2 gram data) to assess the completeness, reliabil-
3 ity, and security of the data and the accuracy
4 of the reporting systems used in calculating
5 performance indicators under subsection (g) of
6 this section and section 458;

7 “(ii) of the adequacy of financial manage-
8 ment of the State program operated under the
9 State plan approved under this part, including
10 assessments of—

11 “(I) whether Federal and other funds
12 made available to carry out the State pro-
13 gram are being appropriately expended,
14 and are properly and fully accounted for;
15 and

16 “(II) whether collections and disburse-
17 ments of support payments are carried out
18 correctly and are fully accounted for; and

19 “(iii) for such other purposes as the Sec-
20 retary may find necessary;”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall be effective with respect to calendar
23 quarters beginning 12 months or more after the date of
24 the enactment of this Act.

1 **SEC. 4343. REQUIRED REPORTING PROCEDURES.**

2 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
3 652(a)(5)) is amended by inserting “, and establish proce-
4 dures to be followed by States for collecting and reporting
5 information required to be provided under this part, and
6 establish uniform definitions (including those necessary to
7 enable the measurement of State compliance with the re-
8 quirements of this part relating to expedited processes) to
9 be applied in following such procedures” before the semi-
10 colon.

11 (b) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by sections 4301(b), 4303(a),
13 4312(a), 4313(a), and 4333 of this Act, is amended—

14 (1) by striking “and” at the end of paragraph
15 (28);

16 (2) by striking the period at the end of para-
17 graph (29) and inserting “; and”; and

18 (3) by adding after paragraph (29) the follow-
19 ing new paragraph:

20 “(30) provide that the State shall use the defi-
21 nitions established under section 452(a)(5) in col-
22 lecting and reporting information as required under
23 this part.”.

24 **SEC. 4344. AUTOMATED DATA PROCESSING REQUIRE-**
25 **MENTS.**

26 (a) REVISED REQUIREMENTS.—

1 (1) IN GENERAL.—Section 454(16) (42 U.S.C.
2 654(16)) is amended—

3 (A) by striking “, at the option of the
4 State,”;

5 (B) by inserting “and operation by the
6 State agency” after “for the establishment”;

7 (C) by inserting “meeting the requirements
8 of section 454A” after “information retrieval
9 system”;

10 (D) by striking “in the State and localities
11 thereof, so as (A)” and inserting “so as”;

12 (E) by striking “(i)”; and

13 (F) by striking “(including” and all that
14 follows and inserting a semicolon.

15 (2) AUTOMATED DATA PROCESSING.—Part D of
16 title IV (42 U.S.C. 651–669) is amended by insert-
17 ing after section 454 the following new section:

18 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

19 “(a) IN GENERAL.—In order for a State to meet the
20 requirements of this section, the State agency administer-
21 ing the State program under this part shall have in oper-
22 ation a single statewide automated data processing and
23 information retrieval system which has the capability to
24 perform the tasks specified in this section with the fre-
25 quency and in the manner required by or under this part.

1 “(b) PROGRAM MANAGEMENT.—The automated sys-
2 tem required by this section shall perform such functions
3 as the Secretary may specify relating to management of
4 the State program under this part, including—

5 “(1) controlling and accounting for use of Fed-
6 eral, State, and local funds in carrying out the pro-
7 gram; and

8 “(2) maintaining the data necessary to meet
9 Federal reporting requirements under this part on a
10 timely basis.

11 “(c) CALCULATION OF PERFORMANCE INDICA-
12 TORS.—In order to enable the Secretary to determine the
13 incentive payments and penalty adjustments required by
14 sections 452(g) and 458, the State agency shall—

15 “(1) use the automated system—

16 “(A) to maintain the requisite data on
17 State performance with respect to paternity es-
18 tablishment and child support enforcement in
19 the State; and

20 “(B) to calculate the paternity establish-
21 ment percentage for the State for each fiscal
22 year; and

23 “(2) have in place systems controls to ensure
24 the completeness and reliability of, and ready access
25 to, the data described in paragraph (1)(A), and the

1 accuracy of the calculations described in paragraph
2 (1)(B).

3 “(d) INFORMATION INTEGRITY AND SECURITY.—The
4 State agency shall have in effect safeguards on the integ-
5 rity, accuracy, and completeness of, access to, and use of
6 data in the automated system required by this section,
7 which shall include the following (in addition to such other
8 safeguards as the Secretary may specify in regulations):

9 “(1) POLICIES RESTRICTING ACCESS.—Written
10 policies concerning access to data by State agency
11 personnel, and sharing of data with other persons,
12 which—

13 “(A) permit access to and use of data only
14 to the extent necessary to carry out the State
15 program under this part; and

16 “(B) specify the data which may be used
17 for particular program purposes, and the per-
18 sonnel permitted access to such data.

19 “(2) SYSTEMS CONTROLS.—Systems controls
20 (such as passwords or blocking of fields) to ensure
21 strict adherence to the policies described in para-
22 graph (1).

23 “(3) MONITORING OF ACCESS.—Routine mon-
24 itoring of access to and use of the automated sys-
25 tem, through methods such as audit trails and feed-

1 back mechanisms, to guard against and promptly
2 identify unauthorized access or use.

3 “(4) TRAINING AND INFORMATION.—Proce-
4 dures to ensure that all personnel (including State
5 and local agency staff and contractors) who may
6 have access to or be required to use confidential pro-
7 gram data are informed of applicable requirements
8 and penalties (including those in section 6103 of the
9 Internal Revenue Code of 1986), and are adequately
10 trained in security procedures.

11 “(5) PENALTIES.—Administrative penalties (up
12 to and including dismissal from employment) for un-
13 authorized access to, or disclosure or use of, con-
14 fidential data.”.

15 (3) REGULATIONS.—The Secretary of Health
16 and Human Services shall prescribe final regulations
17 for implementation of section 454A of the Social Se-
18 curity Act not later than 2 years after the date of
19 the enactment of this Act.

20 (4) IMPLEMENTATION TIMETABLE.—Section
21 454(24) (42 U.S.C. 654(24)), as amended by section
22 4303(a)(1) of this Act, is amended to read as fol-
23 lows:

1 “(24) provide that the State will have in effect
2 an automated data processing and information re-
3 trieval system—

4 “(A) by October 1, 1997, which meets all
5 requirements of this part which were enacted on
6 or before the date of enactment of the Family
7 Support Act of 1988, and

8 “(B) by October 1, 1999, which meets all
9 requirements of this part enacted on or before
10 the date of the enactment of the Personal Re-
11 sponsibility and Work Opportunity Act of 1996,
12 except that such deadline shall be extended by
13 1 day for each day (if any) by which the Sec-
14 retary fails to meet the deadline imposed by
15 section 4344(a)(3) of the Personal Responsibil-
16 ity and Work Opportunity Act of 1996;”.

17 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
18 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

19 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
20 655(a)) is amended—

21 (A) in paragraph (1)(B)—

22 (i) by striking “90 percent” and in-
23 serting “the percent specified in paragraph
24 (3)”;

25 (ii) by striking “so much of”; and

1 (iii) by striking “which the Secretary”
2 and all that follows and inserting “, and”;
3 and

4 (B) by adding at the end the following new
5 paragraph:

6 “(3)(A) The Secretary shall pay to each State, for
7 each quarter in fiscal years 1996 and 1997, 90 percent
8 of so much of the State expenditures described in para-
9 graph (1)(B) as the Secretary finds are for a system meet-
10 ing the requirements specified in section 454(16) (as in
11 effect on September 30, 1995) but limited to the amount
12 approved for States in the advance planning documents
13 of such States submitted on or before September 30,
14 1995.

15 “(B)(i) The Secretary shall pay to each State, for
16 each quarter in fiscal years 1996 through 2001, the per-
17 centage specified in clause (ii) of so much of the State
18 expenditures described in paragraph (1)(B) as the Sec-
19 retary finds are for a system meeting the requirements
20 of sections 454(16) and 454A.

21 “(ii) The percentage specified in this clause is 80 per-
22 cent.”.

23 (2) TEMPORARY LIMITATION ON PAYMENTS
24 UNDER SPECIAL FEDERAL MATCHING RATE.—

1 (A) IN GENERAL.—The Secretary of
2 Health and Human Services may not pay more
3 than \$400,000,000 in the aggregate under sec-
4 tion 455(a)(3)(B) of the Social Security Act for
5 fiscal years 1996 through 2001.

6 (B) ALLOCATION OF LIMITATION AMONG
7 STATES.—The total amount payable to a State
8 under section 455(a)(3)(B) of such Act for fis-
9 cal years 1996 through 2001 shall not exceed
10 the limitation determined for the State by the
11 Secretary of Health and Human Services in
12 regulations.

13 (C) ALLOCATION FORMULA.—The regula-
14 tions referred to in subparagraph (B) shall pre-
15 scribe a formula for allocating the amount spec-
16 ified in subparagraph (A) among States with
17 plans approved under part D of title IV of the
18 Social Security Act, which shall take into ac-
19 count—

20 (i) the relative size of State caseloads
21 under such part; and

22 (ii) the level of automation needed to
23 meet the automated data processing re-
24 quirements of such part.

1 (c) CONFORMING AMENDMENT.—Section 123(c) of
2 the Family Support Act of 1988 (102 Stat. 2352; Public
3 Law 100–485) is repealed.

4 **SEC. 4345. TECHNICAL ASSISTANCE.**

5 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
6 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
7 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
8 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
9 ing at the end the following new subsection:

10 “(j) Out of any money in the Treasury of the United
11 States not otherwise appropriated, there is hereby appro-
12 priated to the Secretary for each fiscal year an amount
13 equal to 1 percent of the total amount paid to the Federal
14 Government pursuant to section 457(a) during the imme-
15 diately preceding fiscal year (as determined on the basis
16 of the most recent reliable data available to the Secretary
17 as of the end of the 3rd calendar quarter following the
18 end of such preceding fiscal year), to cover costs incurred
19 by the Secretary for—

20 “(1) information dissemination and technical
21 assistance to States, training of State and Federal
22 staff, staffing studies, and related activities needed
23 to improve programs under this part (including tech-
24 nical assistance concerning State automated systems
25 required by this part); and

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

3 (A) by striking “this part;” and inserting
4 “this part, including—”; and

5 (B) by adding at the end the following new
6 clauses:

7 “(i) the total amount of child support
8 payments collected as a result of services
9 furnished during the fiscal year to individ-
10 uals receiving services under this part;

11 “(ii) the cost to the States and to the
12 Federal Government of so furnishing the
13 services; and

14 “(iii) the number of cases involving
15 families—

16 “(I) who became ineligible for as-
17 sistance under State programs funded
18 under part A during a month in the
19 fiscal year; and

20 “(II) with respect to whom a
21 child support payment was received in
22 the month;”.

23 (2) Section 452(a)(10)(C) (42 U.S.C.
24 652(a)(10)(C)) is amended—

25 (A) in the matter preceding clause (i)—

1 (i) by striking “with the data required
2 under each clause being separately stated
3 for cases” and inserting “separately stated
4 for cases”;

5 (ii) by striking “cases where the child
6 was formerly receiving” and inserting “or
7 formerly received”;

8 (iii) by inserting “or 1912” after
9 “471(a)(17)”; and

10 (iv) by inserting “for” before “all
11 other”;

12 (B) in each of clauses (i) and (ii), by strik-
13 ing “, and the total amount of such obliga-
14 tions”;

15 (C) in clause (iii), by striking “described
16 in” and all that follows and inserting “in which
17 support was collected during the fiscal year”;

18 (D) by striking clause (iv); and

19 (E) by redesignating clause (v) as clause
20 (vii), and inserting after clause (iii) the follow-
21 ing new clauses:

22 “(iv) the total amount of support col-
23 lected during such fiscal year and distrib-
24 uted as current support;

1 “(v) the total amount of support col-
2 lected during such fiscal year and distrib-
3 uted as arrearages;

4 “(vi) the total amount of support due
5 and unpaid for all fiscal years; and”.

6 (3) Section 452(a)(10)(G) (42 U.S.C.
7 652(a)(10)(G)) is amended by striking “on the use
8 of Federal courts and”.

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

11 (A) in subparagraph (H), by striking
12 “and”;

13 (B) in subparagraph (I), by striking the
14 period and inserting “; and”; and

15 (C) by inserting after subparagraph (I) the
16 following new subparagraph:

17 “(J) compliance, by State, with the stand-
18 ards established pursuant to subsections (h)
19 and (i).”.

20 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))
21 is amended by striking “The information contained
22 in any such report under subparagraph (A)” and all
23 that follows through “the State plan approved under
24 part A.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall be effective with respect to fiscal year
3 1997 and succeeding fiscal years.

4 **SEC. 4347. CHILD SUPPORT DELINQUENCY PENALTY.**

5 Section 454 (42 U.S.C. 654), as amended by sections
6 4301(b), 4303(a), 4312(a), 4313(a), 4333, and 4343(b)
7 of this Act, is amended—

8 (1) by striking “and” at the end of paragraph
9 (29);

10 (2) by striking the period at the end of para-
11 graph (30) and inserting “; and”; and

12 (3) by adding after paragraph (30) the follow-
13 ing new paragraph:

14 “(31) provide that the State shall have in effect
15 such laws and procedures as may be necessary to en-
16 sure that—

17 “(A) any person who, at the end of any
18 calendar year, is delinquent in the payment of
19 child support is civilly liable to the State for a
20 penalty in an amount equal to 10 percent of the
21 amount of the delinquency (excluding any delin-
22 quency of the person with respect to which a
23 penalty has been imposed pursuant to this
24 paragraph for a prior calendar year); and

1 “(B) the State shall apply amounts col-
2 lected from a person described in subparagraph
3 (A) to the payment of penalties imposed pursu-
4 ant to subparagraph (A), after all child support
5 delinquencies of the person have been extin-
6 guished and the person has repaid the State for
7 all public assistance provided to the person
8 owed such support, shall remit to the Federal
9 Government an amount equal to 50 percent of
10 the amount applied to the payment of such pen-
11 alties, and shall permit the county office of the
12 State agency administering the State program
13 under this part which collected such amounts to
14 retain an amount equal to 5 percent of the
15 amount applied to the payment of such pen-
16 alties.”

17 **CHAPTER 6—ESTABLISHMENT AND**
18 **MODIFICATION OF SUPPORT ORDERS**

19 **SEC. 4351. 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) REVIEW AND ADJUSTMENT OF SUPPORT
24 ORDERS UPON REQUEST.—

1 “(A) IN GENERAL.—Procedures under
2 which—

3 “(i) upon the request of either parent,
4 the State shall review and, as appropriate,
5 adjust each support order being enforced
6 under this part, taking into account the
7 best interests of the child involved; and

8 “(ii) upon the State’s own initiative,
9 the State may review and, if appropriate,
10 adjust any support order being enforced
11 under this part with respect to which there
12 is an assignment under part A, taking into
13 account the best interests of the child in-
14 volved. Such procedures shall provide the
15 following:

16 “(B) METHODS OF ADJUSTMENT.—Such
17 procedures shall provide that the State may
18 elect to review and, if appropriate, adjust an
19 order—

20 “(i) by reviewing and, if appropriate,
21 adjusting the order in accordance with the
22 guidelines established pursuant to section
23 467(a) if the amount of the child support
24 award under the order differs from the

1 amount that would be awarded in accord-
2 ance with the guidelines;

3 “(ii) by applying a cost-of-living ad-
4 justment to the order in accordance with a
5 formula developed by the State and permit
6 either party to contest the adjustment,
7 within 30 days after the date of the notice
8 of the adjustment, by making a request for
9 review and, if appropriate, adjustment of
10 the order in accordance with the child sup-
11 port guidelines established pursuant to sec-
12 tion 467(a); or

13 “(iii) by using automated methods
14 (including automated comparisons with
15 wage or State income tax data) to identify
16 orders eligible for review, conduct the re-
17 view, identify orders eligible for adjust-
18 ment, and apply the appropriate adjust-
19 ment to the orders eligible for adjustment
20 under the threshold established by the
21 State.

22 “(C) NO PROOF OF CHANGE IN CIR-
23 CUMSTANCES NECESSARY.—Such procedures
24 shall provide that any adjustment under this
25 paragraph shall be made without a requirement

1 for proof or showing of a change in cir-
2 cumstances.

3 “(D) NOTICE OF RIGHT TO REVIEW.—

4 Such procedures shall require the State to pro-
5 vide notice not less than once every 3 years to
6 the parents subject to an order being enforced
7 under this part informing them of their right to
8 request the State to review and, if appropriate,
9 adjust the order pursuant to this paragraph.

10 The notice may be included in the order.”.

11 **SEC. 4352. FURNISHING CONSUMER REPORTS FOR CER-**
12 **TAIN PURPOSES RELATING TO CHILD SUP-**
13 **PORT.**

14 Section 604 of the Fair Credit Reporting Act (15
15 U.S.C. 1681b) is amended by adding at the end the follow-
16 ing new paragraphs:

17 “(4) In response to a request by the head of a State
18 or local child support enforcement agency (or a State or
19 local government official authorized by the head of such
20 an agency), if the person making the request certifies to
21 the consumer reporting agency that—

22 “(A) the consumer report is needed for the pur-
23 pose of establishing an individual’s capacity to make
24 child support payments or determining the appro-
25 priate level of such payments;

1 “(B) the paternity of the consumer for the child
2 to which the obligation relates has been established
3 or acknowledged by the consumer in accordance with
4 State laws under which the obligation arises (if re-
5 quired by those laws);

6 “(C) the person has provided at least 10 days’
7 prior notice to the consumer whose report is re-
8 quested, by certified or registered mail to the last
9 known address of the consumer, that the report will
10 be requested; and

11 “(D) the consumer report will be kept confiden-
12 tial, will be used solely for a purpose described in
13 subparagraph (A), and will not be used in connec-
14 tion with any other civil, administrative, or criminal
15 proceeding, or for any other purpose.

16 “(5) To an agency administering a State plan under
17 section 454 of the Social Security Act (42 U.S.C. 654)
18 for use to set an initial or modified child support award.”.

19 **SEC. 4353. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
20 **PROVIDING FINANCIAL RECORDS TO STATE**
21 **CHILD SUPPORT ENFORCEMENT AGENCIES**
22 **IN CHILD SUPPORT CASES.**

23 Part D of title IV (42 U.S.C. 651–669) is amended
24 by adding at the end the following:

1 **“SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
2 **PROVIDING FINANCIAL RECORDS TO STATE**
3 **CHILD SUPPORT ENFORCEMENT AGENCIES**
4 **IN CHILD SUPPORT CASES.**

5 “(a) IN GENERAL.—Notwithstanding any other pro-
6 vision of Federal or State law, a financial institution shall
7 not be liable under any Federal or State law to any person
8 for disclosing any financial record of an individual to a
9 State child support enforcement agency attempting to es-
10 tablish, modify, or enforce a child support obligation of
11 such individual.

12 “(b) PROHIBITION OF DISCLOSURE OF FINANCIAL
13 RECORD OBTAINED BY STATE CHILD SUPPORT EN-
14 FORCEMENT AGENCY.—A State child support enforcement
15 agency which obtains a financial record of an individual
16 from a financial institution pursuant to subsection (a)
17 may disclose such financial record only for the purpose
18 of, and to the extent necessary in, establishing, modifying,
19 or enforcing a child support obligation of such individual.

20 “(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
21 SURE.—

22 “(1) DISCLOSURE BY STATE OFFICER OR EM-
23 PLOYEE.—If any person knowingly, or by reason of
24 negligence, discloses a financial record of an individ-
25 ual in violation of subsection (b), such individual

1 may bring a civil action for damages against such
2 person in a district court of the United States.

3 “(2) NO LIABILITY FOR GOOD FAITH BUT ER-
4 RONEOUS INTERPRETATION.—No liability shall arise
5 under this subsection with respect to any disclosure
6 which results from a good faith, but erroneous, in-
7 terpretation of subsection (b).

8 “(3) DAMAGES.—In any action brought under
9 paragraph (1), upon a finding of liability on the part
10 of the defendant, the defendant shall be liable to the
11 plaintiff in an amount equal to the sum of—

12 “(A) the greater of—

13 “(i) \$1,000 for each act of unauthor-
14 ized disclosure of a financial record with
15 respect to which such defendant is found
16 liable; or

17 “(ii) the sum of—

18 “(I) the actual damages sus-
19 tained by the plaintiff as a result of
20 such unauthorized disclosure; plus

21 “(II) in the case of a willful dis-
22 closure or a disclosure which is the re-
23 sult of gross negligence, punitive dam-
24 ages; plus

1 “(B) the costs (including attorney’s fees)
2 of the action.

3 “(d) DEFINITIONS.—For purposes of this section—

4 “(1) FINANCIAL INSTITUTION.—The term ‘fi-
5 nancial institution’ means—

6 “(A) a depository institution, as defined in
7 section 3(c) of the Federal Deposit Insurance
8 Act (12 U.S.C. 1813(c));

9 “(B) an institution-affiliated party, as de-
10 fined in section 3(u) of such Act (12 U.S.C.
11 1813(u));

12 “(C) any Federal credit union or State
13 credit union, as defined in section 101 of the
14 Federal Credit Union Act (12 U.S.C. 1752), in-
15 cluding an institution-affiliated party of such a
16 credit union, as defined in section 206(r) of
17 such Act (12 U.S.C. 1786(r)); and

18 “(D) any benefit association, insurance
19 company, safe deposit company, money-market
20 mutual fund, or similar entity authorized to do
21 business in the State.

22 “(2) FINANCIAL RECORD.—The term ‘financial
23 record’ has the meaning given such term in section
24 1101 of the Right to Financial Privacy Act of 1978
25 (12 U.S.C. 3401).”.

1 **CHAPTER 7—ENFORCEMENT OF SUPPORT**
2 **ORDERS**

3 **SEC. 4361. INTERNAL REVENUE SERVICE COLLECTION OF**
4 **ARREARAGES.**

5 (a) **COLLECTION OF FEES.**—Section 6305(a) of the
6 Internal Revenue Code of 1986 (relating to collection of
7 certain liability) is amended—

8 (1) by striking “and” at the end of paragraph
9 (3);

10 (2) by striking the period at the end of para-
11 graph (4) and inserting “, and”;

12 (3) by adding at the end the following new
13 paragraph:

14 “(5) no additional fee may be assessed for ad-
15 justments to an amount previously certified pursu-
16 ant to such section 452(b) with respect to the same
17 obligor.”; and

18 (4) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and in-
20 sserting “Secretary of Health and Human Services”.

21 (b) **EFFECTIVE DATE.**—The amendments made by
22 this section shall become effective October 1, 1997.

1 **SEC. 4362. AUTHORITY TO COLLECT SUPPORT FROM FED-**
2 **ERAL EMPLOYEES.**

3 (a) CONSOLIDATION AND STREAMLINING OF AU-
4 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
5 read as follows:

6 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
7 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
8 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
9 **SUPPORT AND ALIMONY OBLIGATIONS.**

10 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
11 withstanding any other provision of law (including section
12 207 of this Act and section 5301 of title 38, United States
13 Code), effective January 1, 1975, moneys (the entitlement
14 to which is based upon remuneration for employment) due
15 from, or payable by, the United States or the District of
16 Columbia (including any agency, subdivision, or instru-
17 mentality thereof) to any individual, including members
18 of the Armed Forces of the United States, shall be subject,
19 in like manner and to the same extent as if the United
20 States or the District of Columbia were a private person,
21 to withholding in accordance with State law enacted pur-
22 suant to subsections (a)(1) and (b) of section 466 and reg-
23 ulations of the Secretary under such subsections, and to
24 any other legal process brought, by a State agency admin-
25 istering a program under a State plan approved under this

1 part or by an individual obligee, to enforce the legal obliga-
2 tion of the individual to provide child support or alimony.

3 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
4 PRIVATE PERSON.—With respect to notice to withhold in-
5 come pursuant to subsection (a)(1) or (b) of section 466,
6 or any other order or process to enforce support obliga-
7 tions against an individual (if the order or process con-
8 tains or is accompanied by sufficient data to permit
9 prompt identification of the individual and the moneys in-
10 volved), each governmental entity specified in subsection
11 (a) shall be subject to the same requirements as would
12 apply if the entity were a private person, except as other-
13 wise provided in this section.

14 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
15 OR PROCESS—

16 “(1) DESIGNATION OF AGENT.—The head of
17 each agency subject to this section shall—

18 “(A) designate an agent or agents to re-
19 ceive orders and accept service of process in
20 matters relating to child support or alimony;
21 and

22 “(B) annually publish in the Federal Reg-
23 ister the designation of the agent or agents,
24 identified by title or position, mailing address,
25 and telephone number.

1 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
2 agent designated pursuant to paragraph (1) of this
3 subsection receives notice pursuant to State proce-
4 dures in effect pursuant to subsection (a)(1) or (b)
5 of section 466, or is effectively served with any
6 order, process, or interrogatory, with respect to an
7 individual’s child support or alimony payment obli-
8 gations, the agent shall—

9 “(A) as soon as possible (but not later
10 than 15 days) thereafter, send written notice of
11 the notice or service (together with a copy of
12 the notice or service) to the individual at the
13 duty station or last-known home address of the
14 individual;

15 “(B) within 30 days (or such longer period
16 as may be prescribed by applicable State law)
17 after receipt of a notice pursuant to such State
18 procedures, comply with all applicable provi-
19 sions of section 466; and

20 “(C) within 30 days (or such longer period
21 as may be prescribed by applicable State law)
22 after effective service of any other such order,
23 process, or interrogatory, respond to the order,
24 process, or interrogatory.

1 “(d) PRIORITY OF CLAIMS.—If a governmental entity
2 specified in subsection (a) receives notice or is served with
3 process, as provided in this section, concerning amounts
4 owed by an individual to more than 1 person—

5 “(1) support collection under section 466(b)
6 must be given priority over any other process, as
7 provided in section 466(b)(7);

8 “(2) allocation of moneys due or payable to an
9 individual among claimants under section 466(b)
10 shall be governed by section 466(b) and the regula-
11 tions prescribed under such section; and

12 “(3) such moneys as remain after compliance
13 with paragraphs (1) and (2) shall be available to
14 satisfy any other such processes on a first-come,
15 first-served basis, with any such process being satis-
16 fied out of such moneys as remain after the satisfac-
17 tion of all such processes which have been previously
18 served.

19 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
20 governmental entity that is affected by legal process
21 served for the enforcement of an individual’s child support
22 or alimony payment obligations shall not be required to
23 vary its normal pay and disbursement cycle in order to
24 comply with the legal process.

25 “(f) RELIEF FROM LIABILITY.—

1 “(1) Neither the United States, nor the govern-
2 ment of the District of Columbia, nor any disbursing
3 officer shall be liable with respect to any payment
4 made from moneys due or payable from the United
5 States to any individual pursuant to legal process
6 regular on its face, if the payment is made in ac-
7 cordance with this section and the regulations issued
8 to carry out this section.

9 “(2) No Federal employee whose duties include
10 taking actions necessary to comply with the require-
11 ments of subsection (a) with regard to any individ-
12 ual shall be subject under any law to any discipli-
13 nary action or civil or criminal liability or penalty
14 for, or on account of, any disclosure of information
15 made by the employee in connection with the carry-
16 ing out of such actions.

17 “(g) REGULATIONS.—Authority to promulgate regu-
18 lations for the implementation of this section shall, insofar
19 as this section applies to moneys due from (or payable
20 by)—

21 “(1) the United States (other than the legisla-
22 tive or judicial branches of the Federal Government)
23 or the government of the District of Columbia, be
24 vested in the President (or the designee of the Presi-
25 dent);

1 “(2) the legislative branch of the Federal Gov-
2 ernment, be vested jointly in the President pro tem-
3 pore of the Senate and the Speaker of the House of
4 Representatives (or their designees), and

5 “(3) the judicial branch of the Federal Govern-
6 ment, be vested in the Chief Justice of the United
7 States (or the designee of the Chief Justice).

8 “(h) MONEYS SUBJECT TO PROCESS.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 moneys paid or payable to an individual which are
11 considered to be based upon remuneration for em-
12 ployment, for purposes of this section—

13 “(A) consist of—

14 “(i) compensation paid or payable for
15 personal services of the individual, whether
16 the compensation is denominated as wages,
17 salary, commission, bonus, pay, allowances,
18 or otherwise (including severance pay, sick
19 pay, and incentive pay);

20 “(ii) periodic benefits (including a
21 periodic benefit as defined in section
22 228(h)(3)) or other payments—

23 “(I) under the insurance system
24 established by title II;

1 “(II) under any other system or
2 fund established by the United States
3 which provides for the payment of
4 pensions, retirement or retired pay,
5 annuities, dependents’ or survivors’
6 benefits, or similar amounts payable
7 on account of personal services per-
8 formed by the individual or any other
9 individual;

10 “(III) as compensation for death
11 under any Federal program;

12 “(IV) under any Federal pro-
13 gram established to provide ‘black
14 lung’ benefits; or

15 “(V) by the Secretary of Veter-
16 ans Affairs as compensation for a
17 service-connected disability paid by
18 the Secretary to a former member of
19 the Armed Forces who is in receipt of
20 retired or retainer pay if the former
21 member has waived a portion of the
22 retired or retainer pay in order to re-
23 ceive such compensation; and

24 “(iii) worker’s compensation benefits
25 paid under Federal or State law but

1 “(B) do not include any payment—

2 “(i) by way of reimbursement or oth-
3 erwise, to defray expenses incurred by the
4 individual in carrying out duties associated
5 with the employment of the individual; or

6 “(ii) as allowances for members of the
7 uniformed services payable pursuant to
8 chapter 7 of title 37, United States Code,
9 as prescribed by the Secretaries concerned
10 (defined by section 101(5) of such title) as
11 necessary for the efficient performance of
12 duty.

13 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
14 mining the amount of any moneys due from, or pay-
15 able by, the United States to any individual, there
16 shall be excluded amounts which—

17 “(A) are owed by the individual to the
18 United States;

19 “(B) are required by law to be, and are,
20 deducted from the remuneration or other pay-
21 ment involved, including Federal employment
22 taxes, and fines and forfeitures ordered by
23 court-martial;

24 “(C) are properly withheld for Federal,
25 State, or local income tax purposes, if the with-

1 holding of the amounts is authorized or re-
2 quired by law and if amounts withheld are not
3 greater than would be the case if the individual
4 claimed all dependents to which he was entitled
5 (the withholding of additional amounts pursu-
6 ant to section 3402(i) of the Internal Revenue
7 Code of 1986 may be permitted only when the
8 individual presents evidence of a tax obligation
9 which supports the additional withholding);

10 “(D) are deducted as health insurance pre-
11 miums;

12 “(E) are deducted as normal retirement
13 contributions (not including amounts deducted
14 for supplementary coverage); or

15 “(F) are deducted as normal life insurance
16 premiums from salary or other remuneration
17 for employment (not including amounts de-
18 ducted for supplementary coverage).

19 “(i) DEFINITIONS.—For purposes of this section—

20 “(1) UNITED STATES.—The term ‘United
21 States’ includes any department, agency, or instru-
22 mentality of the legislative, judicial, or executive
23 branch of the Federal Government, the United
24 States Postal Service, the Postal Rate Commission,
25 any Federal corporation created by an Act of Con-

1 gress that is wholly owned by the Federal Govern-
2 ment, and the governments of the territories and
3 possessions of the United States.

4 “(2) CHILD SUPPORT.—The term ‘child sup-
5 port’, when used in reference to the legal obligations
6 of an individual to provide such support, means
7 amounts required to be paid under a judgment, de-
8 cree, or order, whether temporary, final, or subject
9 to modification, issued by a court or an administra-
10 tive agency of competent jurisdiction, for the sup-
11 port and maintenance of a child, including a child
12 who has attained the age of majority under the law
13 of the issuing State, or a child and the parent with
14 whom the child is living, which provides for mone-
15 tary support, health care, arrearages or reimburse-
16 ment, and which may include other related costs and
17 fees, interest and penalties, income withholding, at-
18 torney’s fees, and other relief.

19 “(3) ALIMONY.—

20 “(A) IN GENERAL.—The term ‘alimony’,
21 when used in reference to the legal obligations
22 of an individual to provide the same, means
23 periodic payments of funds for the support and
24 maintenance of the spouse (or former spouse)
25 of the individual, and (subject to and in accord-

1 ance with State law) includes separate mainte-
2 nance, alimony pendente lite, maintenance, and
3 spousal support, and includes attorney’s fees,
4 interest, and court costs when and to the extent
5 that the same are expressly made recoverable as
6 such pursuant to a decree, order, or judgment
7 issued in accordance with applicable State law
8 by a court of competent jurisdiction.

9 “(B) EXCEPTIONS.—Such term does not
10 include—

11 “(i) any child support; or

12 “(ii) any payment or transfer of prop-
13 erty or its value by an individual to the
14 spouse or a former spouse of the individual
15 in compliance with any community prop-
16 erty settlement, equitable distribution of
17 property, or other division of property be-
18 tween spouses or former spouses.

19 “(4) PRIVATE PERSON.—The term ‘private per-
20 son’ means a person who does not have sovereign or
21 other special immunity or privilege which causes the
22 person not to be subject to legal process.

23 “(5) LEGAL PROCESS.—The term ‘legal proc-
24 ess’ means any writ, order, summons, or other simi-
25 lar process in the nature of garnishment—

1 “(A) which is issued by—

2 “(i) a court or an administrative
3 agency of competent jurisdiction in any
4 State, territory, or possession of the Unit-
5 ed States;

6 “(ii) a court or an administrative
7 agency of competent jurisdiction in any
8 foreign country with which the United
9 States has entered into an agreement
10 which requires the United States to honor
11 the process; or

12 “(iii) an authorized official pursuant
13 to an order of such a court or an adminis-
14 trative agency of competent jurisdiction or
15 pursuant to State or local law; and

16 “(B) which is directed to, and the purpose
17 of which is to compel, a governmental entity
18 which holds moneys which are otherwise pay-
19 able to an individual to make a payment from
20 the moneys to another party in order to satisfy
21 a legal obligation of the individual to provide
22 child support or make alimony payments.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) TO PART D OF TITLE IV.—Sections 461 and
25 462 (42 U.S.C. 661 and 662) are repealed.

1 (2) TO TITLE 5, UNITED STATES CODE.—Section
2 tion 5520a of title 5, United States Code, is amend-
3 ed, in subsections (h)(2) and (i), by striking “sec-
4 tions 459, 461, and 462 of the Social Security Act
5 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
6 tion 459 of the Social Security Act (42 U.S.C.
7 659)”.

8 (c) MILITARY RETIRED AND RETAINER PAY.—

9 (1) DEFINITION OF COURT.—Section
10 1408(a)(1) of title 10, United States Code, is
11 amended—

12 (A) by striking “and” at the end of sub-
13 paragraph (B);

14 (B) by striking the period at the end of
15 subparagraph (C) and inserting “; and”; and

16 (C) by adding after subparagraph (C) the
17 following new subparagraph:

18 “(D) any administrative or judicial tribu-
19 nal of a State competent to enter orders for
20 support or maintenance (including a State
21 agency administering a program under a State
22 plan approved under part D of title IV of the
23 Social Security Act), and, for purposes of this
24 subparagraph, the term ‘State’ includes the
25 District of Columbia, the Commonwealth of

1 Puerto Rico, the Virgin Islands, Guam, and
2 American Samoa.”.

3 (2) DEFINITION OF COURT ORDER.—Section
4 1408(a)(2) of such title is amended—

5 (A) by inserting “or a support order, as
6 defined in section 453(p) of the Social Security
7 Act (42 U.S.C. 653(p)),” before “which—”;

8 (B) in subparagraph (B)(i), by striking
9 “(as defined in section 462(b) of the Social Se-
10 curity Act (42 U.S.C. 662(b)))” and inserting
11 “(as defined in section 459(i)(2) of the Social
12 Security Act (42 U.S.C. 659(i)(2)))”; and

13 (C) in subparagraph (B)(ii), by striking
14 “(as defined in section 462(c) of the Social Se-
15 curity Act (42 U.S.C. 662(c)))” and inserting
16 “(as defined in section 459(i)(3) of the Social
17 Security Act (42 U.S.C. 659(i)(3)))”.

18 (3) PUBLIC PAYEE.—Section 1408(d) of such
19 title is amended—

20 (A) in the heading, by inserting “(OR FOR
21 BENEFIT OF)” before “SPOUSE OR”; and

22 (B) in paragraph (1), in the 1st sentence,
23 by inserting “(or for the benefit of such spouse
24 or former spouse to a State disbursement unit
25 established pursuant to section 454B of the So-

1 cial Security Act or other public payee des-
2 signed by a State, in accordance with part D
3 of title IV of the Social Security Act, as di-
4 rected by court order, or as otherwise directed
5 in accordance with such part D)” before “in an
6 amount sufficient”.

7 (4) RELATIONSHIP TO PART D OF TITLE IV.—
8 Section 1408 of such title is amended by adding at
9 the end the following new subsection:

10 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
11 involving an order providing for payment of child support
12 (as defined in section 459(i)(2) of the Social Security Act)
13 by a member who has never been married to the other
14 parent of the child, the provisions of this section shall not
15 apply, and the case shall be subject to the provisions of
16 section 459 of such Act.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall become effective 6 months after the date
19 of the enactment of this Act.

20 **SEC. 4363. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
21 **TIONS OF MEMBERS OF THE ARMED FORCES.**

22 (a) AVAILABILITY OF LOCATOR INFORMATION.—

23 (1) MAINTENANCE OF ADDRESS INFORMA-
24 TION.—The Secretary of Defense shall establish a
25 centralized personnel locator service that includes

1 the address of each member of the Armed Forces
2 under the jurisdiction of the Secretary. Upon re-
3 quest of the Secretary of Transportation, addresses
4 for members of the Coast Guard shall be included in
5 the centralized personnel locator service.

6 (2) TYPE OF ADDRESS.—

7 (A) RESIDENTIAL ADDRESS.—Except as
8 provided in subparagraph (B), the address for
9 a member of the Armed Forces shown in the lo-
10 cator service shall be the residential address of
11 that member.

12 (B) DUTY ADDRESS.—The address for a
13 member of the Armed Forces shown in the loca-
14 tor service shall be the duty address of that
15 member in the case of a member—

16 (i) who is permanently assigned over-
17 seas, to a vessel, or to a routinely
18 deployable unit; or

19 (ii) with respect to whom the Sec-
20 retary concerned makes a determination
21 that the member's residential address
22 should not be disclosed due to national se-
23 curity or safety concerns.

24 (3) UPDATING OF LOCATOR INFORMATION.—

25 Within 30 days after a member listed in the locator

1 service establishes a new residential address (or a
2 new duty address, in the case of a member covered
3 by paragraph (2)(B)), the Secretary concerned shall
4 update the locator service to indicate the new ad-
5 dress of the member.

6 (4) AVAILABILITY OF INFORMATION.—The Sec-
7 retary of Defense shall make information regarding
8 the address of a member of the Armed Forces listed
9 in the locator service available, on request, to the
10 Federal Parent Locator Service established under
11 section 453 of the Social Security Act.

12 (b) FACILITATING GRANTING OF LEAVE FOR AT-
13 TENDANCE AT HEARINGS.—

14 (1) REGULATIONS.—The Secretary of each
15 military department, and the Secretary of Transpor-
16 tation with respect to the Coast Guard when it is
17 not operating as a service in the Navy, shall pre-
18 scribe regulations to facilitate the granting of leave
19 to a member of the Armed Forces under the juris-
20 diction of that Secretary in a case in which—

21 (A) the leave is needed for the member to
22 attend a hearing described in paragraph (2);

23 (B) the member is not serving in or with
24 a unit deployed in a contingency operation (as

1 defined in section 101 of title 10, United States
2 Code); and

3 (C) the exigencies of military service (as
4 determined by the Secretary concerned) do not
5 otherwise require that such leave not be grant-
6 ed.

7 (2) COVERED HEARINGS.—Paragraph (1) ap-
8 plies to a hearing that is conducted by a court or
9 pursuant to an administrative process established
10 under State law, in connection with a civil action—

11 (A) to determine whether a member of the
12 Armed Forces is a natural parent of a child; or

13 (B) to determine an obligation of a mem-
14 ber of the Armed Forces to provide child sup-
15 port.

16 (3) DEFINITIONS.—For purposes of this sub-
17 section—

18 (A) The term “court” has the meaning
19 given that term in section 1408(a) of title 10,
20 United States Code.

21 (B) The term “child support” has the
22 meaning given such term in section 459(i) of
23 the Social Security Act (42 U.S.C. 659(i)).

24 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
25 PLIANCE WITH CHILD SUPPORT ORDERS.—

1 (1) DATE OF CERTIFICATION OF COURT
2 ORDER.—Section 1408 of title 10, United States
3 Code, as amended by section 4362(c)(4) of this Act,
4 is amended—

5 (A) by redesignating subsections (i) and (j)
6 as subsections (j) and (k), respectively; and

7 (B) by inserting after subsection (h) the
8 following new subsection:

9 “(i) CERTIFICATION DATE.—It is not necessary that
10 the date of a certification of the authenticity or complete-
11 ness of a copy of a court order for child support received
12 by the Secretary concerned for the purposes of this section
13 be recent in relation to the date of receipt by the Sec-
14 retary.”.

15 (2) PAYMENTS CONSISTENT WITH ASSIGN-
16 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
17 of such title is amended by inserting after the 1st
18 sentence the following new sentence: “In the case of
19 a spouse or former spouse who, pursuant to section
20 408(a)(4) of the Social Security Act (42 U.S.C.
21 608(a)(4)), assigns to a State the rights of the
22 spouse or former spouse to receive support, the Sec-
23 retary concerned may make the child support pay-
24 ments referred to in the preceding sentence to that

1 State in amounts consistent with that assignment of
2 rights.”.

3 (3) ARREARAGES OWED BY MEMBERS OF THE
4 UNIFORMED SERVICES.—Section 1408(d) of such
5 title is amended by adding at the end the following
6 new paragraph:

7 “(6) In the case of a court order for which effective
8 service is made on the Secretary concerned on or after
9 the date of the enactment of this paragraph and which
10 provides for payments from the disposable retired pay of
11 a member to satisfy the amount of child support set forth
12 in the order, the authority provided in paragraph (1) to
13 make payments from the disposable retired pay of a mem-
14 ber to satisfy the amount of child support set forth in a
15 court order shall apply to payment of any amount of child
16 support arrearages set forth in that order as well as to
17 amounts of child support that currently become due.”.

18 (4) PAYROLL DEDUCTIONS.—The Secretary of
19 Defense shall begin payroll deductions within 30
20 days after receiving notice of withholding, or for the
21 1st pay period that begins after such 30-day period.

22 **SEC. 4364. VOIDING OF FRAUDULENT TRANSFERS.**

23 Section 466 (42 U.S.C. 666), as amended by section
24 4321 of this Act, is amended by adding at the end the
25 following new subsection:

1 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
2 order to satisfy section 454(20)(A), each State must have
3 in effect—

4 “(1)(A) the Uniform Fraudulent Conveyance
5 Act of 1981;

6 “(B) the Uniform Fraudulent Transfer Act of
7 1984; or

8 “(C) another law, specifying indicia of fraud
9 which create a prima facie case that a debtor trans-
10 ferred income or property to avoid payment to a
11 child support creditor, which the Secretary finds af-
12 fords comparable rights to child support creditors;
13 and

14 “(2) procedures under which, in any case in
15 which the State knows of a transfer by a child sup-
16 port debtor with respect to which such a prima facie
17 case is established, the State must—

18 “(A) seek to void such transfer; or

19 “(B) obtain a settlement in the best inter-
20 ests of the child support creditor.”.

21 **SEC. 4365. WORK REQUIREMENT FOR PERSONS OWING**
22 **PAST-DUE CHILD SUPPORT.**

23 (a) IN GENERAL.—Section 466(a) (42 U.S.C.
24 666(a)), as amended by sections 4315, 4317(a), and 4323

1 of this Act, is amended by inserting after paragraph (14)
2 the following new paragraph:

3 “(15) PROCEDURES TO ENSURE THAT PERSONS
4 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
5 FOR PAYMENT OF SUCH SUPPORT.—

6 “(A) IN GENERAL.—Procedures under
7 which the State has the authority, in any case
8 in which an individual owes past-due support
9 with respect to a child receiving assistance
10 under a State program funded under part A, to
11 issue an order or to request that a court or an
12 administrative process established pursuant to
13 State law issue an order that requires the indi-
14 vidual to—

15 “(i) pay such support in accordance
16 with a plan approved by the court, or, at
17 the option of the State, a plan approved by
18 the State agency administering the State
19 program under this part; or

20 “(ii) if the individual is subject to
21 such a plan and is not incapacitated, par-
22 ticipate in such work activities (as defined
23 in section 407(d)) as the court, or, at the
24 option of the State, the State agency ad-

1 ministering the State program under this
2 part, deems appropriate.

3 “(B) PAST-DUE SUPPORT DEFINED.—For
4 purposes of subparagraph (A), the term ‘past-
5 due support’ means the amount of a delin-
6 quency, determined under a court order, or an
7 order of an administrative process established
8 under State law, for support and maintenance
9 of a child, or of a child and the parent with
10 whom the child is living.”.

11 (b) CONFORMING AMENDMENT.—The flush para-
12 graph at the end of section 466(a) (42 U.S.C.666(a)) is
13 amended by striking “and (7)” and inserting “(7), and
14 (15)”.

15 **SEC. 4366. DEFINITION OF SUPPORT ORDER.**

16 Section 453 (42 U.S.C. 653) as amended by sections
17 4316 and 4345(b) of this Act, is amended by adding at
18 the end the following new subsection:

19 “(p) SUPPORT ORDER DEFINED.—As used in this
20 part, the term ‘support order’ means a judgment, decree,
21 or order, whether temporary, final, or subject to modifica-
22 tion, issued by a court or an administrative agency of com-
23 petent jurisdiction, for the support and maintenance of a
24 child, including a child who has attained the age of major-
25 ity under the law of the issuing State, or a child and the

1 parent with whom the child is living, which provides for
2 monetary support, health care, arrearages, or reimburse-
3 ment, and which may include related costs and fees, inter-
4 est and penalties, income withholding, attorneys' fees, and
5 other relief.”.

6 **SEC. 4367. REPORTING ARREARAGES TO CREDIT BUREAUS.**

7 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
8 to read as follows:

9 “(7) REPORTING ARREARAGES TO CREDIT BU-
10 REAUS.—

11 “(A) IN GENERAL.—Procedures (subject to
12 safeguards pursuant to subparagraph (B)) re-
13 quiring the State to report periodically to
14 consumer reporting agencies (as defined in sec-
15 tion 603(f) of the Fair Credit Reporting Act
16 (15 U.S.C. 1681a(f)) the name of any non-
17 custodial parent who is delinquent in the pay-
18 ment of support, and the amount of overdue
19 support owed by such parent.

20 “(B) SAFEGUARDS.—Procedures ensuring
21 that, in carrying out subparagraph (A), infor-
22 mation with respect to a noncustodial parent is
23 reported—

24 “(i) only after such parent has been
25 afforded all due process required under

1 State law, including notice and a reason-
2 able opportunity to contest the accuracy of
3 such information; and

4 “(ii) only to an entity that has fur-
5 nished evidence satisfactory to the State
6 that the entity is a consumer reporting
7 agency (as so defined).”.

8 **SEC. 4368. LIENS.**

9 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
10 to read as follows:

11 “(4) LIENS.—Procedures under which—

12 “(A) liens arise by operation of law against
13 real and personal property for amounts of over-
14 due support owed by a noncustodial parent who
15 resides or owns property in the State; and

16 “(B) the State accords full faith and credit
17 to liens described in subparagraph (A) arising
18 in another State, when the State agency, party,
19 or other entity seeking to enforce such a lien
20 complies with the procedural rules relating to
21 recording or serving liens that arise within the
22 State, except that such rules may not require
23 judicial notice or hearing prior to the enforce-
24 ment of such a lien.”.

1 **SEC. 4369. STATE LAW AUTHORIZING SUSPENSION OF LI-**
2 **CENSES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 4315, 4317(a), 4323, and 4365 of this Act, is
5 amended by inserting after paragraph (15) the following:

6 “(16) AUTHORITY TO WITHHOLD OR SUSPEND
7 LICENSES.—Procedures under which the State has
8 (and uses in appropriate cases) authority to withhold
9 or suspend, or to restrict the use of driver’s licenses,
10 professional and occupational licenses, and rec-
11 reational licenses of individuals owing overdue sup-
12 port or failing, after receiving appropriate notice, to
13 comply with subpoenas or warrants relating to pa-
14 ternity or child support proceedings.”.

15 **SEC. 4370. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
16 **CHILD SUPPORT.**

17 (a) HHS CERTIFICATION PROCEDURE.—

18 (1) SECRETARIAL RESPONSIBILITY.—Section
19 452 (42 U.S.C. 652), as amended by section 4345
20 of this Act, is amended by adding at the end the fol-
21 lowing new subsection:

22 “(k)(1) If the Secretary receives a certification by a
23 State agency in accordance with the requirements of sec-
24 tion 454(31) that an individual owes arrearages of child
25 support in an amount exceeding \$5,000, the Secretary
26 shall transmit such certification to the Secretary of State

1 for action (with respect to denial, revocation, or limitation
2 of passports) pursuant to paragraph (2).

3 “(2) The Secretary of State shall, upon certification
4 by the Secretary transmitted under paragraph (1), refuse
5 to issue a passport to such individual, and may revoke,
6 restrict, or limit a passport issued previously to such indi-
7 vidual.

8 “(3) The Secretary and the Secretary of State shall
9 not be liable to an individual for any action with respect
10 to a certification by a State agency under this section.”.

11 (2) STATE AGENCY RESPONSIBILITY.—Section
12 454 (42 U.S.C. 654), as amended by sections
13 4301(b), 4303(a), 4312(b), 4313(a), 4333, 4343(b),
14 and 4347 of this Act, is amended—

15 (A) by striking “and” at the end of para-
16 graph (30);

17 (B) by striking the period at the end of
18 paragraph (31) and inserting “; and”; and

19 (C) by adding after paragraph (31) the fol-
20 lowing new paragraph:

21 “(32) provide that the State agency will have in
22 effect a procedure for certifying to the Secretary, for
23 purposes of the procedure under section 452(k), de-
24 terminations that individuals owe arrearages of child

1 support in an amount exceeding \$5,000, under
2 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) EFFECTIVE DATE.—This section and the amend-
12 ments made by this section shall become effective October
13 1, 1997.

14 **SEC. 4371. INTERNATIONAL SUPPORT ENFORCEMENT.**

15 (a) AUTHORITY FOR INTERNATIONAL AGREE-
16 MENTS.—Part D of title IV, as amended by section
17 4362(a) of this Act, is amended by adding after section
18 459 the following new section:

19 **“SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

20 “(a) AUTHORITY FOR DECLARATIONS.—

21 “(1) DECLARATION.—The Secretary of State,
22 with the concurrence of the Secretary of Health and
23 Human Services, is authorized to declare any foreign
24 country (or a political subdivision thereof) to be a
25 foreign reciprocating country if the foreign country

1 has established, or undertakes to establish, proce-
2 dures for the establishment and enforcement of du-
3 ties of support owed to obligees who are residents of
4 the United States, and such procedures are substan-
5 tially in conformity with the standards prescribed
6 under subsection (b).

7 “(2) REVOCATION.—A declaration with respect
8 to a foreign country made pursuant to paragraph
9 (1) may be revoked if the Secretaries of State and
10 Health and Human Services determine that—

11 “(A) the procedures established by the for-
12 eign country regarding the establishment and
13 enforcement of duties of support have been so
14 changed, or the foreign country’s implementa-
15 tion of such procedures is so unsatisfactory,
16 that such procedures do not meet the criteria
17 for such a declaration; or

18 “(B) continued operation of the declaration
19 is not consistent with the purposes of this part.

20 “(3) FORM OF DECLARATION.—A declaration
21 under paragraph (1) may be made in the form of an
22 international agreement, in connection with an inter-
23 national agreement or corresponding foreign declara-
24 tion, or on a unilateral basis.

1 “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-
2 MENT PROCEDURES.—

3 “(1) MANDATORY ELEMENTS.—Support en-
4 forcement procedures of a foreign country which
5 may be the subject of a declaration pursuant to sub-
6 section (a)(1) shall include the following elements:

7 “(A) The foreign country (or political sub-
8 division thereof) has in effect procedures, avail-
9 able to residents of the United States—

10 “(i) for establishment of paternity,
11 and for establishment of orders of support
12 for children and custodial parents; and

13 “(ii) for enforcement of orders to pro-
14 vide support to children and custodial par-
15 ents, including procedures for collection
16 and appropriate distribution of support
17 payments under such orders.

18 “(B) The procedures described in subpara-
19 graph (A), including legal and administrative
20 assistance, are provided to residents of the
21 United States at no cost.

22 “(C) An agency of the foreign country is
23 designated as a Central Authority responsible
24 for—

1 “(i) facilitating support enforcement
2 in cases involving residents of the foreign
3 country and residents of the United States;
4 and

5 “(ii) ensuring compliance with the
6 standards established pursuant to this sub-
7 section.

8 “(2) ADDITIONAL ELEMENTS.—The Secretary
9 of Health and Human Services and the Secretary of
10 State, in consultation with the States, may establish
11 such additional standards as may be considered nec-
12 essary to further the purposes of this section.

13 “(c) DESIGNATION OF UNITED STATES CENTRAL
14 AUTHORITY.—It shall be the responsibility of the Sec-
15 retary of Health and Human Services to facilitate support
16 enforcement in cases involving residents of the United
17 States and residents of foreign countries that are the sub-
18 ject of a declaration under this section, by activities in-
19 cluding—

20 “(1) development of uniform forms and proce-
21 dures for use in such cases;

22 “(2) notification of foreign reciprocating coun-
23 tries of the State of residence of individuals sought
24 for support enforcement purposes, on the basis of in-

1 formation provided by the Federal Parent Locator
2 Service; and

3 “(3) such other oversight, assistance, and co-
4 ordination activities as the Secretary may find nec-
5 essary and appropriate.

6 “(d) EFFECT ON OTHER LAWS.—States may enter
7 into reciprocal arrangements for the establishment and en-
8 forcement of support obligations with foreign countries
9 that are not the subject of a declaration pursuant to sub-
10 section (a), to the extent consistent with Federal law.”.

11 (b) STATE PLAN REQUIREMENT.—Section 454 (42
12 U.S.C. 654), as amended by sections 4301(b), 4303(a),
13 4312(b), 4313(a), 4333, 4343(b), 4347, and 4370(a)(2)
14 of this Act, is amended—

15 (1) by striking “and” at the end of paragraph
16 (31);

17 (2) by striking the period at the end of para-
18 graph (32) and inserting “; and”; and

19 (3) by adding after paragraph (32) the follow-
20 ing new paragraph:

21 “(33)(A) provide that any request for services
22 under this part by a foreign reciprocating country or
23 a foreign country with which the State has an ar-
24 rangement described in section 459A(d)(2) shall be
25 treated as a request by a State;

1 “(B) provide, at State option, notwithstanding
2 paragraph (4) or any other provision of this part,
3 for services under the plan for enforcement of a
4 spousal support order not described in paragraph
5 (4)(B) entered by such a country (or subdivision);
6 and

7 “(C) provide that no applications will be re-
8 quired from, and no costs will be assessed for such
9 services against, the foreign reciprocating country or
10 foreign obligee (but costs may at State option be as-
11 sessed against the obligor).”.

12 **SEC. 4372. FINANCIAL INSTITUTION DATA MATCHES.**

13 Section 466(a) (42 U.S.C. 666(a)), as amended by
14 sections 4315, 4317(a), 4323, 4365, and 4369 of this Act,
15 is amended by inserting after paragraph (16) the following
16 new paragraph:

17 “(17) FINANCIAL INSTITUTION DATA
18 MATCHES.—

19 “(A) IN GENERAL.—Procedures under
20 which the State agency shall enter into agree-
21 ments with financial institutions doing business
22 in the State—

23 “(i) to develop and operate, in coordi-
24 nation with such financial institutions, a
25 data match system, using automated data

1 exchanges to the maximum extent feasible,
2 in which each such financial institution is
3 required to provide for each calendar quar-
4 ter the name, record address, social secu-
5 rity number or other taxpayer identifica-
6 tion number, and other identifying infor-
7 mation for each noncustodial parent who
8 maintains an account at such institution
9 and who owes past-due support, as identi-
10 fied by the State by name and social secu-
11 rity number or other taxpayer identifica-
12 tion number; and

13 “(ii) in response to a notice of lien or
14 levy, encumber or surrender, as the case
15 may be, assets held by such institution on
16 behalf of any noncustodial parent who is
17 subject to a child support lien pursuant to
18 paragraph (4).

19 “(B) REASONABLE FEES.—The State
20 agency may pay a reasonable fee to a financial
21 institution for conducting the data match pro-
22 vided for in subparagraph (A)(i), not to exceed
23 the actual costs incurred by such financial insti-
24 tution.

1 “(C) LIABILITY.—A financial institution
2 shall not be liable under any Federal or State
3 law to any person—

4 “(i) for any disclosure of information
5 to the State agency under subparagraph
6 (A)(i);

7 “(ii) for encumbering or surrendering
8 any assets held by such financial institu-
9 tion in response to a notice of lien or levy
10 issued by the State agency as provided for
11 in subparagraph (A)(ii); or

12 “(iii) for any other action taken in
13 good faith to comply with the requirements
14 of subparagraph (A).

15 “(D) DEFINITIONS.—For purposes of this
16 paragraph—

17 “(i) FINANCIAL INSTITUTION.—The
18 term ‘financial institution’ has the mean-
19 ing given to such term by section
20 469A(d)(1).

21 “(ii) ACCOUNT.—The term ‘account’
22 means a demand deposit account, checking
23 or negotiable withdrawal order account,
24 savings account, time deposit account, or
25 money-market mutual fund account.”.

1 **SEC. 4373. ENFORCEMENT OF ORDERS AGAINST PATERNAL**
2 **OR MATERNAL GRANDPARENTS IN CASES OF**
3 **MINOR PARENTS.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by
5 sections 4315, 4317(a), 4323, 4365, 4369, and 4372 of
6 this Act, is amended by inserting after paragraph (17) the
7 following new paragraph:

8 “(18) ENFORCEMENT OF ORDERS AGAINST PA-
9 TERNAL OR MATERNAL GRANDPARENTS.—Proce-
10 dures under which, at the State’s option, any child
11 support order enforced under this part with respect
12 to a child of minor parents, if the custodial parent
13 of such child is receiving assistance under the State
14 program under part A, shall be enforceable, jointly
15 and severally, against the parents of the noncusto-
16 dial parent of such child.”.

17 **SEC. 4374. NONDISCHARGEABILITY IN BANKRUPTCY OF**
18 **CERTAIN DEBTS FOR THE SUPPORT OF A**
19 **CHILD.**

20 (a) AMENDMENT TO TITLE 11 OF THE UNITED
21 STATES CODE.—Section 523(a) of title 11, United States
22 Code, is amended—

23 (1) by striking “or” at the end of paragraph
24 (16);

25 (2) by striking the period at the end of para-
26 graph (17) and inserting “; or”;

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

2 “(18) owed under State law to a State or mu-
3 nicipality that is—

4 “(A) in the nature of support, and

5 “(B) enforceable under part D of title IV
6 of the Social Security Act (42 U.S.C. 601 et
7 seq.).”;

8 (4) in paragraph (5), by striking “section
9 402(a)(26)” and inserting “section 408(a)(4)”.

10 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—

11 Section 456(b) (42 U.S.C. 656(b)) is amended to read as
12 follows:

13 “(b) NONDISCHARGEABILITY.—A debt (as defined in
14 section 101 of title 11 of the United States Code) owed
15 under State law to a State (as defined in such section)
16 or municipality (as defined in such section) that is in the
17 nature of support and that is enforceable under this part
18 is not released by a discharge in bankruptcy under title
19 11 of the United States Code.”.

20 (c) APPLICATION OF AMENDMENTS.—The amend-
21 ments made by this section shall apply only with respect
22 to cases commenced under title 11 of the United States
23 Code after the date of the enactment of this Act.

CHAPTER 8—MEDICAL SUPPORT**SEC. 4376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.**

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking “issued by a court of competent jurisdiction”;

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

“if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the

1 1st plan year beginning on or after January 1,
2 1997, if—

3 (A) during the period after the date before
4 the date of the enactment of this Act and be-
5 fore such 1st plan year, the plan is operated in
6 accordance with the requirements of the amend-
7 ments made by this section; and

8 (B) such plan amendment applies retro-
9 actively to the period after the date before the
10 date of the enactment of this Act and before
11 such 1st plan year.

12 A plan shall not be treated as failing to be operated
13 in accordance with the provisions of the plan merely
14 because it operates in accordance with this para-
15 graph.

16 **SEC. 4377. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
17 **COVERAGE.**

18 Section 466(a) (42 U.S.C. 666(a)), as amended by
19 sections 4315, 4317(a), 4323, 4365, 4369, 4372, and
20 4373 of this Act, is amended by inserting after paragraph
21 (18) the following new paragraph:

22 “(19) HEALTH CARE COVERAGE.—Procedures
23 under which all child support orders enforced pursu-
24 ant to this part shall include a provision for the
25 health care coverage of the child, and in the case in

1 which a noncustodial parent provides such coverage
2 and changes employment, and the new employer pro-
3 vides health care coverage, the State agency shall
4 transfer notice of the provision to the employer,
5 which notice shall operate to enroll the child in the
6 noncustodial parent’s health plan, unless the non-
7 custodial parent contests the notice.”.

8 **CHAPTER 9—ENHANCING RESPONSIBIL-**
9 **ITY AND OPPORTUNITY FOR NON-RES-**
10 **IDENTIAL PARENTS**

11 **SEC. 4381. GRANTS TO STATES FOR ACCESS AND VISITA-**
12 **TION PROGRAMS.**

13 Part D of title IV (42 U.S.C. 651–669), as amended
14 by section 4353 of this Act, is amended by adding at the
15 end the following new section:

16 **“SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITA-**
17 **TION PROGRAMS.**

18 “(a) IN GENERAL.—The Administration for Children
19 and Families shall make grants under this section to en-
20 able States to establish and administer programs to sup-
21 port and facilitate noncustodial parents’ access to and visi-
22 tation of their children, by means of activities including
23 mediation (both voluntary and mandatory), counseling,
24 education, development of parenting plans, visitation en-
25 forcement (including monitoring, supervision and neutral

1 drop-off and pickup), and development of guidelines for
2 visitation and alternative custody arrangements.

3 “(b) AMOUNT OF GRANT.—The amount of the grant
4 to be made to a State under this section for a fiscal year
5 shall be an amount equal to the lesser of—

6 “(1) 90 percent of State expenditures during
7 the fiscal year for activities described in subsection
8 (a); or

9 “(2) the allotment of the State under sub-
10 section (c) for the fiscal year.

11 “(c) ALLOTMENTS TO STATES.—

12 “(1) IN GENERAL.—The allotment of a State
13 for a fiscal year is the amount that bears the same
14 ratio to \$10,000,000 for grants under this section
15 for the fiscal year as the number of children in the
16 State living with only 1 biological parent bears to
17 the total number of such children in all States.

18 “(2) MINIMUM ALLOTMENT.—The Administra-
19 tion for Children and Families shall adjust allot-
20 ments to States under paragraph (1) as necessary to
21 ensure that no State is allotted less than—

22 “(A) \$50,000 for fiscal year 1997 or 1998;

23 or

24 “(B) \$100,000 for any succeeding fiscal
25 year.

1 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
2 FOR SIMILAR ACTIVITIES.—A State to which a grant is
3 made under this section may not use the grant to supplant
4 expenditures by the State for activities specified in sub-
5 section (a), but shall use the grant to supplement such
6 expenditures at a level at least equal to the level of such
7 expenditures for fiscal year 1995.

8 “(e) STATE ADMINISTRATION.—Each State to which
9 a grant is made under this section—

10 “(1) may administer State programs funded
11 with the grant, directly or through grants to or con-
12 tracts with courts, local public agencies, or nonprofit
13 private entities;

14 “(2) shall not be required to operate such pro-
15 grams on a statewide basis; and

16 “(3) shall monitor, evaluate, and report on such
17 programs in accordance with regulations prescribed
18 by the Secretary.”.

19 **CHAPTER 10—EFFECTIVE DATES AND**
20 **CONFORMING AMENDMENTS**

21 **SEC. 4391. EFFECTIVE DATES AND CONFORMING AMEND-**
22 **MENTS.**

23 (a) IN GENERAL.—Except as otherwise specifically
24 provided (but subject to subsections (b) and (c))—

1 (1) the provisions of this subtitle requiring the
2 enactment or amendment of State laws under sec-
3 tion 466 of the Social Security Act, or revision of
4 State plans under section 454 of such Act, shall be
5 effective with respect to periods beginning on and
6 after October 1, 1996; and

7 (2) all other provisions of this subtitle shall be-
8 come effective upon the date of the enactment of
9 this Act.

10 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
11 provisions of this subtitle shall become effective with re-
12 spect to a State on the later of—

13 (1) the date specified in this subtitle, or

14 (2) the effective date of laws enacted by the leg-
15 islature of such State implementing such provisions,
16 but in no event later than the 1st day of the 1st calendar
17 quarter beginning after the close of the 1st regular session
18 of the State legislature that begins after the date of the
19 enactment of this Act. For purposes of the previous sen-
20 tence, in the case of a State that has a 2-year legislative
21 session, each year of such session shall be deemed to be
22 a separate regular session of the State legislature.

23 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
24 AMENDMENT.—A State shall not be found out of compli-
25 ance with any requirement enacted by this subtitle if the

1 State is unable to so comply without amending the State
2 constitution until the earlier of—

3 (1) 1 year after the effective date of the nec-
4 essary State constitutional amendment; or

5 (2) 5 years after the date of the enactment of
6 this Act.

7 (d) CONFORMING AMENDMENTS.—

8 (1) The following provisions are amended by
9 striking “absent” each place it appears and inserting
10 “noncustodial”:

11 (A) Section 451 (42 U.S.C. 651).

12 (B) Subsections (a)(1), (a)(8), (a)(10)(E),
13 (a)(10)(F), (f), and (h) of section 452 (42
14 U.S.C. 652).

15 (C) Section 453(f) (42 U.S.C. 653(f)).

16 (D) Paragraphs (8), (13), and (21)(A) of
17 section 454 (42 U.S.C. 654).

18 (E) Section 455(e)(1) (42 U.S.C.
19 655(e)(1)).

20 (F) Section 458(a) (42 U.S.C. 658(a)).

21 (G) Subsections (a), (b), and (c) of section
22 463 (42 U.S.C. 663).

23 (H) Subsections (a)(3)(A), (a)(3)(C),
24 (a)(6), and (a)(8)(B)(ii), the last sentence of
25 subsection (a), and subsections (b)(1),

1 (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(9), and
2 (e) of section 466 (42 U.S.C. 666).

3 (2) The following provisions are amended by
4 striking “an absent” each place it appears and in-
5 serting “a noncustodial”:

6 (A) Paragraphs (2) and (3) of section
7 453(c) (42 U.S.C. 653(c)).

8 (B) Subparagraphs (B) and (C) of section
9 454(9) (42 U.S.C. 654(9)).

10 (C) Section 456(a)(3) (42 U.S.C.
11 656(a)(3)).

12 (D) Subsections (a)(3)(A), (a)(6),
13 (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section
14 466 (42 U.S.C. 666).

15 (E) Paragraphs (2) and (4) of section
16 469(b) (42 U.S.C. 669(b)).

17 **Subtitle D—Restricting Welfare**
18 **and Public Benefits for Aliens**

19 **SEC. 4400. STATEMENTS OF NATIONAL POLICY CONCERN-**
20 **ING WELFARE AND IMMIGRATION.**

21 The Congress makes the following statements con-
22 cerning national policy with respect to welfare and immi-
23 gration:

1 (1) Self-sufficiency has been a basic principle of
2 United States immigration law since this country's
3 earliest immigration statutes.

4 (2) It continues to be the immigration policy of
5 the United States that—

6 (A) aliens within the Nation's borders not
7 depend on public resources to meet their needs,
8 but rather rely on their own capabilities and the
9 resources of their families, their sponsors, and
10 private organizations, and

11 (B) the availability of public benefits not
12 constitute an incentive for immigration to the
13 United States.

14 (3) Despite the principle of self-sufficiency,
15 aliens have been applying for and receiving public
16 benefits from Federal, State, and local governments
17 at increasing rates.

18 (4) Current eligibility rules for public assistance
19 and unenforceable financial support agreements have
20 proved wholly incapable of assuring that individual
21 aliens not burden the public benefits system.

22 (5) It is a compelling government interest to
23 enact new rules for eligibility and sponsorship agree-
24 ments in order to assure that aliens be self-reliant
25 in accordance with national immigration policy.

1 (6) It is a compelling government interest to re-
2 move the incentive for illegal immigration provided
3 by the availability of public benefits.

4 (7) With respect to the State authority to make
5 determinations concerning the eligibility of qualified
6 aliens for public benefits in this subtitle, a State
7 that chooses to follow the Federal classification in
8 determining the eligibility of such aliens for public
9 assistance shall be considered to have chosen the
10 least restrictive means available for achieving the
11 compelling governmental interest of assuring that
12 aliens be self-reliant in accordance with national im-
13 migration policy.

14 **CHAPTER 1—ELIGIBILITY FOR FEDERAL**
15 **BENEFITS**

16 **SEC. 4401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELI-**
17 **GIBLE FOR FEDERAL PUBLIC BENEFITS.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
19 sion of law and except as provided in subsection (b), an
20 alien who is not a qualified alien (as defined in section
21 4431) is not eligible for any Federal public benefit (as de-
22 fined in subsection (c)).

23 (b) EXCEPTIONS.—

24 (1) Subsection (a) shall not apply with respect
25 to the following Federal public benefits:

1 (A) Emergency medical services under title
2 XIX of the Social Security Act.

3 (B) Short-term, non-cash, in-kind emer-
4 gency disaster relief.

5 (C) Public health assistance for immuniza-
6 tions with respect to immunizable diseases and
7 for testing and treatment of symptoms of com-
8 municable diseases whether or not such symp-
9 toms are caused by a communicable disease.

10 (D) Programs, services, or assistance (such
11 as soup kitchens, crisis counseling and interven-
12 tion, and short-term shelter) specified by the
13 Attorney General, in the Attorney General's
14 sole and unreviewable discretion after consulta-
15 tion with appropriate Federal agencies and de-
16 partments, which (i) deliver in-kind services at
17 the community level, including through public
18 or private nonprofit agencies; (ii) do not condi-
19 tion the provision of assistance, the amount of
20 assistance provided, or the cost of assistance
21 provided on the individual recipient's income or
22 resources; and (iii) are necessary for the protec-
23 tion of life or safety.

24 (E) Programs for housing or community
25 development assistance or financial assistance

1 administered by the Secretary of Housing and
2 Urban Development, any program under title V
3 of the Housing Act of 1949, or any assistance
4 under section 306C of the Consolidated Farm
5 and Rural Development Act, to the extent that
6 the alien is receiving such a benefit on the date
7 of the enactment of this Act.

8 (2) Subsection (a) shall not apply to any benefit
9 payable under title II of the Social Security Act to
10 an alien who is lawfully present in the United States
11 as determined by the Attorney General, to any bene-
12 fit if nonpayment of such benefit would contravene
13 an international agreement described in section 233
14 of the Social Security Act, to any benefit if nonpay-
15 ment would be contrary to section 202(t) of the So-
16 cial Security Act, or to any benefit payable under
17 title II of the Social Security Act to which entitle-
18 ment is based on an application filed in or before the
19 month in which this Act becomes law.

20 (c) FEDERAL PUBLIC BENEFIT DEFINED.—

21 (1) Except as provided in paragraph (2), for
22 purposes of this subtitle the term “Federal public
23 benefit” means—

24 (A) any grant, contract, loan, professional
25 license, or commercial license provided by an

1 agency of the United States or by appropriated
2 funds of the United States; and

3 (B) any retirement, welfare, health, dis-
4 ability, public or assisted housing, postsecond-
5 ary education, food assistance, unemployment
6 benefit, or any other similar benefit for which
7 payments or assistance are provided to an indi-
8 vidual, household, or family eligibility unit by
9 an agency of the United States or by appro-
10 priated funds of the United States.

11 (2) Such term shall not apply—

12 (A) to any contract, professional license, or
13 commercial license for a nonimmigrant whose
14 visa for entry is related to such employment in
15 the United States; or

16 (B) with respect to benefits for an alien
17 who as a work authorized nonimmigrant or as
18 an alien lawfully admitted for permanent resi-
19 dence under the Immigration and Nationality
20 Act qualified for such benefits and for whom
21 the United States under reciprocal treaty agree-
22 ments is required to pay benefits, as determined
23 by the Attorney General, after consultation with
24 the Secretary of State.

1 **SEC. 4402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS**
2 **FOR CERTAIN FEDERAL PROGRAMS.**

3 (a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL
4 PROGRAMS.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of law and except as provided in paragraph
7 (2), an alien who is a qualified alien (as defined in
8 section 4431) is not eligible for any specified Fed-
9 eral program (as defined in paragraph (3)).

10 (2) EXCEPTIONS.—

11 (A) TIME-LIMITED EXCEPTION FOR REFUG-
12 GEES AND ASYLEES.—Paragraph (1) shall not
13 apply to an alien until 5 years after the date—

14 (i) an alien is admitted to the United
15 States as a refugee under section 207 of
16 the Immigration and Nationality Act;

17 (ii) an alien is granted asylum under
18 section 208 of such Act; or

19 (iii) an alien's deportation is withheld
20 under section 243(h) of such Act.

21 (B) CERTAIN PERMANENT RESIDENT
22 ALIENS.—Paragraph (1) shall not apply to an
23 alien who—

24 (i) is lawfully admitted to the United
25 States for permanent residence under the
26 Immigration and Nationality Act; and

1 (ii)(I) has worked 40 qualifying quar-
2 ters of coverage as defined under title II of
3 the Social Security Act or can be credited
4 with such qualifying quarters as provided
5 under section 435, and (II) did not receive
6 any Federal means-tested public benefit
7 (as defined in section 4403(c)) during any
8 such quarter.

9 (C) VETERAN AND ACTIVE DUTY EXCEP-
10 TION.—Paragraph (1) shall not apply to an
11 alien who is lawfully residing in any State and
12 is—

13 (i) a veteran (as defined in section
14 101 of title 38, United States Code) with
15 a discharge characterized as an honorable
16 discharge and not on account of alienage,

17 (ii) on active duty (other than active
18 duty for training) in the Armed Forces of
19 the United States, or

20 (iii) the spouse or unmarried depend-
21 ent child of an individual described in
22 clause (i) or (ii).

23 (D) TRANSITION FOR ALIENS CURRENTLY
24 RECEIVING BENEFITS.—

25 (i) SSI.—

1 (I) IN GENERAL.—With respect
2 to the specified Federal program de-
3 scribed in paragraph (3)(A), during
4 the period beginning on the date of
5 the enactment of this Act and ending
6 on the date which is 1 year after such
7 date of enactment, the Commissioner
8 of Social Security shall redetermine
9 the eligibility of any individual who is
10 receiving benefits under such program
11 as of the date of the enactment of this
12 Act and whose eligibility for such ben-
13 efits may terminate by reason of the
14 provisions of this subsection.

15 (II) REDETERMINATION CRI-
16 TERIA.— With respect to any redeter-
17 mination under subclause (I), the
18 Commissioner of Social Security shall
19 apply the eligibility criteria for new
20 applicants for benefits under such
21 program.

22 (III) GRANDFATHER PROVI-
23 SION.—The provisions of this sub-
24 section and the redetermination under
25 subclause (I), shall only apply with re-

1 spect to the benefits of an individual
2 described in subclause (I) for months
3 beginning on or after the date of the
4 redetermination with respect to such
5 individual.

6 (IV) NOTICE.—Not later than
7 January 1, 1997, the Commissioner of
8 Social Security shall notify an individ-
9 ual described in subclause (I) of the
10 provisions of this clause.

11 (ii) FOOD STAMPS.—

12 (I) IN GENERAL.—With respect
13 to the specified Federal program de-
14 scribed in paragraph (3)(B), during
15 the period beginning on the date of
16 enactment of this Act and ending on
17 the date which is 1 year after the date
18 of enactment, the State agency shall,
19 at the time of the recertification, re-
20 certify the eligibility of any individual
21 who is receiving benefits under such
22 program as of the date of enactment
23 of this Act and whose eligibility for
24 such benefits may terminate by reason
25 of the provisions of this subsection.

1 (II) RECERTIFICATION CRI-
2 TERIA.—With respect to any recertifi-
3 cation under subclause (I), the State
4 agency shall apply the eligibility cri-
5 teria for applicants for benefits under
6 such program.

7 (III) GRANDFATHER PROVI-
8 SION.—The provisions of this sub-
9 section and the recertification under
10 subclause (I) shall only apply with re-
11 spect to the eligibility of an alien for
12 a program for months beginning on or
13 after the date of recertification, if on
14 the date of enactment of this Act the
15 alien is lawfully residing in any State
16 and is receiving benefits under such
17 program on such date of enactment.

18 (iii) MEDICAID.—

19 (I) IN GENERAL.—With respect
20 to the specified Federal program de-
21 scribed in paragraph (3)(C), during
22 the period beginning on the date of
23 enactment of this Act and ending on
24 the date which is 1 year after the date
25 of enactment, the State agency shall,

1 at the time of the redetermination, re-
2 determine the eligibility of any indi-
3 vidual who is receiving benefits under
4 such program as of the date of enact-
5 ment of this Act and whose eligibility
6 for such benefits may terminate by
7 reason of the provisions of this sub-
8 section.

9 (II) REDETERMINATION.—With
10 respect to any redetermination under
11 subclause (I), the State agency shall
12 apply the eligibility criteria for appli-
13 cants for benefits under such pro-
14 gram.

15 (III) GRANDFATHER PROVI-
16 SION.—The provisions of this sub-
17 section and the redetermination under
18 subclause (I) shall only apply with re-
19 spect to the eligibility of an alien for
20 a program for months beginning on or
21 after the date of redetermination, if
22 on the date of enactment of this Act
23 the alien is lawfully residing in any
24 State and is receiving benefits under

1 such program on such date of enact-
2 ment.

3 (3) SPECIFIED FEDERAL PROGRAM DEFINED.—

4 For purposes of this subtitle, the term “specified
5 Federal program” means any of the following:

6 (A) SSI.—The supplemental security in-
7 come program under title XVI of the Social Se-
8 curity Act, including supplementary payments
9 pursuant to an agreement for Federal adminis-
10 tration under section 1616(a) of the Social Se-
11 curity Act and payments pursuant to an agree-
12 ment entered into under section 212(b) of Pub-
13 lic Law 93–66.

14 (B) FOOD STAMPS.—The food stamp pro-
15 gram as defined in section 3(h) of the Food
16 Stamp Act of 1977.

17 (C) MEDICAID.—A State plan approved
18 under title XIX of the Social Security Act.

19 (b) LIMITED ELIGIBILITY FOR DESIGNATED FED-
20 ERAL PROGRAMS.—

21 (1) IN GENERAL.—Notwithstanding any other
22 provision of law and except as provided in section
23 4403 and paragraph (2), a State is authorized to de-
24 termine the eligibility of an alien who is a qualified

1 alien (as defined in section 4431) for any designated
2 Federal program (as defined in paragraph (3)).

3 (2) EXCEPTIONS.—Qualified aliens under this
4 paragraph shall be eligible for any designated Fed-
5 eral program.

6 (A) TIME-LIMITED EXCEPTION FOR REFU-
7 GEES AND ASYLEES.—

8 (i) An alien who is admitted to the
9 United States as a refugee under section
10 207 of the Immigration and Nationality
11 Act until 5 years after the date of an
12 alien's entry into the United States.

13 (ii) An alien who is granted asylum
14 under section 208 of such Act until 5 years
15 after the date of such grant of asylum.

16 (iii) An alien whose deportation is
17 being withheld under section 243(h) of
18 such Act until 5 years after such withhold-
19 ing.

20 (B) CERTAIN PERMANENT RESIDENT
21 ALIENS.—An alien who—

22 (i) is lawfully admitted to the United
23 States for permanent residence under the
24 Immigration and Nationality Act; and

1 (ii)(I) has worked 40 qualifying quar-
2 ters of coverage as defined under title II of
3 the Social Security Act or can be credited
4 with such qualifying quarters as provided
5 under section 4435, and (II) did not re-
6 ceive any Federal means-tested public ben-
7 efit (as defined in section 4403(c)) during
8 any such quarter.

9 (C) VETERAN AND ACTIVE DUTY EXCEP-
10 TION.—An alien who is lawfully residing in any
11 State and is—

12 (i) a veteran (as defined in section
13 101 of title 38, United States Code) with
14 a discharge characterized as an honorable
15 discharge and not on account of alienage,

16 (ii) on active duty (other than active
17 duty for training) in the Armed Forces of
18 the United States, or

19 (iii) the spouse or unmarried depend-
20 ent child of an individual described in
21 clause (i) or (ii).

22 (D) TRANSITION FOR THOSE CURRENTLY
23 RECEIVING BENEFITS.—An alien who on the
24 date of the enactment of this Act is lawfully re-
25 siding in any State and is receiving benefits

1 under such program on the date of the enact-
2 ment of this Act shall continue to be eligible to
3 receive such benefits until January 1, 1997.

4 (3) DESIGNATED FEDERAL PROGRAM DE-
5 FINED.—For purposes of this subtitle, the term
6 “designated Federal program” means any of the fol-
7 lowing:

8 (A) TEMPORARY ASSISTANCE FOR NEEDY
9 FAMILIES.—The program of block grants to
10 States for temporary assistance for needy fami-
11 lies under part A of title IV of the Social Secu-
12 rity Act.

13 (B) SOCIAL SERVICES BLOCK GRANT.—
14 The program of block grants to States for so-
15 cial services under title XX of the Social Secu-
16 rity Act.

17 **SEC. 4403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED**
18 **ALIENS FOR FEDERAL MEANS-TESTED PUB-**
19 **LIC BENEFIT.**

20 (a) IN GENERAL.—Notwithstanding any other provi-
21 sion of law and except as provided in subsection (b), an
22 alien who is a qualified alien (as defined in section 4431)
23 and who enters the United States on or after the date
24 of the enactment of this Act is not eligible for any Federal
25 means-tested public benefit (as defined in subsection (c))

1 for a period of five years beginning on the date of the
2 alien's entry into the United States with a status within
3 the meaning of the term "qualified alien".

4 (b) EXCEPTIONS.—The limitation under subsection
5 (a) shall not apply to the following aliens:

6 (1) EXCEPTION FOR REFUGEES AND
7 ASYLEES.—

8 (A) An alien who is admitted to the United
9 States as a refugee under section 207 of the
10 Immigration and Nationality Act.

11 (B) An alien who is granted asylum under
12 section 208 of such Act.

13 (C) An alien whose deportation is being
14 withheld under section 243(h) of such Act.

15 (2) VETERAN AND ACTIVE DUTY EXCEPTION.—
16 An alien who is lawfully residing in any State and
17 is—

18 (A) a veteran (as defined in section 101 of
19 title 38, United States Code) with a discharge
20 characterized as an honorable discharge and not
21 on account of alienage,

22 (B) on active duty (other than active duty
23 for training) in the Armed Forces of the United
24 States, or

1 (C) the spouse or unmarried dependent
2 child of an individual described in subparagraph
3 (A) or (B).

4 (c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DE-
5 FINED.—

6 (1) Except as provided in paragraph (2), for
7 purposes of this subtitle, the term “Federal means-
8 tested public benefit” means a public benefit (includ-
9 ing cash, medical, housing, and food assistance and
10 social services) of the Federal Government in which
11 the eligibility of an individual, household, or family
12 eligibility unit for benefits, or the amount of such
13 benefits, or both are determined on the basis of in-
14 come, resources, or financial need of the individual,
15 household, or unit.

16 (2) Such term does not include the following:

17 (A) Emergency medical services under title
18 XIX of the Social Security Act.

19 (B) Short-term, non-cash, in-kind emer-
20 gency disaster relief.

21 (C) Assistance or benefits under the Na-
22 tional School Lunch Act.

23 (D) Assistance or benefits under the Child
24 Nutrition Act of 1966.

1 (E) Public health assistance for immuniza-
2 tions with respect to immunizable diseases and
3 for testing and treatment of symptoms of com-
4 municable diseases whether or not such symp-
5 toms are caused by a communicable disease.

6 (F) Payments for foster care and adoption
7 assistance under parts B and E of title IV of
8 the Social Security Act for a child who would,
9 in the absence of subsection (a), be eligible to
10 have such payments made on the child's behalf
11 under such part, but only if the foster or adop-
12 tive parent or parents of such child are not de-
13 scribed under subsection (a).

14 (G) Programs, services, or assistance (such
15 as soup kitchens, crisis counseling and interven-
16 tion, and short-term shelter) specified by the
17 Attorney General, in the Attorney General's
18 sole and unreviewable discretion after consulta-
19 tion with appropriate Federal agencies and de-
20 partments, which (i) deliver in-kind services at
21 the community level, including through public
22 or private nonprofit agencies; (ii) do not condi-
23 tion the provision of assistance, the amount of
24 assistance provided, or the cost of assistance
25 provided on the individual recipient's income or

1 resources; and (iii) are necessary for the protec-
2 tion of life or safety.

3 (H) Programs of student assistance under
4 titles IV, V, IX, and X of the Higher Education
5 Act of 1965.

6 (I) Means-tested programs under the Ele-
7 mentary and Secondary Education Act of 1965.

8 (J) Benefits under the Head Start Act.

9 (K) Benefits under the Job Training Part-
10 nership Act.

11 **SEC. 4404. NOTIFICATION AND INFORMATION REPORTING.**

12 (a) NOTIFICATION.—Each Federal agency that ad-
13 ministers a program to which section 4401, 4402, or 4403
14 applies shall, directly or through the States, post informa-
15 tion and provide general notification to the public and to
16 program recipients of the changes regarding eligibility for
17 any such program pursuant to this chapter.

18 (b) INFORMATION REPORTING UNDER TITLE IV OF
19 THE SOCIAL SECURITY ACT.—Part A of title IV of the
20 Social Security Act, as amended by section 4103(a) of this
21 Act, is amended by inserting the following new section
22 after section 411:

1 **“SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFOR-**
2 **MATION.**

3 “Each State to which a grant is made under section
4 403 shall, at least 4 times annually and upon request of
5 the Immigration and Naturalization Service, furnish the
6 Immigration and Naturalization Service with the name
7 and address of, and other identifying information on, any
8 individual who the State knows is unlawfully in the United
9 States.”.

10 (c) SSI.—Section 1631(e) of such Act (42 U.S.C.
11 1383(e)) is amended—

12 (1) by redesignating the paragraphs (6) and (7)
13 inserted by sections 206(d)(2) and 206(f)(1) of the
14 Social Security Independence and Programs Im-
15 provement Act of 1994 (Public Law 103–296; 108
16 Stat. 1514, 1515) as paragraphs (7) and (8), re-
17 spectively; and

18 (2) by adding at the end the following new
19 paragraph:

20 “(9) Notwithstanding any other provision of law, the
21 Commissioner shall, at least 4 times annually and upon
22 request of the Immigration and Naturalization Service
23 (hereafter in this paragraph referred to as the ‘Service’),
24 furnish the Service with the name and address of, and
25 other identifying information on, any individual who the
26 Commissioner knows is unlawfully in the United States,

1 and shall ensure that each agreement entered into under
2 section 1616(a) with a State provides that the State shall
3 furnish such information at such times with respect to any
4 individual who the State knows is unlawfully in the United
5 States.”.

6 (d) INFORMATION REPORTING FOR HOUSING PRO-
7 GRAMS.—Title I of the United States Housing Act of 1937
8 (42 U.S.C. 1437 et seq.) is amended by adding at the end
9 the following new section:

10 **“SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCE-**
11 **MENT AND OTHER AGENCIES.**

12 “Notwithstanding any other provision of law, the Sec-
13 retary shall, at least 4 times annually and upon request
14 of the Immigration and Naturalization Service (hereafter
15 in this section referred to as the ‘Service’), furnish the
16 Service with the name and address of, and other identify-
17 ing information on, any individual who the Secretary
18 knows is unlawfully in the United States, and shall ensure
19 that each contract for assistance entered into under sec-
20 tion 6 or 8 of this Act with a public housing agency pro-
21 vides that the public housing agency shall furnish such
22 information at such times with respect to any individual
23 who the public housing agency knows is unlawfully in the
24 United States.”.

1 **CHAPTER 2—ELIGIBILITY FOR STATE AND**
2 **LOCAL PUBLIC BENEFITS PROGRAMS**

3 **SEC. 4411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR**
4 **NONIMMIGRANTS INELIGIBLE FOR STATE**
5 **AND LOCAL PUBLIC BENEFITS.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of law and except as provided in subsections (b) and
8 (d), an alien who is not—

9 (1) a qualified alien (as defined in section
10 4431),

11 (2) a nonimmigrant under the Immigration and
12 Nationality Act, or

13 (3) an alien who is paroled into the United
14 States under section 212(d)(5) of such Act for less
15 than one year,

16 is not eligible for any State or local public benefit (as de-
17 fined in subsection (c)).

18 (b) EXCEPTIONS.—Subsection (a) shall not apply
19 with respect to the following State or local public benefits:

20 (1) Emergency medical services under title XIX
21 of the Social Security Act.

22 (2) Short-term, non-cash, in-kind emergency
23 disaster relief.

24 (3) Public health assistance for immunizations
25 with respect to immunizable diseases and for testing

1 and treatment of symptoms of communicable dis-
2 eases whether or not such symptoms are caused by
3 a communicable disease.

4 (4) Programs, services, or assistance (such as
5 soup kitchens, crisis counseling and intervention,
6 and short-term shelter) specified by the Attorney
7 General, in the Attorney General's sole and
8 unreviewable discretion after consultation with ap-
9 propriate Federal agencies and departments, which
10 (A) deliver in-kind services at the community level,
11 including through public or private nonprofit agen-
12 cies; (B) do not condition the provision of assistance,
13 the amount of assistance provided, or the cost of as-
14 sistance provided on the individual recipient's in-
15 come or resources; and (C) are necessary for the
16 protection of life or safety.

17 (c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

18 (1) Except as provided in paragraph (2), for
19 purposes of this chapter the term “State or local
20 public benefit” means—

21 (A) any grant, contract, loan, professional
22 license, or commercial license provided by an
23 agency of a State or local government or by ap-
24 propriated funds of a State or local govern-
25 ment; and

1 (B) any retirement, welfare, health, dis-
2 ability, public or assisted housing, postsecond-
3 ary education, food assistance, unemployment
4 benefit, or any other similar benefit for which
5 payments or assistance are provided to an indi-
6 vidual, household, or family eligibility unit by
7 an agency of a State or local government or by
8 appropriated funds of a State or local govern-
9 ment.

10 (2) Such term shall not apply—

11 (A) to any contract, professional license, or
12 commercial license for a nonimmigrant whose
13 visa for entry is related to such employment in
14 the United States; or

15 (B) with respect to benefits for an alien
16 who as a work authorized nonimmigrant or as
17 an alien lawfully admitted for permanent resi-
18 dence under the Immigration and Nationality
19 Act qualified for such benefits and for whom
20 the United States under reciprocal treaty agree-
21 ments is required to pay benefits, as determined
22 by the Secretary of State, after consultation
23 with the Attorney General.

24 (d) STATE AUTHORITY TO PROVIDE FOR ELIGI-
25 BILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUB-

1 LIC BENEFITS.—A State may provide that an alien who
2 is not lawfully present in the United States is eligible for
3 any State or local public benefit for which such alien would
4 otherwise be ineligible under subsection (a) only through
5 the enactment of a State law after the date of the enact-
6 ment of this Act which affirmatively provides for such eli-
7 gibility.

8 **SEC. 4412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF**
9 **QUALIFIED ALIENS FOR STATE PUBLIC BENE-**
10 **FITS.**

11 (a) IN GENERAL.—Notwithstanding any other provi-
12 sion of law and except as provided in subsection (b), a
13 State is authorized to determine the eligibility for any
14 State public benefits (as defined in subsection (c) of an
15 alien who is a qualified alien (as defined in section 4431),
16 a nonimmigrant under the Immigration and Nationality
17 Act, or an alien who is paroled into the United States
18 under section 212(d)(5) of such Act for less than one year.

19 (b) EXCEPTIONS.—Qualified aliens under this sub-
20 section shall be eligible for any State public benefits.

21 (1) TIME-LIMITED EXCEPTION FOR REFUGEES
22 AND ASYLEES.—

23 (A) An alien who is admitted to the United
24 States as a refugee under section 207 of the
25 Immigration and Nationality Act until 5 years

1 after the date of an alien's entry into the Unit-
2 ed States.

3 (B) An alien who is granted asylum under
4 section 208 of such Act until 5 years after the
5 date of such grant of asylum.

6 (C) An alien whose deportation is being
7 withheld under section 243(h) of such Act until
8 5 years after such withholding.

9 (2) CERTAIN PERMANENT RESIDENT ALIENS.—

10 An alien who—

11 (A) is lawfully admitted to the United
12 States for permanent residence under the Im-
13 migration and Nationality Act; and

14 (B)(i) has worked 40 qualifying quarters
15 of coverage as defined under title II of the So-
16 cial Security Act or can be credited with such
17 qualifying quarters as provided under section
18 4435, and (ii) did not receive any Federal
19 means-tested public benefit (as defined in sec-
20 tion 4403(e)) during any such quarter.

21 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

22 An alien who is lawfully residing in any State and
23 is—

24 (A) a veteran (as defined in section 101 of
25 title 38, United States Code) with a discharge

1 characterized as an honorable discharge and not
2 on account of alienage,

3 (B) on active duty (other than active duty
4 for training) in the Armed Forces of the United
5 States, or

6 (C) the spouse or unmarried dependent
7 child of an individual described in subparagraph
8 (A) or (B).

9 (4) TRANSITION FOR THOSE CURRENTLY RE-
10 CEIVING BENEFITS.—An alien who on the date of
11 the enactment of this Act is lawfully residing in any
12 State and is receiving benefits on the date of the en-
13 actment of this Act shall continue to be eligible to
14 receive such benefits until January 1, 1997.

15 (c) STATE PUBLIC BENEFITS DEFINED.—The term
16 “State public benefits” means any means-tested public
17 benefit of a State or political subdivision of a State under
18 which the State or political subdivision specifies the stand-
19 ards for eligibility, and does not include any Federal public
20 benefit.

1 **CHAPTER 3—ATTRIBUTION OF INCOME**
2 **AND AFFIDAVITS OF SUPPORT**

3 **SEC. 4421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME**
4 **AND RESOURCES TO ALIEN.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law, in determining the eligibility and the amount
7 of benefits of an alien for any Federal means-tested public
8 benefits program (as defined in section 4403(c)), the in-
9 come and resources of the alien shall be deemed to include
10 the following:

11 (1) The income and resources of any person
12 who executed an affidavit of support pursuant to
13 section 213A of the Immigration and Nationality
14 Act (as added by section 4423) on behalf of such
15 alien.

16 (2) The income and resources of the spouse (if
17 any) of the person.

18 (b) APPLICATION.—Subsection (a) shall apply with
19 respect to an alien until such time as the alien—

20 (1) achieves United States citizenship through
21 naturalization pursuant to chapter 2 of title III of
22 the Immigration and Nationality Act; or

23 (2)(A) has worked 40 qualifying quarters of
24 coverage as defined under title II of the Social Secu-
25 rity Act or can be credited with such qualifying

1 quarters as provided under section 4435, and (B)
2 did not receive any Federal means-tested public ben-
3 efit (as defined in section 4403(c)) during any such
4 quarter.

5 (c) REVIEW OF INCOME AND RESOURCES OF ALIEN
6 UPON REAPPLICATION.—Whenever an alien is required to
7 reapply for benefits under any Federal means-tested pub-
8 lic benefits program, the applicable agency shall review the
9 income and resources attributed to the alien under sub-
10 section (a).

11 (d) APPLICATION.—

12 (1) If on the date of the enactment of this Act,
13 a Federal means-tested public benefits program at-
14 tributes a sponsor's income and resources to an alien
15 in determining the alien's eligibility and the amount
16 of benefits for an alien, this section shall apply to
17 any such determination beginning on the day after
18 the date of the enactment of this Act.

19 (2) If on the date of the enactment of this Act,
20 a Federal means-tested public benefits program does
21 not attribute a sponsor's income and resources to an
22 alien in determining the alien's eligibility and the
23 amount of benefits for an alien, this section shall
24 apply to any such determination beginning 180 days
25 after the date of the enactment of this Act.

1 **SEC. 4422. AUTHORITY FOR STATES TO PROVIDE FOR AT-**
2 **TRIBUTION OF SPONSORS INCOME AND RE-**
3 **SOURCES TO THE ALIEN WITH RESPECT TO**
4 **STATE PROGRAMS.**

5 (a) **OPTIONAL APPLICATION TO STATE PROGRAMS.—**

6 Except as provided in subsection (b), in determining the
7 eligibility and the amount of benefits of an alien for any
8 State public benefits (as defined in section 4412(c)), the
9 State or political subdivision that offers the benefits is au-
10 thorized to provide that the income and resources of the
11 alien shall be deemed to include—

12 (1) the income and resources of any individual
13 who executed an affidavit of support pursuant to
14 section 213A of the Immigration and Nationality
15 Act (as added by section 4423) on behalf of such
16 alien, and

17 (2) the income and resources of the spouse (if
18 any) of the individual.

19 (b) **EXCEPTIONS.—**Subsection (a) shall not apply
20 with respect to the following State public benefits:

21 (1) Emergency medical services.

22 (2) Short-term, non-cash, in-kind emergency
23 disaster relief.

24 (3) Programs comparable to assistance or bene-
25 fits under the National School Lunch Act.

1 (4) Programs comparable to assistance or bene-
2 fits under the Child Nutrition Act of 1966.

3 (5) Public health assistance for immunizations
4 with respect to immunizable diseases and for testing
5 and treatment of symptoms of communicable dis-
6 eases whether or not such symptoms are caused by
7 a communicable disease.

8 (6) Payments for foster care and adoption as-
9 sistance.

10 (7) Programs, services, or assistance (such as
11 soup kitchens, crisis counseling and intervention,
12 and short-term shelter) specified by the Attorney
13 General of a State, after consultation with appro-
14 priate agencies and departments, which (A) deliver
15 in-kind services at the community level, including
16 through public or private nonprofit agencies; (B) do
17 not condition the provision of assistance, the amount
18 of assistance provided, or the cost of assistance pro-
19 vided on the individual recipient's income or re-
20 sources; and (C) are necessary for the protection of
21 life or safety.

1 **SEC. 4423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
2 **SUPPORT.**

3 (a) IN GENERAL.—Title II of the Immigration and
4 Nationality Act is amended by inserting after section 213
5 the following new section:

6 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

7 “SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit
8 of support may be accepted by the Attorney General or
9 by any consular officer to establish that an alien is not
10 excludable as a public charge under section 212(a)(4) un-
11 less such affidavit is executed as a contract—

12 “(A) which is legally enforceable against the
13 sponsor by the sponsored alien, the Federal Govern-
14 ment, and by any State (or any political subdivision
15 of such State) which provides any means-tested pub-
16 lic benefits program, but not later than 10 years
17 after the alien last receives any such benefit;

18 “(B) in which the sponsor agrees to financially
19 support the alien, so that the alien will not become
20 a public charge; and

21 “(C) in which the sponsor agrees to submit to
22 the jurisdiction of any Federal or State court for the
23 purpose of actions brought under subsection (e)(2).

24 “(2) A contract under paragraph (1) shall be enforce-
25 able with respect to benefits provided to the alien until

1 such time as the alien achieves United States citizenship
2 through naturalization pursuant to chapter 2 of title III.

3 “(b) FORMS.—Not later than 90 days after the date
4 of enactment of this section, the Attorney General, in con-
5 sultation with the Secretary of State and the Secretary
6 of Health and Human Services, shall formulate an affida-
7 vit of support consistent with the provisions of this sec-
8 tion.

9 “(c) REMEDIES.—Remedies available to enforce an
10 affidavit of support under this section include any or all
11 of the remedies described in section 3201, 3203, 3204,
12 or 3205 of title 28, United States Code, as well as an
13 order for specific performance and payment of legal fees
14 and other costs of collection, and include corresponding
15 remedies available under State law. A Federal agency may
16 seek to collect amounts owed under this section in accord-
17 ance with the provisions of subchapter II of chapter 37
18 of title 31, United States Code.

19 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—

20 “(1) IN GENERAL.—The sponsor shall notify
21 the Attorney General and the State in which the
22 sponsored alien is currently resident within 30 days
23 of any change of address of the sponsor during the
24 period specified in subsection (a)(2).

1 “(2) PENALTY.—Any person subject to the re-
2 quirement of paragraph (1) who fails to satisfy such
3 requirement shall be subject to a civil penalty of—

4 “(A) not less than \$250 or more than
5 \$2,000, or

6 “(B) if such failure occurs with knowledge
7 that the alien has received any means-tested
8 public benefit, not less than \$2,000 or more
9 than \$5,000.

10 “(e) REIMBURSEMENT OF GOVERNMENT EX-
11 PENSES.—(1)(A) Upon notification that a sponsored alien
12 has received any benefit under any means-tested public
13 benefits program, the appropriate Federal, State, or local
14 official shall request reimbursement by the sponsor in the
15 amount of such assistance.

16 “(B) The Attorney General, in consultation with the
17 Secretary of Health and Human Services, shall prescribe
18 such regulations as may be necessary to carry out sub-
19 paragraph (A).

20 “(2) If within 45 days after requesting reimburse-
21 ment, the appropriate Federal, State, or local agency has
22 not received a response from the sponsor indicating a will-
23 ingness to commence payments, an action may be brought
24 against the sponsor pursuant to the affidavit of support.

1 “(3) If the sponsor fails to abide by the repayment
2 terms established by such agency, the agency may, within
3 60 days of such failure, bring an action against the spon-
4 sor pursuant to the affidavit of support.

5 “(4) No cause of action may be brought under this
6 subsection later than 10 years after the alien last received
7 any benefit under any means-tested public benefits pro-
8 gram.

9 “(5) If, pursuant to the terms of this subsection, a
10 Federal, State, or local agency requests reimbursement
11 from the sponsor in the amount of assistance provided,
12 or brings an action against the sponsor pursuant to the
13 affidavit of support, the appropriate agency may appoint
14 or hire an individual or other person to act on behalf of
15 such agency acting under the authority of law for purposes
16 of collecting any moneys owed. Nothing in this subsection
17 shall preclude any appropriate Federal, State, or local
18 agency from directly requesting reimbursement from a
19 sponsor for the amount of assistance provided, or from
20 bringing an action against a sponsor pursuant to an affi-
21 davit of support.

22 “(f) DEFINITIONS.—For the purposes of this sec-
23 tion—

24 “(1) SPONSOR.—The term ‘sponsor’ means an
25 individual who—

1 “(A) is a citizen or national of the United
2 States or an alien who is lawfully admitted to
3 the United States for permanent residence;

4 “(B) is 18 years of age or over;

5 “(C) is domiciled in any of the 50 States
6 or the District of Columbia; and

7 “(D) is the person petitioning for the ad-
8 mission of the alien under section 204.

9 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
10 GRAM.—The term ‘means-tested public benefits pro-
11 gram’ means a program of public benefits (including
12 cash, medical, housing, and food assistance and so-
13 cial services) of the Federal Government or of a
14 State or political subdivision of a State in which the
15 eligibility of an individual, household, or family eligi-
16 bility unit for benefits under the program, or the
17 amount of such benefits, or both are determined on
18 the basis of income, resources, or financial need of
19 the individual, household, or unit.”.

20 (b) CLERICAL AMENDMENT.—The table of contents
21 of such Act is amended by inserting after the item relating
22 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

23 (c) EFFECTIVE DATE.—Subsection (a) of section
24 213A of the Immigration and Nationality Act, as inserted
25 by subsection (a) of this section, shall apply to affidavits

1 of support executed on or after a date specified by the
2 Attorney General, which date shall be not earlier than 60
3 days (and not later than 90 days) after the date the Attor-
4 ney General formulates the form for such affidavits under
5 subsection (b) of such section.

6 (d) BENEFITS NOT SUBJECT TO REIMBURSE-
7 MENT.—Requirements for reimbursement by a sponsor for
8 benefits provided to a sponsored alien pursuant to an affi-
9 davit of support under section 213A of the Immigration
10 and Nationality Act shall not apply with respect to the
11 following:

12 (1) Emergency medical services under title XIX
13 of the Social Security Act.

14 (2) Short-term, non-cash, in-kind emergency
15 disaster relief.

16 (3) Assistance or benefits under the National
17 School Lunch Act.

18 (4) Assistance or benefits under the Child Nu-
19 trition Act of 1966.

20 (5) Public health assistance for immunizations
21 with respect to immunizable diseases and for testing
22 and treatment of symptoms of communicable dis-
23 eases whether or not such symptoms are caused by
24 a communicable disease.

1 (6) Payments for foster care and adoption as-
2 sistance under part B of title IV of the Social Secu-
3 rity Act for a child, but only if the foster or adoptive
4 parent or parents of such child are not otherwise in-
5 eligible pursuant to section 4403 of this Act.

6 (7) Programs, services, or assistance (such as
7 soup kitchens, crisis counseling and intervention,
8 and short-term shelter) specified by the Attorney
9 General, in the Attorney General's sole and
10 unreviewable discretion after consultation with ap-
11 propriate Federal agencies and departments, which
12 (A) deliver in-kind services at the community level,
13 including through public or private nonprofit agen-
14 cies; (B) do not condition the provision of assistance,
15 the amount of assistance provided, or the cost of as-
16 sistance provided on the individual recipient's in-
17 come or resources; and (C) are necessary for the
18 protection of life or safety.

19 (8) Programs of student assistance under titles
20 IV, V, IX, and X of the Higher Education Act of
21 1965.

22 (9) Benefits under the Head Start Act.

23 (10) Means-tested programs under the Elemen-
24 tary and Secondary Education Act of 1965.

1 (11) Benefits under the Job Training Partner-
2 ship Act.

3 **CHAPTER 4—GENERAL PROVISIONS**

4 **SEC. 4431. DEFINITIONS.**

5 (a) IN GENERAL.—Except as otherwise provided in
6 this subtitle, the terms used in this subtitle have the same
7 meaning given such terms in section 101(a) of the Immi-
8 gration and Nationality Act.

9 (b) QUALIFIED ALIEN.—For purposes of this sub-
10 title, the term “qualified alien” means an alien who, at
11 the time the alien applies for, receives, or attempts to re-
12 ceive a Federal public benefit, is—

13 (1) an alien who is lawfully admitted for perma-
14 nent residence under the Immigration and National-
15 ity Act,

16 (2) an alien who is granted asylum under sec-
17 tion 208 of such Act,

18 (3) a refugee who is admitted to the United
19 States under section 207 of such Act,

20 (4) an alien who is paroled into the United
21 States under section 212(d)(5) of such Act for a pe-
22 riod of at least 1 year,

23 (5) an alien whose deportation is being withheld
24 under section 243(h) of such Act, or

1 (6) an alien who is granted conditional entry
2 pursuant to section 203(a)(7) of such Act as in ef-
3 fect prior to April 1, 1980.

4 **SEC. 4432. VERIFICATION OF ELIGIBILITY FOR FEDERAL**
5 **PUBLIC BENEFITS.**

6 (a) **IN GENERAL.**—Not later than 18 months after
7 the date of the enactment of this Act, the Attorney Gen-
8 eral of the United States, after consultation with the Sec-
9 retary of Health and Human Services, shall promulgate
10 regulations requiring verification that a person applying
11 for a Federal public benefit (as defined in section
12 4401(c)), to which the limitation under section 4401 ap-
13 plies, is a qualified alien and is eligible to receive such
14 benefit. Such regulations shall, to the extent feasible, re-
15 quire that information requested and exchanged be similar
16 in form and manner to information requested and ex-
17 changed under section 1137 of the Social Security Act.

18 (b) **STATE COMPLIANCE.**—Not later than 24 months
19 after the date the regulations described in subsection (a)
20 are adopted, a State that administers a program that pro-
21 vides a Federal public benefit shall have in effect a ver-
22 ification system that complies with the regulations.

23 (c) **AUTHORIZATION OF APPROPRIATIONS.**—There
24 are authorized to be appropriated such sums as may be
25 necessary to carry out the purpose of this section.

1 **SEC. 4433. STATUTORY CONSTRUCTION.**

2 (a) **LIMITATION.**—

3 (1) Nothing in this subtitle may be construed
4 as an entitlement or a determination of an individ-
5 ual's eligibility or fulfillment of the requisite require-
6 ments for any Federal, State, or local governmental
7 program, assistance, or benefits. For purposes of
8 this subtitle, eligibility relates only to the general
9 issue of eligibility or ineligibility on the basis of
10 alienage.

11 (2) Nothing in this subtitle may be construed
12 as addressing alien eligibility for a basic public edu-
13 cation as determined by the Supreme Court of the
14 United States under *Plyler v. Doe* (457 U.S.
15 202)(1982).

16 (b) **NOT APPLICABLE TO FOREIGN ASSISTANCE.**—

17 This subtitle does not apply to any Federal, State, or local
18 governmental program, assistance, or benefits provided to
19 an alien under any program of foreign assistance as deter-
20 mined by the Secretary of State in consultation with the
21 Attorney General.

22 (c) **SEVERABILITY.**—If any provision of this subtitle
23 or the application of such provision to any person or cir-
24 cumstance is held to be unconstitutional, the remainder
25 of this subtitle and the application of the provisions of

1 such to any person or circumstance shall not be affected
2 thereby.

3 **SEC. 4434. COMMUNICATION BETWEEN STATE AND LOCAL**
4 **GOVERNMENT AGENCIES AND THE IMMIGRA-**
5 **TION AND NATURALIZATION SERVICE.**

6 Notwithstanding any other provision of Federal,
7 State, or local law, no State or local government entity
8 may be prohibited, or in any way restricted, from sending
9 to or receiving from the Immigration and Naturalization
10 Service information regarding the immigration status,
11 lawful or unlawful, of an alien in the United States.

12 **SEC. 4435. QUALIFYING QUARTERS.**

13 For purposes of this subtitle, in determining the
14 number of qualifying quarters of coverage under title II
15 of the Social Security Act an alien shall be credited with—

16 (1) all of the qualifying quarters of coverage as
17 defined under title II of the Social Security Act
18 worked by a parent of such alien while the alien was
19 under age 18 if the parent did not receive any Fed-
20 eral means-tested public benefit (as defined in sec-
21 tion 4403(c)) during any such quarter, and

22 (2) all of the qualifying quarters worked by a
23 spouse of such alien during their marriage if the
24 spouse did not receive any Federal means-tested
25 public benefit (as defined in section 4403(c)) during

1 any such quarter and the alien remains married to
2 such spouse or such spouse is deceased.

3 **CHAPTER 5—CONFORMING AMENDMENTS**
4 **RELATING TO ASSISTED HOUSING**

5 **SEC. 4441. CONFORMING AMENDMENTS RELATING TO AS-**
6 **SISTED HOUSING.**

7 (a) LIMITATIONS ON ASSISTANCE.—Section 214 of
8 the Housing and Community Development Act of 1980
9 (42 U.S.C. 1436a) is amended—

10 (1) by striking “Secretary of Housing and
11 Urban Development” each place it appears and in-
12 serting “applicable Secretary”;

13 (2) in subsection (b), by inserting after “Na-
14 tional Housing Act,” the following: “the direct loan
15 program under section 502 of the Housing Act of
16 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or
17 542 of such Act, subtitle A of title III of the Cran-
18 ston-Gonzalez National Affordable Housing Act,”;

19 (3) in paragraphs (2) through (6) of subsection
20 (d), by striking “Secretary” each place it appears
21 and inserting “applicable Secretary”;

22 (4) in subsection (d), in the matter following
23 paragraph (6), by striking “the term ‘Secretary’”
24 and inserting “the term ‘applicable Secretary’”; and

1 (5) by adding at the end the following new sub-
2 section:

3 “(h) For purposes of this section, the term ‘applicable
4 Secretary’ means—

5 “(1) the Secretary of Housing and Urban De-
6 velopment, with respect to financial assistance ad-
7 ministered by such Secretary and financial assist-
8 ance under subtitle A of title III of the Cranston-
9 Gonzalez National Affordable Housing Act; and

10 “(2) the Secretary of Agriculture, with respect
11 to financial assistance administered by such Sec-
12 retary.”.

13 (b) CONFORMING AMENDMENTS.—Section 501(h) of
14 the Housing Act of 1949 (42 U.S.C. 1471(h)) is amend-
15 ed—

16 (1) by striking “(1)”;
17 (2) by striking “by the Secretary of Housing
18 and Urban Development”; and
19 (3) by striking paragraph (2).

1 **CHAPTER 6—EARNED INCOME CREDIT**
2 **DENIED TO UNAUTHORIZED EMPLOYEES**
3 **SEC. 4451. EARNED INCOME CREDIT DENIED TO INDIVID-**
4 **UALS NOT AUTHORIZED TO BE EMPLOYED IN**
5 **THE UNITED STATES.**

6 (a) IN GENERAL.—Section 32(c)(1) of the Internal
7 Revenue Code of 1986 (relating to individuals eligible to
8 claim the earned income credit) is amended by adding at
9 the end the following new subparagraph:

10 “(F) IDENTIFICATION NUMBER REQUIRE-
11 MENT.—The term ‘eligible individual’ does not
12 include any individual who does not include on
13 the return of tax for the taxable year—

14 “(i) such individual’s taxpayer identi-
15 fication number, and

16 “(ii) if the individual is married (with-
17 in the meaning of section 7703), the tax-
18 payer identification number of such indi-
19 vidual’s spouse.”.

20 (b) SPECIAL IDENTIFICATION NUMBER.—Section 32
21 of such Code is amended by adding at the end the follow-
22 ing new subsection:

23 “(l) IDENTIFICATION NUMBERS.—Solely for pur-
24 poses of subsections (c)(1)(F) and (c)(3)(D), a taxpayer
25 identification number means a social security number is-

1 sued to an individual by the Social Security Administra-
2 tion (other than a social security number issued pursuant
3 to clause (II) (or that portion of clause (III) that relates
4 to clause (II)) of section 205(c)(2)(B)(i) of the Social Se-
5 curity Act).”.

6 (c) EXTENSION OF PROCEDURES APPLICABLE TO
7 MATHEMATICAL OR CLERICAL ERRORS.—Section
8 6213(g)(2) of such Code (relating to the definition of
9 mathematical or clerical errors) is amended by striking
10 “and’ at the end of subparagraph (D), by striking the pe-
11 riod at the end of subparagraph (E) and inserting a
12 comma, and by inserting after subparagraph (E) the fol-
13 lowing new subparagraphs:

14 “(F) an omission of a correct taxpayer
15 identification number required under section 32
16 (relating to the earned income tax credit) to be
17 included on a return, and

18 “(G) an entry on a return claiming the
19 credit under section 32 with respect to net
20 earnings from self-employment described in sec-
21 tion 32(c)(2)(A) to the extent the tax imposed
22 by section 1401 (relating to self-employment
23 tax) on such net earnings has not been paid.”

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 1995.

4 **Subtitle E—Reform of Public**
5 **Housing**

6 **SEC. 4601. FRAUD UNDER MEANS-TESTED WELFARE AND**
7 **PUBLIC ASSISTANCE PROGRAMS.**

8 (a) IN GENERAL.—If an individual’s benefits under
9 a Federal, State, or local law relating to a means-tested
10 welfare or a public assistance program are reduced be-
11 cause of an act of fraud by the individual under the law
12 or program, the individual may not, for the duration of
13 the reduction, receive an increased benefit under any other
14 means-tested welfare or public assistance program for
15 which Federal funds are appropriated as a result of a de-
16 crease in the income of the individual (determined under
17 the applicable program) attributable to such reduction.

18 (b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS
19 FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For
20 purposes of subsection (a), the term “means-tested welfare
21 or public assistance program for which Federal funds are
22 appropriated” includes the food stamp program under the
23 Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any
24 program of public or assisted housing under title I of the
25 United States Housing Act of 1937 (42 U.S.C. 1437 et

1 seq.), and State programs funded under part A of title
2 IV of the Social Security Act (42 U.S.C. 601 et seq.).

3 **Subtitle F—Child Protection Block**
4 **Grant Programs and Foster**
5 **Care, Adoption Assistance, and**
6 **Independent Living Programs**

7 **CHAPTER 1—CHILD PROTECTION BLOCK**
8 **GRANT PROGRAM AND FOSTER CARE,**
9 **ADOPTION ASSISTANCE, AND INDE-**
10 **PENDENT LIVING PROGRAMS**

11 **Subchapter A—Block Grants to States for the**
12 **Protection of Children**

13 **SEC. 4701. ESTABLISHMENT OF PROGRAM.**

14 Title IV of the Social Security Act (42 U.S.C. 601
15 et seq.) is amended by striking part B and inserting the
16 following:

17 **“PART B—BLOCK GRANTS TO STATES FOR THE**
18 **PROTECTION OF CHILDREN**

19 **“SEC. 421. PURPOSE.**

20 “The purpose of this part is to enable eligible States
21 to carry out a child protection program to—

22 “(1) identify and assist families at risk of abus-
23 ing or neglecting their children;

24 “(2) operate a system for receiving reports of
25 abuse or neglect of children;

1 “(3) improve the intake, assessment, screening,
2 and investigation of reports of abuse and neglect;

3 “(4) enhance the general child protective sys-
4 tem by improving risk and safety assessment tools
5 and protocols;

6 “(5) improve legal preparation and representa-
7 tion, including procedures for appealing and re-
8 sponding to appeals of substantiated reports of
9 abuse and neglect;

10 “(6) provide support, treatment, and family
11 preservation services to families which are, or are at
12 risk of, abusing or neglecting their children;

13 “(7) support children who must be removed
14 from or who cannot live with their families;

15 “(8) make timely decisions about permanent liv-
16 ing arrangements for children who must be removed
17 from or who cannot live with their families;

18 “(9) provide for continuing evaluation and im-
19 provement of child protection laws, regulations, and
20 services;

21 “(10) develop and facilitate training protocols
22 for individuals mandated to report child abuse or ne-
23 glect; and

24 “(11) develop and enhance the capacity of com-
25 munity-based programs to integrate shared leader-

1 ship strategies between parents and professionals to
2 prevent and treat child abuse and neglect at the
3 neighborhood level.

4 **“SEC. 422. ELIGIBLE STATES.**

5 “(a) IN GENERAL.—As used in this part, the term
6 ‘eligible State’ means a State that has submitted to the
7 Secretary, not later than October 1, 1996, and every 3
8 years thereafter, a plan which has been signed by the chief
9 executive officer of the State and that includes the follow-
10 ing:

11 “(1) OUTLINE OF CHILD PROTECTION PRO-
12 GRAM.—A written document that outlines the activi-
13 ties the State intends to conduct to achieve the pur-
14 pose of this part, including the procedures to be
15 used for—

16 “(A) receiving and assessing reports of
17 child abuse or neglect;

18 “(B) investigating such reports;

19 “(C) with respect to families in which
20 abuse or neglect has been confirmed, providing
21 services or referral for services for families and
22 children where the State makes a determination
23 that the child may safely remain with the fam-
24 ily;

1 “(D) protecting children by removing them
2 from dangerous settings and ensuring their
3 placement in a safe environment;

4 “(E) providing training for individuals
5 mandated to report suspected cases of child
6 abuse or neglect;

7 “(F) protecting children in foster care;

8 “(G) promoting timely adoptions;

9 “(H) protecting the rights of families,
10 using adult relatives as the preferred placement
11 for children separated from their parents where
12 such relatives meet the relevant State child pro-
13 tection standards; and

14 “(I) providing services to individuals, fami-
15 lies, or communities, either directly or through
16 referral, that are aimed at preventing the occur-
17 rence of child abuse and neglect.

18 “(2) CERTIFICATION OF STATE LAW REQUIRING
19 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
20 A certification that the State has in effect laws that
21 require public officials and other professionals to re-
22 port, in good faith, actual or suspected instances of
23 child abuse or neglect.

24 “(3) CERTIFICATION OF PROCEDURES FOR
25 SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in
2 effect procedures for receiving and responding to re-
3 ports of child abuse or neglect, including the reports
4 described in paragraph (2), and for the immediate
5 screening, safety assessment, and prompt investiga-
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
9 GLECTED CHILDREN.—A certification that the State
10 has in effect procedures for the removal from fami-
11 lies and placement of abused or neglected children
12 and of any other child in the same household who
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMU-
15 NITY FROM PROSECUTION.—A certification that the
16 State has in effect laws requiring immunity from
17 prosecution under State and local laws and regula-
18 tions for individuals making good faith reports of
19 suspected or known instances of child abuse or ne-
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-
22 CEDURES RELATING TO APPEALS.—A certification
23 that not later than 2 years after the date of the en-
24 actment of this part, the State shall have laws and
25 procedures in effect affording individuals an oppor-

1 tunity to appeal an official finding of abuse or ne-
2 glect.

3 “(7) CERTIFICATION OF STATE PROCEDURES
4 FOR DEVELOPING AND REVIEWING WRITTEN PLANS
5 FOR PERMANENT PLACEMENT OF REMOVED CHIL-
6 DREN.—A certification that the State has in effect
7 procedures for ensuring that a written plan is pre-
8 pared for children who have been removed from their
9 families. Such plan shall specify the goals for achiev-
10 ing a permanent placement for the child in a timely
11 fashion, for ensuring that the written plan is re-
12 viewed every 6 months (until such placement is
13 achieved), and for ensuring that information about
14 such children is collected regularly and recorded in
15 case records, and include a description of such pro-
16 cedures.

17 “(8) CERTIFICATION OF STATE PROGRAM TO
18 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
19 tification that the State has in effect a program to
20 provide independent living services, for assistance in
21 making the transition to self-sufficient adulthood, to
22 individuals in the child protection program of the
23 State who are 16, but who are not 20 (or, at the op-
24 tion of the State, 22), years of age, and who do not
25 have a family to which to be returned.

1 “(9) CERTIFICATION OF STATE PROCEDURES
2 TO RESPOND TO REPORTING OF MEDICAL NEGLECT
3 OF DISABLED INFANTS.—

4 “(A) IN GENERAL.—A certification that
5 the State has in place for the purpose of re-
6 sponding to the reporting of medical neglect of
7 infants (including instances of withholding of
8 medically indicated treatment from disabled in-
9 fants with life-threatening conditions), proce-
10 dures or programs, or both (within the State
11 child protective services system), to provide
12 for—

13 “(i) coordination and consultation
14 with individuals designated by and within
15 appropriate health-care facilities;

16 “(ii) prompt notification by individ-
17 uals designated by and within appropriate
18 health-care facilities of cases of suspected
19 medical neglect (including instances of
20 withholding of medically indicated treat-
21 ment from disabled infants with life-threat-
22 ening conditions); and

23 “(iii) authority, under State law, for
24 the State child protective service to pursue
25 any legal remedies, including the authority

1 to initiate legal proceedings in a court of
2 competent jurisdiction, as may be nec-
3 essary to prevent the withholding of medi-
4 cally indicated treatment from disabled in-
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-
7 CATED TREATMENT.—As used in subparagraph
8 (A), the term ‘withholding of medically indi-
9 cated treatment’ means the failure to respond
10 to the infant’s life-threatening conditions by
11 providing treatment (including appropriate nu-
12 trition, hydration, and medication) which, in the
13 treating physician’s or physicians’ reasonable
14 medical judgment, will be most likely to be ef-
15 fective in ameliorating or correcting all such
16 conditions, except that such term does not in-
17 clude the failure to provide treatment (other
18 than appropriate nutrition, hydration, or medi-
19 cation) to an infant when, in the treating physi-
20 cian’s or physicians’ reasonable medical judg-
21 ment—

22 “(i) the infant is chronically and irre-
23 versibly comatose;

24 “(ii) the provision of such treatment
25 would—

1 “(I) merely prolong dying;

2 “(II) not be effective in amelio-
3 rating or correcting all of the infant’s
4 life-threatening conditions; or

5 “(III) otherwise be futile in
6 terms of the survival of the infant; or

7 “(iii) the provision of such treatment
8 would be virtually futile in terms of the
9 survival of the infant and the treatment it-
10 self under such circumstances would be in-
11 humane.

12 “(10) IDENTIFICATION OF CHILD PROTECTION
13 GOALS.—The quantitative goals of the State child
14 protection program.

15 “(11) CERTIFICATION OF CHILD PROTECTION
16 STANDARDS.—With respect to fiscal years beginning
17 on or after April 1, 1996, a certification that the
18 State—

19 “(A) has completed an inventory of all
20 children who, before the inventory, had been in
21 foster care under the responsibility of the State
22 for 6 months or more, which determined—

23 “(i) the appropriateness of, and neces-
24 sity for, the foster care placement;

1 “(ii) whether the child could or should
2 be returned to the parents of the child or
3 should be freed for adoption or other per-
4 manent placement; and

5 “(iii) the services necessary to facili-
6 tate the return of the child or the place-
7 ment of the child for adoption or legal
8 guardianship;

9 “(B) is operating, to the satisfaction of the
10 Secretary—

11 “(i) a statewide information system
12 from which can be readily determined the
13 status, demographic characteristics, loca-
14 tion, and goals for the placement of every
15 child who is (or, within the immediately
16 preceding 12 months, has been) in foster
17 care;

18 “(ii) a case review system for each
19 child receiving foster care under the super-
20 vision of the State;

21 “(iii) a service program designed to
22 help children—

23 “(I) where appropriate, return to
24 families from which they have been
25 removed; or

1 “(II) be placed for adoption, with
2 a legal guardian, or if adoption or
3 legal guardianship is determined not
4 to be appropriate for a child, in some
5 other planned, permanent living ar-
6 rangement; and

7 “(iv) a preplacement preventive serv-
8 ices program designed to help children at
9 risk for foster care placement remain with
10 their families; and

11 “(C)(i) has reviewed (or not later than Oc-
12 tober 1, 1997, will review) State policies and
13 administrative and judicial procedures in effect
14 for children abandoned at or shortly after birth
15 (including policies and procedures providing for
16 legal representation of such children); and

17 “(ii) is implementing (or not later than Oc-
18 tober 1, 1997, will implement) such policies and
19 procedures as the State determines, on the
20 basis of the review described in clause (i), to be
21 necessary to enable permanent decisions to be
22 made expeditiously with respect to the place-
23 ment of such children.

24 “(12) CERTIFICATION OF REASONABLE EF-
25 FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1 TER CARE.—A certification that the State in each
2 case will—

3 “(A) make reasonable efforts prior to the
4 placement of a child in foster care, to prevent
5 or eliminate the need for removal of the child
6 from the child’s home, and to make it possible
7 for the child to return home; and

8 “(B) with respect to families in which
9 abuse or neglect has been confirmed, provide
10 services or referral for services for families and
11 children where the State makes a determination
12 that the child may safely remain with the fam-
13 ily.

14 “(13) CERTIFICATION OF COOPERATIVE EF-
15 FORTS.—A certification by the State, where appro-
16 priate, that all steps will be taken, including cooper-
17 ative efforts with the State agencies administering
18 the plans approved under parts A and D, to secure
19 an assignment to the State of any rights to support
20 on behalf of each child receiving foster care mainte-
21 nance payments under part E.

22 “(14) CERTIFICATION OF CONFIDENTIALITY
23 AND REQUIREMENTS FOR INFORMATION DISCLO-
24 SURE.—

1 “(A) IN GENERAL.—A certification that
2 the State has in effect and operational—

3 “(i) requirements ensuring that re-
4 ports and records made and maintained
5 pursuant to the purposes of this part shall
6 only be made available to—

7 “(I) individuals who are the sub-
8 ject of the report;

9 “(II) Federal, State, or local gov-
10 ernment entities, or any agent of such
11 entities, having a need for such infor-
12 mation in order to carry out their re-
13 sponsibilities under law to protect
14 children from abuse and neglect;

15 “(III) child abuse citizen review
16 panels;

17 “(IV) child fatality review panels;

18 “(V) a grand jury or court, upon
19 a finding that information in the
20 record is necessary for the determina-
21 tion of an issue before the court or
22 grand jury; and

23 “(VI) other entities or classes of
24 individuals statutorily authorized by
25 the State to receive such information

1 pursuant to a legitimate State pur-
2 pose; and

3 “(ii) provisions that allow for public
4 disclosure of the findings or information
5 about cases of child abuse or neglect that
6 have resulted in a child fatality or near fa-
7 tality.

8 “(B) LIMITATION.—Disclosures made pur-
9 suant to clause (i) or (ii) shall not include the
10 identifying information concerning the individ-
11 ual initiating a report or complaint alleging sus-
12 pected instances of child abuse or neglect.

13 “(C) DEFINITION.—For purposes of this
14 paragraph, the term ‘near fatality’ means an
15 act that, as certified by a physician, places the
16 child in serious or critical condition.

17 “(b) DETERMINATIONS.—The Secretary shall deter-
18 mine whether a plan submitted pursuant to subsection (a)
19 contains the material required by subsection (a), other
20 than the material described in paragraph (9) of such sub-
21 section. The Secretary may not require a State to include
22 in such a plan any material not described in subsection
23 (a).

24 **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

25 “(a) FUNDING OF BLOCK GRANTS.—

1 “(1) ENTITLEMENT COMPONENT.—

2 “(A) ELIGIBLE STATES.—Each eligible
3 State shall be entitled to receive from the Sec-
4 retary for each fiscal year specified in sub-
5 section (b)(1) a grant in an amount equal to
6 the State share of 99 percent of the child pro-
7 tection amount for the fiscal year.

8 “(B) INDIAN TRIBES AND TRIBAL ORGANI-
9 ZATIONS.—The Secretary shall reserve for pay-
10 ments to Indian tribes (as defined in section
11 658P(7) of the Child Care and Development
12 Block Grant Act of 1990) and tribal organiza-
13 tions (as defined in section 658P(14) of such
14 Act) for each fiscal year specified in subsection
15 (b)(1) an amount equal to 1 percent of the
16 child protection amount for the fiscal year.

17 “(2) AUTHORIZATION COMPONENT.—

18 “(A) IN GENERAL.—

19 “(i) ELIGIBLE STATES.—For each eli-
20 gible State for each fiscal year specified in
21 subsection (b)(1), the Secretary shall sup-
22 plement the grant under paragraph (1)(A)
23 of this subsection by an amount equal to
24 the State share of 99.64 percent of the
25 amount (if any) appropriated pursuant to

1 subparagraph (B) of this paragraph for
2 the fiscal year.

3 “(ii) INDIAN TRIBES AND TRIBAL OR-
4 GANIZATIONS.—The Secretary shall sup-
5 plement the amount reserved for payments
6 pursuant to paragraph (1)(B) of this sub-
7 section for each fiscal year specified in
8 subsection (b)(1), by an amount equal to
9 0.36 percent of the amount (if any) appro-
10 priated pursuant to subparagraph (B) of
11 this paragraph for the fiscal year.

12 “(B) LIMITATION ON AUTHORIZATION OF
13 APPROPRIATIONS.—For grants under subpara-
14 graph (A), there are authorized to be appro-
15 priated to the Secretary an amount not to ex-
16 ceed \$325,000,000 for each fiscal year specified
17 in subsection (b)(1).

18 “(b) DEFINITIONS.—As used in this section:

19 “(1) CHILD PROTECTION AMOUNT.—The term
20 ‘child protection amount’ means—

21 “(A) \$240,000,000 for fiscal year 1997;

22 “(B) \$255,000,000 for fiscal year 1998;

23 “(C) \$262,000,000 for fiscal year 1999;

24 “(D) \$270,000,000 for fiscal year 2000;

1 “(E) \$278,000,000 for fiscal year 2001;

2 and

3 “(F) \$286,000,000 for fiscal year 2002;

4 “(2) STATE SHARE.—

5 “(A) IN GENERAL.—The term ‘State
6 share’ means the qualified child protection ex-
7 penses of the State divided by the sum of the
8 qualified child protection expenses of all of the
9 States.

10 “(B) QUALIFIED CHILD PROTECTION EX-
11 PENSES.—The term ‘qualified child protection
12 expenses’ means, with respect to a State the
13 greater of—

14 “(i) the total amount of one-third of
15 the Federal grant amounts to the State
16 under the provisions of law specified in
17 clauses (i) and (ii) of subparagraph (C) for
18 fiscal years 1992, 1993, and 1994; or

19 “(ii) the total amount of the Federal
20 grant amounts to the State under the pro-
21 visions of law specified in clauses (i) and
22 (ii) of subparagraph (C) for fiscal year
23 1994.

24 “(C) PROVISIONS OF LAW.—The provisions
25 of law specified in this subparagraph are the

1 following (as in effect with respect to each of
2 the fiscal years referred to in subparagraph
3 (B)):

4 “(i) Section 423 of this Act.

5 “(ii) Section 434 of this Act.

6 “(D) DETERMINATION OF INFORMA-
7 TION.—In determining amounts for fiscal years
8 1992, 1993, and 1994 under clauses (i) and (ii)
9 of subparagraph (B), the Secretary shall use in-
10 formation listed as actual amounts in the Jus-
11 tification for Estimates for Appropriation Com-
12 mittees of the Administration for Children and
13 Families for fiscal years 1994, 1995, and 1996,
14 respectively.

15 “(c) USE OF GRANT.—

16 “(1) IN GENERAL.—A State to which a grant
17 is made under this section may use the grant in any
18 manner that the State deems appropriate to accom-
19 plish the purpose of this part.

20 “(2) TIMING OF EXPENDITURES.—A State to
21 which a grant is made under this section for a fiscal
22 year shall expend the total amount of the grant not
23 later than the end of the immediately succeeding fis-
24 cal year.

1 “(3) RULE OF INTERPRETATION.—This part
2 shall not be interpreted to prohibit short- and long-
3 term foster care facilities operated for profit from
4 receiving funds provided under this part or part E.

5 “(4) PROHIBITION AGAINST USE OF FUNDS FOR
6 FOSTER CARE MAINTENANCE OR ADOPTION ASSIST-
7 ANCE PAYMENTS.—Funds provided under this part
8 shall not be used to make foster care maintenance
9 payments or adoption assistance payments under
10 any State plan approved under part E.

11 “(d) TIMING OF PAYMENTS.—The Secretary shall
12 pay each eligible State the amount of the grant payable
13 to the State under this section in quarterly installments.

14 “(e) PENALTIES.—

15 “(1) FOR USE OF GRANT IN VIOLATION OF
16 THIS PART.—If an audit conducted pursuant to
17 chapter 75 of title 31, United States Code, finds
18 that an amount paid to a State under this section
19 for a fiscal year has been used in violation of this
20 part, then the Secretary shall reduce the amount of
21 the grant that would (in the absence of this para-
22 graph) be payable to the State under this section
23 for the immediately succeeding fiscal year by the
24 amount so used, plus 5 percent of the grant paid
25 under this section to the State for such fiscal year.

1 “(2) FOR FAILURE TO MAINTAIN EFFORT.—

2 “(A) IN GENERAL.—If an audit conducted
3 pursuant to chapter 75 of title 31, United
4 States Code, finds that the amount expended by
5 a State (other than from amounts provided by
6 the Federal Government) during the fiscal years
7 specified in subparagraph (B), to carry out the
8 State program funded under this part is less
9 than the applicable percentage specified in such
10 subparagraph of the total amount expended by
11 the State (other than from amounts provided by
12 the Federal Government) during fiscal year
13 1994 under part B of this title (as in effect on
14 the day before the date of the enactment of this
15 part), then the Secretary shall reduce the
16 amount of the grant that would (in the absence
17 of this paragraph) be payable to the State
18 under this section for the immediately succeed-
19 ing fiscal year by the amount of the difference,
20 plus 5 percent of the grant paid under this sec-
21 tion to the State for such fiscal year.

22 “(B) SPECIFICATION OF FISCAL YEARS
23 AND APPLICABLE PERCENTAGES.—The fiscal
24 years and applicable percentages specified in
25 this subparagraph are as follows:

1 “(i) For fiscal years 1997 and 1998,
2 100 percent.

3 “(ii) For fiscal years 1999 through
4 2002, 75 percent.

5 “(3) FOR FAILURE TO SUBMIT REQUIRED RE-
6 PORT.—

7 “(A) IN GENERAL.—The Secretary shall
8 reduce by 3 percent the amount of the grant
9 that would (in the absence of this paragraph)
10 be payable to a State under this section for a
11 fiscal year if the Secretary determines that the
12 State has not submitted the report required by
13 section 424 for the immediately preceding fiscal
14 year, within 6 months after the end of the im-
15 mediately preceding fiscal year.

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

22 “(4) STATE FUNDS TO REPLACE REDUCTIONS
23 IN GRANT.—A State which has a penalty imposed
24 against it under this subsection for a fiscal year
25 shall expend additional State funds in an amount

1 equal to the amount of the penalty for the purpose
2 of carrying out the State program under this part
3 during the immediately succeeding fiscal year.

4 “(5) REASONABLE CAUSE EXCEPTION.—Except
5 in the case of the penalty described in paragraph
6 (2), the Secretary may not impose a penalty on a
7 State under this subsection with respect to a re-
8 quirement if the Secretary determines that the State
9 has reasonable cause for failing to comply with the
10 requirement.

11 “(6) CORRECTIVE COMPLIANCE PLAN.—

12 “(A) IN GENERAL.—

13 “(i) NOTIFICATION OF VIOLATION.—

14 Before imposing a penalty against a State
15 under this subsection with respect to a vio-
16 lation of this part, the Secretary shall no-
17 tify the State of the violation and allow the
18 State the opportunity to enter into a cor-
19 rective compliance plan in accordance with
20 this paragraph which outlines how the
21 State will correct the violation and how the
22 State will insure continuing compliance
23 with this part.

24 “(ii) 60-DAY PERIOD TO PROPOSE A
25 CORRECTIVE COMPLIANCE PLAN.—During

1 the 60-day period that begins on the date
2 the State receives a notice provided under
3 clause (i) with respect to a violation, the
4 State may submit to the Federal Govern-
5 ment a corrective compliance plan to cor-
6 rect the violation.

7 “(iii) CONSULTATION ABOUT MODI-
8 FICATIONS.—During the 60-day period
9 that begins with the date the Secretary re-
10 ceives a corrective compliance plan submit-
11 ted by a State in accordance with clause
12 (ii), the Secretary may consult with the
13 State on modifications to the plan.

14 “(iv) ACCEPTANCE OF PLAN.—A cor-
15 rective compliance plan submitted by a
16 State in accordance with clause (ii) is
17 deemed to be accepted by the Secretary if
18 the Secretary does not accept or reject the
19 plan during the 60-day period that begins
20 on the date the plan is submitted.

21 “(B) EFFECT OF CORRECTING VIOLA-
22 TION.—The Secretary may not impose any pen-
23 alty under this subsection with respect to any
24 violation covered by a State corrective compli-

1 ance plan accepted by the Secretary if the State
2 corrects the violation pursuant to the plan.

3 “(C) EFFECT OF FAILING TO CORRECT
4 VIOLATION.—The Secretary shall assess some
5 or all of a penalty imposed on a State under
6 this subsection with respect to a violation if the
7 State does not, in a timely manner, correct the
8 violation pursuant to a State corrective compli-
9 ance plan accepted by the Secretary.

10 “(7) LIMITATION ON AMOUNT OF PENALTY.—

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

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

24 “(f) TREATMENT OF TERRITORIES.—

1 “(1) IN GENERAL.—A territory, as defined in
2 section 1108(b)(1), shall carry out a child protection
3 program in accordance with the provisions of this
4 part.

5 “(2) PAYMENTS.—Subject to the mandatory
6 ceiling amounts specified in section 1108, each terri-
7 tory, as so defined, shall be entitled to receive from
8 the Secretary for any fiscal year an amount equal to
9 the total obligations to the territory under section
10 434 (as in effect on the day before the date of the
11 enactment of this part) for fiscal year 1995.

12 “(g) LIMITATION ON FEDERAL AUTHORITY.—Except
13 as expressly provided in this Act, the Secretary may not
14 regulate the conduct of States under this part or enforce
15 any provision of this part.

16 **“SEC. 424. DATA COLLECTION AND REPORTING.**

17 “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA
18 SYSTEM.—The Secretary shall establish a national data
19 collection and analysis program—

20 “(1) which, to the extent practicable, coordi-
21 nates existing State child abuse and neglect reports
22 and which shall include—

23 “(A) standardized data on substantiated,
24 as well as false, unfounded, or unsubstantiated
25 reports; and

1 “(B) information on the number of deaths
2 due to child abuse and neglect; and

3 “(2) which shall collect, compile, analyze, and
4 make available State child abuse and neglect report-
5 ing information which, to the extent practical, is uni-
6 versal and case-specific and integrated with other
7 case-based foster care and adoption data collected by
8 the Secretary.

9 “(b) ADOPTION AND FOSTER CARE AND ANALYSIS
10 AND REPORTING SYSTEMS.—The Secretary shall imple-
11 ment a system for the collection of data relating to adop-
12 tion and foster care in the United States. Such data collec-
13 tion system shall—

14 “(1) avoid unnecessary diversion of resources
15 from agencies responsible for adoption and foster
16 care;

17 “(2) assure that any data that is collected is re-
18 liable and consistent over time and among jurisdic-
19 tions through the use of uniform definitions and
20 methodologies;

21 “(3) provide comprehensive national informa-
22 tion with respect to—

23 “(A) the demographic characteristics of
24 adoptive and foster children and their biological
25 and adoptive or foster parents;

1 “(B) the status of the foster care popu-
2 lation (including the number of children in fos-
3 ter care, length of placement, type of place-
4 ment, availability for adoption, and goals for
5 ending or continuing foster care);

6 “(C) the number and characteristics of—

7 “(i) children placed in or removed
8 from foster care;

9 “(ii) children adopted or with respect
10 to whom adoptions have been terminated;
11 and

12 “(iii) children placed in foster care
13 outside the State which has placement and
14 care responsibility; and

15 “(D) the extent and nature of assistance
16 provided by Federal, State, and local adoption
17 and foster care programs and the characteris-
18 tics of the children with respect to whom such
19 assistance is provided; and

20 “(4) utilize appropriate requirements and incen-
21 tives to ensure that the system functions reliably
22 throughout the United States.

23 “(c) ADDITIONAL INFORMATION.—The Secretary
24 may require the provision of additional information under
25 the data collection system established under subsection (b)

1 if the addition of such information is agreed to by a major-
2 ity of the States.

3 “(d) ANNUAL REPORT BY THE SECRETARY.—Not
4 later than 6 months after the end of each fiscal year, the
5 Secretary shall prepare a report based on information pro-
6 vided by the States for the fiscal year pursuant to this
7 section, and shall make the report and such information
8 available to the Congress and the public.

9 **“SEC. 425. FUNDING FOR STUDIES OF CHILD WELFARE.**

10 “(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD
11 WELFARE.—There are authorized to be appropriated and
12 there are appropriated to the Secretary for each of fiscal
13 years 1996 through 2002—

14 “(1) \$6,000,000 to conduct a national study
15 based on random samples of children who are at risk
16 of child abuse or neglect, or are determined by
17 States to have been abused or neglected under sec-
18 tion 208 of the Child and Family Services Block
19 Grant Act of 1996; and

20 “(2) \$10,000,000 for such other research as
21 may be necessary under such section.

22 “(b) ASSESSMENT OF STATE COURTS IMPROVEMENT
23 OF HANDLING OF PROCEEDINGS RELATING TO FOSTER
24 CARE AND ADOPTION.—There are authorized to be appro-
25 priated and there are appropriated to the Secretary for

1 each of fiscal years 1996 through 1998 \$10,000,000 for
2 the purpose of carrying out section 13712 of the Omnibus
3 Budget Reconciliation Act of 1993 (42 U.S.C. 670 note).
4 All funds appropriated under this subsection shall be ex-
5 pended not later than September 30, 1999.

6 **“SEC. 426. DEFINITIONS.**

7 “For purposes of this part and part E, the following
8 definitions shall apply:

9 “(1) ADMINISTRATIVE REVIEW.—The term ‘ad-
10 ministrative review’ means a review open to the par-
11 ticipation of the parents of the child, conducted by
12 a panel of appropriate persons at least one of whom
13 is not responsible for the case management of, or
14 the delivery of services to, either the child or the
15 parents who are the subject of the review.

16 “(2) ADOPTION ASSISTANCE AGREEMENT.—The
17 term ‘adoption assistance agreement’ means a writ-
18 ten agreement, binding on the parties to the agree-
19 ment, between the State, other relevant agencies,
20 and the prospective adoptive parents of a minor
21 child which at a minimum—

22 “(A) specifies the nature and amount of
23 any payments, services, and assistance to be
24 provided under such agreement; and

1 “(B) stipulates that the agreement shall
2 remain in effect regardless of the State of
3 which the adoptive parents are residents at any
4 given time.

5 The agreement shall contain provisions for the pro-
6 tection (under an interstate compact approved by
7 the Secretary or otherwise) of the interests of the
8 child in cases where the adoptive parents and child
9 move to another State while the agreement is effec-
10 tive.

11 “(3) CASE PLAN.—The term ‘case plan’ means
12 a written document which includes at least the fol-
13 lowing:

14 “(A) A description of the type of home or
15 institution in which a child is to be placed, in-
16 cluding a discussion of the appropriateness of
17 the placement and how the agency which is re-
18 sponsible for the child plans to carry out the
19 voluntary placement agreement entered into or
20 judicial determination made with respect to the
21 child in accordance with section 472(a)(1).

22 “(B) A plan for assuring that the child re-
23 ceives proper care and that services are pro-
24 vided to the parents, child, and foster parents
25 in order to improve the conditions in the par-

1 ents’ home, facilitate return of the child to his
2 or her own home or the permanent placement
3 of the child, and address the needs of the child
4 while in foster care, including a discussion of
5 the appropriateness of the services that have
6 been provided to the child under the plan.

7 “(C) To the extent available and acces-
8 sible, the health and education records of the
9 child, including—

10 “(i) the names and addresses of the
11 child’s health and educational providers;

12 “(ii) the child’s grade level perform-
13 ance;

14 “(iii) the child’s school record;

15 “(iv) assurances that the child’s place-
16 ment in foster care takes into account
17 proximity to the school in which the child
18 is enrolled at the time of placement;

19 “(v) a record of the child’s immuniza-
20 tions;

21 “(vi) the child’s known medical prob-
22 lems;

23 “(vii) the child’s medications; and

1 “(viii) any other relevant health and
2 education information concerning the child
3 determined to be appropriate by the State.

4 Where appropriate, for a child age 16 or over,
5 the case plan must also include a written de-
6 scription of the programs and services which
7 will help such child prepare for the transition
8 from foster care to independent living.

9 “(4) CASE REVIEW SYSTEM.—The term ‘case
10 review system’ means a procedure for assuring
11 that—

12 “(A) each child has a case plan designed to
13 achieve placement in the least restrictive (most
14 family-like) and most appropriate setting avail-
15 able and in close proximity to the parents’
16 home, consistent with the best interests and
17 special needs of the child, which—

18 “(i) if the child has been placed in a
19 foster family home or child-care institution
20 a substantial distance from the home of
21 the parents of the child, or in a State dif-
22 ferent from the State in which such home
23 is located, sets forth the reasons why such
24 placement is in the best interests of the
25 child; and

1 “(ii) if the child has been placed in
2 foster care outside the State in which the
3 home of the parents of the child is located,
4 requires that, periodically, but not less fre-
5 quently than every 12 months, a case-
6 worker on the staff of the State in which
7 the home of the parents of the child is lo-
8 cated, or of the State in which the child
9 has been placed, visit such child in such
10 home or institution and submit a report on
11 such visit to the State in which the home
12 of the parents of the child is located;

13 “(B) the status of each child is reviewed
14 periodically but no less frequently than once
15 every 6 months by either a court or by adminis-
16 trative review (as defined in paragraph (1)) in
17 order to determine the continuing necessity for
18 and appropriateness of the placement, the ex-
19 tent of compliance with the case plan, and the
20 extent of progress which has been made toward
21 alleviating or mitigating the causes necessitat-
22 ing placement in foster care, and to project a
23 likely date by which the child may be returned
24 to the home or placed for adoption or legal
25 guardianship;

1 “(C) with respect to each such child, pro-
2 cedural safeguards will be applied, among other
3 things, to assure each child in foster care under
4 the supervision of the State of a dispositional
5 hearing to be held, in a family or juvenile court
6 or another court (including a tribal court) of
7 competent jurisdiction, or by an administrative
8 body appointed or approved by the court, no
9 later than 18 months after the original place-
10 ment (and not less frequently than every 12
11 months thereafter during the continuation of
12 foster care), which hearing shall determine the
13 future status of the child (including whether the
14 child should be returned to the parent, should
15 be continued in foster care for a specified pe-
16 riod, should be placed for adoption, or should
17 (because of the child’s special needs or cir-
18 cumstances) be continued in foster care on a
19 permanent or long-term basis) and, in the case
20 of a child described in subparagraph (A)(ii),
21 whether the out-of-State placement continues to
22 be appropriate and in the best interests of the
23 child, and, in the case of a child who has at-
24 tained age 16, the services needed to assist the
25 child to make the transition from foster care to

1 independent living; and procedural safeguards
2 shall also be applied with respect to parental
3 rights pertaining to the removal of the child
4 from the home of his parents, to a change in
5 the child's placement, and to any determination
6 affecting visitation privileges of parents; and

7 “(D) a child's health and education record
8 (as described in paragraph (3)(C)) is reviewed
9 and updated, and supplied to the foster parent
10 or foster care provider with whom the child is
11 placed, at the time of each placement of the
12 child in foster care.

13 “(5) CHILD-CARE INSTITUTION.—The term
14 ‘child-care institution’ means a private child-care in-
15 stitution, or a public child-care institution which ac-
16 commodates no more than 25 children, which is li-
17 censed by the State in which it is situated or has
18 been approved, by the agency of such State respon-
19 sible for licensing or approval of institutions of this
20 type, as meeting the standards established for such
21 licensing, but the term shall not include detention
22 facilities, forestry camps, training schools, or any
23 other facility operated primarily for the detention of
24 children who are determined to be delinquent.

1 “(6) FOSTER CARE MAINTENANCE PAY-
2 MENTS.—

3 “(A) IN GENERAL.—The term ‘foster care
4 maintenance payments’ means payments to
5 cover the cost of (and the cost of providing)
6 food, clothing, shelter, daily supervision, school
7 supplies, a child’s personal incidentals, liability
8 insurance with respect to a child, and reason-
9 able travel to the child’s home for visitation. In
10 the case of institutional care, such term shall
11 include the reasonable costs of administration
12 and operation of such institution as are nec-
13 essarily required to provide the items described
14 in the preceding sentence.

15 “(B) SPECIAL RULE.—In cases where—

16 “(i) a child placed in a foster family
17 home or child-care institution is the parent
18 of a son or daughter who is in the same
19 home or institution; and

20 “(ii) payments described in subpara-
21 graph (A) are being made under this part
22 with respect to such child,
23 the foster care maintenance payments made
24 with respect to such child as otherwise deter-
25 mined under subparagraph (A) shall also in-

1 clude such amounts as may be necessary to
2 cover the cost of the items described in that
3 subparagraph with respect to such son or
4 daughter.

5 “(7) FOSTER FAMILY HOME.—The term ‘foster
6 family home’ means a foster family home for chil-
7 dren which is licensed by the State in which it is sit-
8 uated or has been approved, by the agency of such
9 State having responsibility for licensing homes of
10 this type, as meeting the standards established for
11 such licensing.

12 “(8) PARENTS.—The term ‘parents’ means bio-
13 logical or adoptive parents or legal guardians, as de-
14 termined by applicable State law.

15 “(9) STATE.—The term ‘State’ means the 50
16 States and the District of Columbia.

17 “(10) VOLUNTARY PLACEMENT.—The term
18 ‘voluntary placement’ means an out-of-home place-
19 ment of a minor, by or with participation of the
20 State, after the parents or guardians of the minor
21 have requested the assistance of the State and
22 signed a voluntary placement agreement.

23 “(11) VOLUNTARY PLACEMENT AGREEMENT.—
24 The term ‘voluntary placement agreement’ means a
25 written agreement, binding on the parties to the

1 agreement, between the State, any other agency act-
2 ing on its behalf, and the parents or guardians of a
3 minor child which specifies, at a minimum, the legal
4 status of the child and the rights and obligations of
5 the parents or guardians, the child, and the agency
6 while the child is in placement.”.

7 **SEC. 4702. CONFORMING AMENDMENTS.**

8 (a) AMENDMENTS TO PART D OF TITLE IV OF THE
9 SOCIAL SECURITY ACT.—

10 (1) Section 452(a)(10)(C) of the Social Security
11 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-
12 tion 4108(b)(2) of this Act, is amended by striking
13 “or under section 471(a)(17),”.

14 (2) Section 452(g)(2)(A) of such Act (42
15 U.S.C. 652(g)(2)(A)), as amended by paragraphs
16 (6) and (7) of section 4108(b) of this Act, is amend-
17 ed by inserting “or benefits or services for foster
18 care maintenance were being provided under the
19 State program funded under part E” after “part A”
20 each place it appears.

21 (3) Section 466(a)(3)(B) of such Act (42
22 U.S.C. 666(a)(3)(B)), as amended by section
23 4108(b)(14) of this Act, is amended by striking “or
24 471(a)(17)”.

1 (b) AMENDMENT TO SECTION 9442 OF THE OMNI-
 2 BUS BUDGET RECONCILIATION ACT OF 1986.—Section
 3 9442(4) of the Omnibus Budget Reconciliation Act of
 4 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as
 5 in effect before October 1, 1995)” after “Act”.

6 (c) REDESIGNATION AND AMENDMENTS OF SECTION
 7 1123.—

8 (1) REDESIGNATION.—The Social Security Act
 9 is amended by redesignating section 1123, the sec-
 10 ond place it appears (42 U.S.C. 1320a–1a), as sec-
 11 tion 1123A.

12 (2) AMENDMENTS.—Section 1123A of such
 13 Act, as so redesignated, is amended in subsection

14 (a)—

15 (A) by striking “The Secretary” and in-
 16 serting “Notwithstanding section 423(g), the
 17 Secretary”; and

18 (B) in paragraph (2), by inserting “under
 19 this section” after “promulgated”.

20 **Subchapter B—Foster Care, Adoption Assist-**
 21 **ance, and Independent Living Programs**

22 **SEC. 4711. CONFORMING AMENDMENTS TO PART E OF**
 23 **TITLE IV.**

24 (a) PURPOSE; APPROPRIATION.—Section 470 of the
 25 Social Security Act (42 U.S.C 670) is amended—

1 (1) by amending the heading to read as follows:

2 **“SEC. 470. PURPOSE; APPROPRIATION.”;** and

3 (2) in the second sentence, by striking “this
4 part” and inserting “section 422”.

5 (b) STATE PLAN FOR FOSTER CARE AND ADOPTION
6 ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671)
7 is amended to read as follows:

8 **“SEC. 471. ELIGIBLE STATES.**

9 “In order for a State to be eligible for payments
10 under this part, the State shall have submitted to the Sec-
11 retary a plan which satisfies the requirements of section
12 422.”.

13 (c) FOSTER CARE MAINTENANCE PAYMENTS PRO-
14 GRAM.—Section 472 of such Act (42 U.S.C. 672) is
15 amended to read as follows:

16 **“SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.**

17
18 “(a) IN GENERAL.—Each State operating a program
19 under this part shall make foster care maintenance pay-
20 ments, as defined in section 426(6) with respect to a child
21 who would meet the requirements of section 406(a) (as
22 in effect on the day before the date of the enactment of
23 the Personal Responsibility and Work Opportunity Act of
24 1996) or of section 407 (as so in effect) but for the re-

1 removal of the child from the home of a relative (specified
2 in section 406(a) (as so in effect)), if—

3 “(1) the removal from the home occurred pur-
4 suant to a voluntary placement agreement entered
5 into by the child’s parent or legal guardian, or was
6 the result of a judicial determination to the effect
7 that continuation therein would be contrary to the
8 welfare of such child and that reasonable efforts of
9 the type described in section 422(a)(12) have been
10 made;

11 “(2) such child’s placement and care are the re-
12 sponsibility of—

13 “(A) the State; or

14 “(B) any other public agency with which
15 the State has made an agreement for the ad-
16 ministration of the State program under this
17 part which is still in effect;

18 “(3) such child has been placed in a foster fam-
19 ily home or child-care institution as a result of the
20 voluntary placement agreement or judicial deter-
21 mination referred to in paragraph (1); and

22 “(4) such child—

23 “(A) would have been eligible to receive aid
24 under the eligibility standards under the State
25 plan approved under section 402 (as in effect

1 on the day before the date of the enactment of
2 this part and adjusted for inflation, in accord-
3 ance with regulations issued by the Secretary)
4 in or for the month in which such agreement
5 was entered into or court proceedings leading to
6 the removal of such child from the home were
7 initiated; or

8 “(B) would have received such aid in or for
9 such month if application had been made there-
10 for, or the child had been living with a relative
11 specified in section 406(a) (as so in effect)
12 within 6 months prior to the month in which
13 such agreement was entered into or such pro-
14 ceedings were initiated, and would have received
15 such aid in or for such month if in such month
16 such child had been living with such a relative
17 and application therefor had been made.

18 “(b) LIMITATION ON FOSTER CARE PAYMENTS.—
19 Foster care maintenance payments may be made under
20 this part only on behalf of a child described in subsection
21 (a) of this section who is—

22 “(1) in the foster family home of an individual,
23 whether the payments therefore are made to such in-
24 dividual or to a public or private child placement or
25 child-care agency; or

1 “(2) in a child-care institution, whether the
2 payments therefore are made to such institution or
3 to a public or private child-placement or child-care
4 agency, which payments shall be limited so as to in-
5 clude in such payments only those items which are
6 included in the term ‘foster care maintenance pay-
7 ments’ (as defined in section 426(6)).

8 “(c) VOLUNTARY PLACEMENTS.—

9 “(1) SATISFACTION OF CHILD PROTECTION
10 STANDARDS.—Notwithstanding any other provision
11 of this section, Federal payments may be made
12 under this part with respect to amounts expended by
13 any State as foster care maintenance payments
14 under this part, in the case of children removed
15 from their homes pursuant to voluntary placement
16 agreements as described in subsection (a), only if (at
17 the time such amounts were expended) the State has
18 fulfilled all of the requirements of section
19 422(a)(11).

20 “(2) REMOVAL IN EXCESS OF 180 DAYS.—No
21 Federal payment may be made under this part with
22 respect to amounts expended by any State as foster
23 care maintenance payments, in the case of any child
24 who was removed from such child’s home pursuant
25 to a voluntary placement agreement as described in

1 subsection (a) and has remained in voluntary place-
2 ment for a period in excess of 180 days, unless there
3 has been a judicial determination by a court of com-
4 petent jurisdiction (within the first 180 days of such
5 placement) that such placement is in the best inter-
6 ests of the child.

7 “(3) DEEMED REVOCATION OF AGREEMENTS.—

8 In any case where—

9 “(A) the placement of a minor child in fos-
10 ter care occurred pursuant to a voluntary place-
11 ment agreement entered into by the parents or
12 guardians of such child as provided in sub-
13 section (a); and

14 “(B) such parents or guardians request (in
15 such manner and form as the Secretary may
16 prescribe) that the child be returned to their
17 home or to the home of a relative,

18 the voluntary placement agreement shall be deemed
19 to be revoked unless the State opposes such request
20 and obtains a judicial determination, by a court of
21 competent jurisdiction, that the return of the child
22 to such home would be contrary to the child’s best
23 interests.

24 “(d) ELIGIBILITY FOR MEDICAL ASSISTANCE.—For
25 purposes of titles XIX and XX, any child with respect to

1 whom foster care maintenance payments are made under
2 this section is deemed to be a recipient of cash assistance
3 under part A of this title. For the purposes of the preced-
4 ing sentence, a child whose costs in a foster family home
5 or child-care institution are covered by the foster care
6 maintenance payments being made with respect to his or
7 her minor parent, as provided in section 426(6)(B), shall
8 be considered a child with respect to whom foster care
9 maintenance payments are made under this section.”.

10 (d) ADOPTION ASSISTANCE PROGRAM.—Section 473
11 of such Act (42 U.S.C. 673) is amended to read as follows:

12 **“SEC. 473. REQUIREMENTS FOR ADOPTION ASSISTANCE**
13 **PAYMENTS.**

14 “(a) IN GENERAL.—A State operating a program
15 under this part shall enter into adoption assistance agree-
16 ments with the adoptive parents of children with special
17 needs.

18 “(b) PAYMENTS UNDER AGREEMENTS.—

19 “(1) IN GENERAL.—Under any adoption assist-
20 ance agreement entered into by a State with parents
21 who adopt a child with special needs, the State—

22 “(A) shall make payments of nonrecurring
23 adoption expenses incurred by or on behalf of
24 such parents in connection with the adoption of
25 such child, directly through the State agency or

1 through another public or nonprofit private
2 agency, in amounts determined under sub-
3 section (e), and

4 “(B) in any case where the child meets the
5 requirements of subsection (d), may make adop-
6 tion assistance payments to such parents, di-
7 rectly through the State agency or through an-
8 other public or nonprofit private agency, in
9 amounts so determined.

10 “(2) DEFINITION OF NONRECURRING ADOPTION
11 EXPENSES.—

12 “(A) IN GENERAL.—For purposes of para-
13 graph (1)(A), the term ‘nonrecurring adoption
14 expenses’ means reasonable and necessary
15 adoption fees, court costs, attorney fees, and
16 other expenses which are directly related to the
17 legal adoption of a child with special needs and
18 which are not incurred in violation of State or
19 Federal law.

20 “(B) TREATMENT AS AN ADMINISTRATIVE
21 EXPENSE.—A State’s payment of nonrecurring
22 adoption expenses under an adoption assistance
23 agreement shall be treated as an expenditure
24 made for the proper and efficient administra-

1 tion of the State plan for purposes of section
2 474(a)(3)(E).

3 “(c) ELIGIBILITY FOR MEDICAL ASSISTANCE.—For
4 purposes of titles XIX and XX, any child—

5 “(1)(A) who is a child described in subsection
6 (b), and

7 “(B) with respect to whom an adoption assist-
8 ance agreement is in effect under this section
9 (whether or not adoption assistance payments are
10 provided under the agreement or are being made
11 under this section), including any such child who has
12 been placed for adoption in accordance with applica-
13 ble State and local law (whether or not an interlocu-
14 tory or other judicial decree of adoption has been is-
15 sued), or

16 “(2) with respect to whom foster care mainte-
17 nance payments are being made under section 472,
18 is deemed to be a recipient of cash assistance under part
19 A of this title in the State where such child resides. For
20 purposes of the preceding sentence, a child whose costs
21 in a foster family home or child-care institution are cov-
22 ered by the foster care maintenance payments being made
23 with respect to his or her minor parent, as provided in
24 section 426(6)(B), shall be considered a child with respect

1 to whom foster care maintenance payments are being
2 made under section 472.

3 “(d) CHILDREN WITH SPECIAL NEEDS.—For pur-
4 poses of subsection (b)(1)(B), a child meets the require-
5 ments of this subsection if such child—

6 “(1)(A) at the time adoption proceedings were
7 initiated, met the requirements of section 406(a) (as
8 in effect on the day before the date of the enactment
9 of the Personal Responsibility and Work Oppor-
10 tunity Act of 1996) or section 407 (as so in effect)
11 or would have met such requirements except for
12 such child’s removal from the home of a relative
13 (specified in section 406(a) (as so in effect)), either
14 pursuant to a voluntary placement agreement with
15 respect to which Federal payments are provided
16 under section 474 (or 403 (as so in effect)) or as
17 a result of a judicial determination to the effect that
18 continuation therein would be contrary to the wel-
19 fare of such child;

20 “(B) meets all of the requirements of title XVI
21 with respect to eligibility for supplemental security
22 income benefits; or

23 “(C) is a child whose costs in a foster family
24 home or child-care institution are covered by the fos-

1 ter care maintenance payments being made with re-
2 spect to his or her minor parent;

3 “(2)(A) would have received aid under the eligi-
4 bility standards under the State plan approved
5 under section 402 (as in effect on the day before the
6 date of the enactment of this part, adjusted for in-
7 flation, in accordance with regulations issued by the
8 Secretary) in or for the month in which such agree-
9 ment was entered into or court proceedings leading
10 to the removal of such child from the home were ini-
11 tiated;

12 “(B) would have received such aid in or for
13 such month if application had been made therefor,
14 or had been living with a relative specified in section
15 406(a) (as so in effect) within 6 months prior to the
16 month in which such agreement was entered into or
17 such proceedings were initiated, and would have re-
18 ceived such aid in or for such month if in such
19 month such child had been living with such a rel-
20 ative and application therefor had been made; or

21 “(C) is a child described in subparagraph (A)
22 or (B); and

23 “(3) has been determined by the State, pursu-
24 ant to subsection (h) of this section, to be a child
25 with special needs.

1 “(e) DETERMINATION OF PAYMENTS.—The amount
2 of the payments to be made in any case under subsection
3 (b) shall be determined through agreement between the
4 adoptive parents and the State or a public or nonprofit
5 private agency administering the program under this part,
6 which shall take into consideration the circumstances of
7 the adopting parents and the needs of the child being
8 adopted, and may be readjusted periodically, with the con-
9 currence of the adopting parents (which may be specified
10 in the adoption assistance agreement), depending upon
11 changes in such circumstances. However, in no case may
12 the amount of the adoption assistance payment exceed the
13 foster care maintenance payment which would have been
14 paid during the period if the child with respect to whom
15 the adoption assistance payment is made had been in a
16 foster family home.

17 “(f) PAYMENT EXCEPTION.—Notwithstanding sub-
18 section (e), no payment may be made to parents with re-
19 spect to any child who has attained the age of 18 (or,
20 where the State determines that the child has a mental
21 or physical disability which warrants the continuation of
22 assistance, the age of 21), and no payment may be made
23 to parents with respect to any child if the State determines
24 that the parents are no longer legally responsible for the
25 support of the child or if the State determines that the

1 child is no longer receiving any support from such parents.
2 Parents who have been receiving adoption assistance pay-
3 ments under this part shall keep the State or public or
4 nonprofit private agency administering the program under
5 this part informed of circumstances which would, pursu-
6 ant to this section, make them ineligible for such assist-
7 ance payments, or eligible for assistance payments in a
8 different amount.

9 “(g) PREADoption PAYMENTS.—For purposes of
10 this part, individuals with whom a child who has been de-
11 termined by the State, pursuant to subsection (h), to be
12 a child with special needs is placed for adoption in accord-
13 ance with applicable State and local law shall be eligible
14 for adoption assistance payments during the period of the
15 placement, on the same terms and subject to the same
16 conditions as if such individuals had adopted such child.

17 “(h) DETERMINATION OF CHILD WITH SPECIAL
18 NEEDS.—For purposes of this section, a child shall not
19 be considered a child with special needs unless—

20 “(1) the State has determined that the child
21 cannot or should not be returned to the home of the
22 child’s parents; and

23 “(2) the State had first determined—

24 “(A) that there exists with respect to the
25 child a specific factor or condition such as the

1 child's ethnic background, age, or membership
2 in a minority or sibling group, or the presence
3 of factors such as medical conditions or phys-
4 ical, mental, or emotional handicaps because of
5 which it is reasonable to conclude that such
6 child cannot be placed with adoptive parents
7 without providing adoption assistance under
8 this part or medical assistance under title XIX;
9 and

10 “(B) that, except where it would be
11 against the best interests of the child because
12 of such factors as the existence of significant
13 emotional ties with prospective adoptive parents
14 while in the care of such parents as a foster
15 child, a reasonable, but unsuccessful, effort has
16 been made to place the child with appropriate
17 adoptive parents without providing adoption as-
18 sistance under this section or medical assistance
19 under title XIX.”.

20 (e) PAYMENTS TO STATES; ALLOTMENTS TO
21 STATES.—Section 474 of such Act (42 U.S.C. 674) is
22 amended to read as follows:

23 **“SEC. 474. PAYMENTS TO STATES; ALLOTMENTS TO STATES.**

24 “(a) FOSTER CARE, ADOPTION ASSISTANCE, AND
25 INDEPENDENT LIVING PROGRAMS PAYMENTS.—Each eli-

1 gible State, as determined under section 471, shall be enti-
2 tled to receive from the Secretary for each quarter of each
3 fiscal year a payment equal to the sum of—

4 “(1) an amount equal to the Federal medical
5 assistance percentage (as defined in section 1905(b)
6 of this Act as in effect on the day before the date
7 of the enactment of the Personal Responsibility and
8 Work Opportunity Act of 1996) of the total amount
9 expended during such quarter as foster care mainte-
10 nance payments under the child protection program
11 under this part for children in foster family homes
12 or child-care institutions; plus

13 “(2) an amount equal to the Federal medical
14 assistance percentage (as defined in section 1905(b)
15 of this Act (as so in effect)) of the total amount ex-
16 pended during such quarter as adoption assistance
17 payments under the child protection program under
18 this part pursuant to adoption assistance agree-
19 ments; plus

20 “(3) an amount equal to the sum of the follow-
21 ing proportions of the total amounts expended dur-
22 ing such quarter as found necessary by the Sec-
23 retary for the provision of child placement services
24 and for the proper and efficient administration of

1 the State foster care and adoption assistance pro-
2 gram—

3 “(A) 75 percent of so much of such ex-
4 penditures as are for the training (including
5 both short and long-term training at edu-
6 cational institutions through grants to such in-
7 stitutions or by direct financial assistance to
8 students enrolled in such institutions) of per-
9 sonnel employed or preparing for employment
10 by the State agency or by the local agency ad-
11 ministering the plan in the political subdivision;

12 “(B) 75 percent of so much of such ex-
13 penditures (including travel and per diem ex-
14 penses) as are for the short-term training of
15 current or prospective foster or adoptive par-
16 ents and the members of the staff of State-li-
17 censed or State-approved child care institutions
18 providing care to foster and adopted children
19 receiving assistance under this part, in ways
20 that increase the ability of such current or pro-
21 spective parents, staff members, and institu-
22 tions to provide support and assistance to foster
23 and adopted children, whether incurred directly
24 by the State or by contract;

1 “(C) 50 percent (or, if the quarter is in
2 fiscal year 1997, 75 percent) of so much of
3 such expenditures as are for the planning, de-
4 sign, development, or installation of statewide
5 mechanized data collection and information re-
6 trieval systems (including 50 percent (or, if the
7 quarter is in fiscal year 1997, 75 percent) of
8 the full amount of expenditures for hardware
9 components for such systems) but only to the
10 extent that such systems—

11 “(i) meet the requirements imposed
12 by regulations;

13 “(ii) to the extent practicable, are ca-
14 pable of interfacing with the State data
15 collection system that collects information
16 relating to child abuse and neglect;

17 “(iii) to the extent practicable, have
18 the capability of interfacing with, and re-
19 trieving information from, the State data
20 collection system that collects information
21 relating to the eligibility of individuals
22 under part A (for the purposes of facilitat-
23 ing verification of eligibility of foster chil-
24 dren); and

1 “(iv) are determined by the Secretary
2 to be likely to provide more efficient, eco-
3 nomical, and effective administration of
4 the programs carried out under a State
5 plan approved under this part;

6 “(D) 50 percent of so much of such ex-
7 penditures as are for the operation of the state-
8 wide mechanized data collection and informa-
9 tion retrieval systems referred to in subpara-
10 graph (C); and

11 “(E) one-half of the remainder of such ex-
12 penditures; plus

13 “(4) an amount equal to the sum of—

14 “(A) so much of the amounts expended by
15 such State to carry out a program under sec-
16 tion 476, as do not exceed the basic amount for
17 such State determined under subsection (e)(1)
18 of such section; and

19 “(B) the lesser of—

20 “(i) one-half of any additional
21 amounts expended by such State for such
22 programs; or

23 “(ii) the maximum additional amount
24 for such State under subsection (e)(1) of
25 such section.

1 “(b) AUTOMATED DATA COLLECTION EXPENDI-
2 TURES.—The Secretary shall treat as necessary for the
3 proper and efficient administration of the State plan all
4 expenditures of a State necessary in order for the State
5 to plan, design, develop, install, and operate data collec-
6 tion and information retrieval systems, without regard to
7 whether the systems may be used with respect to foster
8 or adoptive children other than those on behalf of whom
9 foster care maintenance payments or adoption assistance
10 payments may be made under this part.

11 “(c) ESTIMATES BY THE SECRETARY.—

12 “(1) IN GENERAL.—The Secretary shall, prior
13 to the beginning of each quarter, estimate the
14 amount which a State will be entitled to receive
15 under subsection (a) for such quarter, such esti-
16 mates to be based on—

17 “(A) a report filed by the State containing
18 its estimate of the total sum to be expended in
19 such quarter in accordance with subsection (a),
20 and stating the amount appropriated or made
21 available by the State and its political subdivi-
22 sions for such expenditures in such quarter, and
23 if such amount is less than the State’s propor-
24 tionate share of the total sum of such estimated

1 expenditures, the source or sources from which
2 the difference is expected to be derived;

3 “(B) records showing the number of chil-
4 dren in the State receiving assistance under
5 this part; and

6 “(C) such other information as the Sec-
7 retary may find necessary.

8 “(2) PAYMENTS.—The Secretary shall pay to
9 the States the amounts so estimated under para-
10 graph (1), reduced or increased to the extent of any
11 overpayment or underpayment which the Secretary
12 determines was made under this subsection to such
13 State for any prior quarter and with respect to
14 which adjustment has not already been made under
15 this subsection.

16 “(3) PRO RATA SHARE.— The pro rata share to
17 which the United States is equitably entitled, as de-
18 termined by the Secretary, of the net amount recov-
19 ered during any quarter by the State or any political
20 subdivision thereof with respect to foster care and
21 adoption assistance furnished under this part shall
22 be considered an overpayment to be adjusted under
23 this subsection.

24 “(d) ALLOWANCE OR DISALLOWANCE OF CLAIM.—

1 “(1) IN GENERAL.—Within 60 days after re-
2 receipt of a State claim for expenditures pursuant to
3 subsection (b)(1), the Secretary shall allow, disallow,
4 or defer such claim.

5 “(2) NOTICE.—Within 15 days after a decision
6 to defer a State claim, the Secretary shall notify the
7 State of the reasons for the deferral and of the addi-
8 tional information necessary to determine the allow-
9 ability of the claim.

10 “(3) DECISION.—Within 90 days after receiving
11 such necessary information (in readily reviewable
12 form), the Secretary shall—

13 “(A) disallow the claim, if able to complete
14 the review and determine that the claim is not
15 allowable; or

16 “(B) in any other case, allow the claim,
17 subject to disallowance (as necessary)—

18 “(i) upon completion of the review, if
19 it is determined that the claim is not allow-
20 able; or

21 “(ii) on the basis of findings of an
22 audit or financial management review.”.

23 (f) DEFINITIONS.—Section 475 of such Act (42
24 U.S.C. 675) is amended to read as follows:

1 **“SEC. 475. DEFINITIONS.**

2 For definitions of terms used in this part, see section
3 426.”.

4 (g) TECHNICAL ASSISTANCE; DATA COLLECTION
5 AND EVALUATION.—Part E of title IV of such Act is
6 amended by striking section 476.

7 (h) INDEPENDENT LIVING INITIATIVES.—Part E of
8 title IV of such Act (42 U.S.C. 670 et seq.), as amended
9 by subsection (g) of this section, is amended—

10 (1) by redesignating section 477 as section 476;

11 and

12 (2) by amending section 476, as so redesign-
13 nated, to read as follows:

14 **“SEC. 476. REQUIREMENTS FOR INDEPENDENT LIVING**
15 **PROGRAMS.**

16 “(a) PAYMENTS FOR INDEPENDENT LIVING PRO-
17 GRAMS.—

18 “(1) IN GENERAL.—Payments shall be made in
19 accordance with this section for the purpose of as-
20 sisting States and localities in establishing and car-
21 rying out programs designed to assist children de-
22 scribed in paragraph (2) who have attained age 16
23 in making the transition from foster care to inde-
24 pendent living. Any State which provides for the es-
25 tablishment and carrying out of one or more such
26 programs in accordance with this section for a fiscal

1 year shall be entitled to receive payments under this
2 section for such fiscal year, in an amount deter-
3 mined under subsection (e).

4 “(2) PROGRAM REQUIREMENTS.—A program
5 established and carried out under paragraph (1)—

6 “(A) shall be designed to assist children
7 with respect to whom foster care maintenance
8 payments are being made by the State under
9 this part;

10 “(B) may at the option of the State also
11 include any or all other children in foster care
12 under the responsibility of the State; and

13 “(C) may at the option of the State also
14 include any child who has not attained age 21
15 to whom foster care maintenance payments
16 were previously made by a State under this part
17 and whose payments were discontinued on or
18 after the date such child attained age 16, and
19 any child who previously was in foster care de-
20 scribed in subparagraph (B) and for whom such
21 care was discontinued on or after the date such
22 child attained age 16; and a written transitional
23 independent living plan of the type described in
24 subsection (d)(6) shall be developed for such
25 child as a part of such program.

1 “(b) USE OF FUNDS.—Payment under this section
2 shall be made to the State, and shall be used for the pur-
3 pose of conducting and providing in accordance with this
4 section (directly or under contracts with local govern-
5 mental entities or private nonprofit organizations) the ac-
6 tivities and services required to carry out the program or
7 programs involved.

8 “(c) SUBMISSION OF PROGRAM DESCRIPTION AND
9 ASSURANCES.—In order for a State to receive payments
10 under this section for any fiscal year, the State, prior to
11 February 1 of such fiscal year, must submit to the Sec-
12 retary, in such manner and form as the Secretary may
13 prescribe, a description of the program together with satis-
14 factory assurances that the program will be operated in
15 an effective and efficient manner and will otherwise meet
16 the requirements of this section.

17 “(d) PROGRAM OBJECTIVES.—In carrying out the
18 purpose described in subsection (a), it shall be the objec-
19 tive of each program established under this section to help
20 the individuals participating in such program to prepare
21 to live independently upon leaving foster care. Such pro-
22 grams may include (subject to the availability of funds)
23 programs to—

1 “(1) enable participants to seek a high school
2 diploma or its equivalent or to take part in appro-
3 priate vocational training;

4 “(2) provide training in daily living skills, budg-
5 eting, locating and maintaining housing, and career
6 planning;

7 “(3) provide for individual and group counsel-
8 ing;

9 “(4) integrate and coordinate services otherwise
10 available to participants;

11 “(5) provide for the establishment of outreach
12 programs designed to attract individuals who are eli-
13 gible to participate in the program;

14 “(6) provide each participant a written transi-
15 tional independent living plan which shall be based
16 on an assessment of his needs, and which shall be
17 incorporated into his case plan, as defined in section
18 426(3); and

19 “(7) provide participants with other services
20 and assistance designed to improve their transition
21 to independent living.

22 “(e) DETERMINATION OF PAYMENTS.—

23 “(1) BASIC AMOUNT.—

24 “(A) IN GENERAL.—The basic amount to
25 which a State shall be entitled under section

1 474(a)(4) for a fiscal year shall be an amount
2 which bears the same ratio to the basic ceiling
3 for such fiscal year as such State's average
4 number of children receiving foster care mainte-
5 nance payments under part E in fiscal year
6 1984 bore to the total of the average number
7 of children receiving such payments under such
8 part for all States for fiscal year 1984.

9 “(B) MAXIMUM ADDITIONAL AMOUNT.—

10 The maximum additional amount to which a
11 State shall be entitled under section 474(a)(4)
12 for a fiscal year shall be an amount which bears
13 the same ratio to the additional ceiling for such
14 fiscal year as the basic amount of such State
15 bears to \$45,000,000.

16 “(C) DEFINITIONS.—For purposes of this
17 section:

18 “(i) BASIC CEILING.—The term ‘basic
19 ceiling’ means, for any fiscal year,
20 \$45,000,000.

21 “(ii) ADDITIONAL CEILING.—The
22 term ‘additional ceiling’ means, for any fis-
23 cal year, \$25,000,000.

24 “(2) REALLOCATION OF FUNDS.—If any State
25 does not apply for funds under this section for any

1 fiscal year within the time provided in subsection
2 (c), the funds to which such State would have been
3 entitled for such fiscal year shall be reallocated to
4 one or more other States on the basis of their rel-
5 ative need for additional payments under this section
6 (as determined by the Secretary).

7 “(3) SUPPLEMENT TO OTHER FUNDS.—Any
8 amounts payable to States under this section shall
9 be in addition to amounts payable to States under
10 paragraphs (1), (2), and (3) of section 474(a), and
11 shall supplement and not replace any other funds
12 which may be available for the same general pur-
13 poses in the localities involved.

14 “(f) LIMITATION ON USE OF FUNDS.—Payments
15 made to a State under this section for any fiscal year—

16 “(1) shall be used only for the specific purposes
17 described in this section;

18 “(2) may not be used for the provision of room
19 or board;

20 “(3) may be made on an estimated basis in ad-
21 vance of the determination of the exact amount, with
22 appropriate subsequent adjustments to take account
23 of any error in the estimates; and

24 “(4) shall be expended by such State in such
25 fiscal year or in the succeeding fiscal year.

1 “(g) REPORTING REQUIREMENTS.—Not later than
2 the first January 1 following the end of each fiscal year,
3 each State shall submit to the Secretary a report on the
4 programs carried out during such fiscal year with the
5 amounts received under this section. Such report shall be
6 in such form and contain such information as may be nec-
7 essary to provide an accurate description of such activities,
8 to provide a complete record of the purposes for which
9 the funds were spent, and to indicate the extent to which
10 the expenditure of such funds succeeded in accomplishing
11 the purpose described in subsection (a).

12 “(h) ASSISTANCE NOT CONSIDERED INCOME OR RE-
13 SOURCES.—Notwithstanding any other provision of this
14 title, payments made and services provided to participants
15 in a program under this section, as a direct consequence
16 of their participation in such program, shall not be consid-
17 ered as income or resources for purposes of determining
18 eligibility (or the eligibility of any other persons) for as-
19 sistance under the State’s plan approved under this part
20 or part A, or for purposes of determining the level of such
21 assistance.”.

22 (i) COLLECTION OF DATA RELATING TO ADOPTION
23 AND FOSTER CARE.—Part E of title IV of such Act (42
24 U.S.C. 670 et seq.) is amended—

1 (1) by redesignating section 479 as section 477;

2 and

3 (2) by amending section 477, as so redesign-

4 nated, to read as follows:

5 **“SEC. 477. COLLECTION OF DATA RELATING TO ADOPTION**
6 **AND FOSTER CARE.**

7 “For requirements with respect to the collection of
8 data relating to adoption and foster care, see section
9 424.”.

10 **Subchapter C—Miscellaneous**

11 **SEC. 4721. SECRETARIAL SUBMISSION OF LEGISLATIVE**
12 **PROPOSAL FOR TECHNICAL AND CONFORM-**
13 **ING AMENDMENTS.**

14 Not later than 90 days after the date of the enact-
15 ment of this chapter, the Secretary of Health and Human
16 Services, in consultation, as appropriate, with the heads
17 of other Federal agencies, shall submit to the appropriate
18 committees of Congress a legislative proposal providing for
19 such technical and conforming amendments in the law as
20 are required by the provisions of this chapter.

21 **SEC. 4722. SENSE OF THE CONGRESS REGARDING TIMELY**
22 **ADOPTION OF CHILDREN.**

23 It is the sense of the Congress that—

1 (1) too many children who wish to be adopted
2 are spending inordinate amounts of time in foster
3 care;

4 (2) there is an urgent need for States to in-
5 crease the number of waiting children being adopted
6 in a timely and lawful manner;

7 (3) studies have shown that States spend an ex-
8 cess of \$15,000 each year on each special needs
9 child in foster care, and would save significant
10 amounts of money if they offered incentives to fami-
11 lies to adopt special needs children;

12 (4) States should allocate sufficient funds under
13 this subtitle for adoption assistance and medical as-
14 sistance to encourage more families to adopt chil-
15 dren who otherwise would languish in the foster care
16 system for a period that many experts consider det-
17 rimental to their development;

18 (5) States should offer incentives for families
19 that adopt special needs children to make adoption
20 more affordable for middle-class families;

21 (6) when it is necessary for a State to remove
22 a child from the home of the child's biological par-
23 ents, the State should strive—

1 (A) to provide the child with a single foster
2 care placement and a single coordinated case
3 team; and

4 (B) to conclude an adoption of the child,
5 when adoption is the goal of the child and the
6 State, within one year of the child's placement
7 in foster care; and

8 (7) States should participate in local, regional,
9 or national programs to enable maximum visibility of
10 waiting children to potential parents. Such programs
11 should include a nationwide, interactive computer
12 network to disseminate information on children eligi-
13 ble for adoption to help match them with families
14 around the country.

15 **SEC. 4723. REMOVAL OF BARRIERS TO INTERETHNIC ADOPT-**
16 **TION.**

17 (a) STATE PLAN REQUIREMENTS.—Section 422(a)
18 of the Social Security Act (42 U.S.C 622(a)), as added
19 by section 4701 of this Act, is amended by adding at the
20 end the following:

21 “(15) CERTIFICATION REGARDING REMOVAL OF
22 BARRIERS TO INTERETHNIC ADOPTION.—A certifi-
23 cation that, not later than January 1, 1997, the
24 State has in effect such laws and procedures as may
25 be necessary to ensure that neither the State nor

1 any other entity in the State that receives funds
2 from the Federal Government and is involved in
3 adoption or foster care placements may—

4 “(A) deny to any person the opportunity to
5 become an adoptive or a foster parent, on the
6 basis of the race, color, or national origin of the
7 person, or of the child, involved; or

8 “(B) delay or deny the placement of a
9 child for adoption or into foster care, on the
10 basis of the race, color, or national origin of the
11 adoptive or foster parent, or the child, in-
12 volved.”.

13 (b) ENFORCEMENT.—Section 423(e) of such Act (42
14 U.S.C. 623(e)), as added by section 4701 of this Act, is
15 amended by redesignating paragraphs (5), (6), and (7) as
16 paragraphs (6), (7), and (8), respectively, and by inserting
17 after paragraph (4) the following:

18 “(5) PENALTY FOR FAILURE TO REMOVE BAR-
19 RIERS TO INTERETHNIC ADOPTION.—

20 “(A) REDUCTION OF PAYMENTS TO THE
21 STATE.—If a State’s program operated under
22 this part is found, as a result of a review con-
23 ducted under section 1123, to have violated sec-
24 tion 422(a)(15) during a quarter with respect
25 to any person, then, notwithstanding any regu-

1 lations promulgated under section 1123(b)(3),
2 the Secretary shall reduce the amount otherwise
3 payable to the State under this part, for the
4 quarter and for each subsequent quarter before
5 the 1st quarter for which the State program is
6 found, as a result of such a review, not to have
7 violated section 422(a)(15) with respect to any
8 person, by—

9 “(i) 2 percent of such otherwise pay-
10 able amount, in the case of the 1st such
11 finding with respect to the State;

12 “(ii) 5 percent of such otherwise pay-
13 able amount, in the case of the 2nd such
14 finding with respect to the State; or

15 “(iii) 10 percent of such otherwise
16 payable amount, in the case of the 3rd or
17 subsequent such finding with respect to the
18 State.

19 “(B) RETURN OF FUNDS PAID TO OTHER
20 VIOLATORS.—Any other entity which is in a
21 State that receives funds under this part and
22 which violates section 422(a)(15) during a
23 quarter with respect to any person shall remit
24 to the Secretary all funds that were paid by the

1 State to the entity during the quarter from
2 such funds.

3 “(C) PRIVATE CAUSE OF ACTION.—

4 “(i) IN GENERAL.—Any individual
5 who is aggrieved by a violation of section
6 422(a)(15) by a State or other entity may
7 bring an action seeking relief from the
8 State or other entity in any United States
9 district court.

10 “(ii) LIMITATION.—An action under this
11 subparagraph may not be brought more than 2
12 years after the date the alleged violation oc-
13 curred.

14 “(D) NO EFFECT ON THE INDIAN CHILD
15 WELFARE ACT OF 1978.—This paragraph shall
16 not be construed to affect the application of the
17 Indian Child Welfare Act of 1978.”.

18 (c) CIVIL RIGHTS.—

19 (1) PROHIBITED CONDUCT.—A person or gov-
20 ernment that is involved in adoption or foster care
21 placements may not—

22 (A) deny to any individual the opportunity
23 to become an adoptive or a foster parent, on the
24 basis of the race, color, or national origin of the
25 individual, or of the child, involved; or

1 (B) delay or deny the placement of a child
2 for adoption or into foster care, on the basis of
3 the race, color, or national origin of the adop-
4 tive or foster parent, or the child, involved.

5 (2) ENFORCEMENT.—Noncompliance with para-
6 graph (1) is deemed a violation of title VI of the
7 Civil Rights Act of 1964.

8 (3) NO EFFECT ON THE INDIAN CHILD WEL-
9 FARE ACT OF 1978.—This subsection shall not be
10 construed to affect the application of the Indian
11 Child Welfare Act of 1978.

12 (d) CONFORMING REPEAL.—Section 553 of the How-
13 ard M. Metzenbaum Multiethnic Placement Act of 1994
14 (42 U.S.C. 5115a) is repealed.

15 **SEC. 4724. EFFECTIVE DATE; TRANSITION RULES.**

16 (a) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided in para-
18 graph (2), this chapter and the amendments made
19 by this chapter shall be effective on and after Octo-
20 ber 1, 1996.

21 (2) EXCEPTION.—Section 425 of the Social Se-
22 curity Act, as added by section 4701 of this Act,
23 shall take effect on the date of the enactment of this
24 chapter.

1 (3) TEMPORARY REDESIGNATION OF SECTION
2 425.—During the period beginning on the date of the
3 enactment of this chapter and ending on October 1,
4 1996, section 425 of the Social Security Act, as
5 added by section 4701 of this Act, is redesignated
6 as section 425A.

7 (b) TRANSITION RULES.—

8 (1) CLAIMS, ACTIONS, AND PROCEEDINGS.—
9 The amendments made by this chapter shall not
10 apply with respect to—

11 (A) powers, duties, functions, rights,
12 claims, penalties, or obligations applicable to
13 aid, assistance, or services provided before the
14 effective date of this chapter under the provi-
15 sions amended; and

16 (B) administrative actions and proceedings
17 commenced before such date, or authorized be-
18 fore such date to be commenced, under such
19 provisions.

20 (2) CLOSING OUT ACCOUNT FOR THOSE PRO-
21 GRAMS TERMINATED OR SUBSTANTIALLY MODIFIED
22 BY THIS CHAPTER.—In closing out accounts, Fed-
23 eral and State officials may use scientifically accept-
24 able statistical sampling techniques. Claims made
25 under programs which are repealed or substantially

1 amended in this chapter and which involve State ex-
2 penditures in cases where assistance or services were
3 provided during a prior fiscal year, shall be treated
4 as expenditures during fiscal year 1995 for purposes
5 of reimbursement even if payment was made by a
6 State on or after October 1, 1995. States shall com-
7 plete the filing of all claims no later than September
8 30, 1997. Federal department heads shall—

9 (A) use the single audit procedure to re-
10 view and resolve any claims in connection with
11 the closeout of programs; and

12 (B) reimburse States for any payments
13 made for assistance or services provided during
14 a prior fiscal year from funds for fiscal year
15 1995, rather than the funds authorized by this
16 chapter.

17 **CHAPTER 2—CHILD AND FAMILY**
18 **SERVICES BLOCK GRANT**

19 **SEC. 4751. CHILD AND FAMILY SERVICES BLOCK GRANT.**

20 The Child Abuse Prevention and Treatment Act (42
21 U.S.C. 5101 et seq.) is amended to read as follows:

22 **“SECTION 1. SHORT TITLE.**

23 “This Act may be cited as the ‘Child and Family
24 Services Block Grant Act of 1996’.

1 **“SEC. 2. FINDINGS.**

2 “The Congress finds the following:

3 “(1) Each year, close to 1,000,000 American
4 children are victims of abuse and neglect.

5 “(2) Many of these children and their families
6 fail to receive adequate protection or treatment.

7 “(3) The problem of child abuse and neglect re-
8 quires a comprehensive approach that—

9 “(A) integrates the work of social service,
10 legal, health, mental health, education, and sub-
11 stance abuse agencies and organizations;

12 “(B) strengthens coordination among all
13 levels of government, and with private agencies,
14 civic, religious, and professional organizations,
15 and individual volunteers;

16 “(C) emphasizes the need for abuse and
17 neglect prevention, assessment, investigation,
18 and treatment at the neighborhood level;

19 “(D) ensures properly trained and support
20 staff with specialized knowledge, to carry out
21 their child protection duties; and

22 “(E) is sensitive to ethnic and cultural di-
23 versity.

24 “(4) The child protection system should be
25 comprehensive, child-centered, family-focused, and
26 community-based, should incorporate all appropriate

1 measures to prevent the occurrence or recurrence of
2 child abuse and neglect, and should promote physical
3 and psychological recovery and social reintegration
4 in an environment that fosters the health, safety,
5 self-respect, and dignity of the child.

6 “(5) The Federal Government should provide
7 leadership and assist communities in their child and
8 family protection efforts by—

9 “(A) generating and sharing knowledge
10 relevant to child and family protection, includ-
11 ing the development of models for service deliv-
12 ery;

13 “(B) strengthening the capacity of States
14 to assist communities;

15 “(C) helping communities to carry out
16 their child and family protection plans by pro-
17 moting the competence of professional, para-
18 professional, and volunteer resources; and

19 “(D) providing leadership to end the abuse
20 and neglect of the Nation’s children and youth.

21 **“SEC. 3. PURPOSES.**

22 “The purposes of this Act are the following:

23 “(1) To assist each State in improving the child
24 protective service systems of such State by—

1 “(A) improving risk and safety assessment
2 tools and protocols;

3 “(B) developing, strengthening, and facili-
4 tating training opportunities for individuals who
5 are mandated to report child abuse or neglect
6 or otherwise overseeing, investigating, prosecut-
7 ing, or providing services to children and fami-
8 lies who are at risk of abusing or neglecting
9 their children; and

10 “(C) developing, implementing, or operat-
11 ing information, education, training, or other
12 programs designed to assist and provide serv-
13 ices for families of disabled infants with life-
14 threatening conditions.

15 “(2) To support State efforts to develop, oper-
16 ate, expand and enhance a network of community-
17 based, prevention-focused, family resource and sup-
18 port programs that are culturally competent and
19 that coordinate resources among existing education,
20 vocational rehabilitation, disability, respite, health,
21 mental health, job readiness, self-sufficiency, child
22 and family development, community action, Head
23 Start, child care, child abuse and neglect prevention,
24 juvenile justice, domestic violence prevention and

1 intervention, housing, and other human service orga-
2 nizations within the State.

3 “(3) To facilitate the elimination of barriers to
4 adoption and to provide permanent and loving home
5 environments for children who would benefit from
6 adoption, particularly children with special needs, in-
7 cluding disabled infants with life-threatening condi-
8 tions, by—

9 “(A) promoting model adoption legislation
10 and procedures in the States and territories of
11 the United States in order to eliminate jurisdic-
12 tional and legal obstacles to adoption;

13 “(B) providing a mechanism for the De-
14 partment of Health and Human Services to—

15 “(i) promote quality standards for
16 adoption services, preplacement, post-
17 placement, and post-legal adoption counsel-
18 ing, and standards to protect the rights of
19 children in need of adoption;

20 “(ii) maintain a national adoption in-
21 formation exchange system to bring to-
22 gether children who would benefit from
23 adoption and qualified prospective adoptive
24 parents who are seeking such children, and
25 conduct national recruitment efforts in

1 order to reach prospective parents for chil-
2 dren awaiting adoption; and

3 “(iii) demonstrate expeditious ways to
4 free children for adoption for whom it has
5 been determined that adoption is the ap-
6 propriate plan; and

7 “(C) facilitating the identification and re-
8 cruitment of foster and adoptive families that
9 can meet children’s needs.

10 “(4) To respond to the needs of children, in
11 particular those who are drug exposed or afflicted
12 with Acquired Immune Deficiency Syndrome
13 (AIDS), by supporting activities aimed at preventing
14 the abandonment of children, providing support to
15 children and their families, and facilitating the re-
16 cruitment and training of health and social service
17 personnel.

18 “(5) To carry out any other activities as the
19 Secretary determines are consistent with this Act.

20 **“SEC. 4. DEFINITIONS.**

21 “As used in this Act:

22 “(1) CHILD.—The term ‘child’ means a person
23 who has not attained the lesser of—

24 “(A) the age of 18; or

1 “(B) except in the case of sexual abuse,
2 the age specified by the child protection law of
3 the State in which the child resides.

4 “(2) CHILD ABUSE AND NEGLECT.—The term
5 ‘child abuse and neglect’ means, at a minimum, any
6 recent act or failure to act on the part of a parent
7 or caretaker, which results in death, serious physical
8 or emotional harm, sexual abuse or exploitation, or
9 an act or failure to act which presents an imminent
10 risk of serious harm.

11 “(3) FAMILY RESOURCE AND SUPPORT PRO-
12 GRAMS.—The term ‘family resource and support
13 program’ means a community-based, prevention-fo-
14 cused entity that—

15 “(A) provides, through direct service, the
16 core services required under this Act, includ-
17 ing—

18 “(i) parent education, support and
19 leadership services, together with services
20 characterized by relationships between par-
21 ents and professionals that are based on
22 equality and respect, and designed to assist
23 parents in acquiring parenting skills, learn-
24 ing about child development, and respond-

1 ing appropriately to the behavior of their
2 children;

3 “(ii) services to facilitate the ability of
4 parents to serve as resources to one an-
5 other (such as through mutual support and
6 parent self-help groups);

7 “(iii) early developmental screening of
8 children to assess any needs of children,
9 and to identify types of support that may
10 be provided;

11 “(iv) outreach services provided
12 through voluntary home visits and other
13 methods to assist parents in becoming
14 aware of and able to participate in family
15 resources and support program activities;

16 “(v) community and social services to
17 assist families in obtaining community re-
18 sources; and

19 “(vi) followup services;

20 “(B) provides, or arranges for the provi-
21 sion of, other core services through contracts or
22 agreements with other local agencies; and

23 “(C) provides access to optional services,
24 directly or by contract, purchase of service, or
25 interagency agreement, including—

1 “(i) child care, early childhood devel-
2 opment and early intervention services;

3 “(ii) self-sufficiency and life manage-
4 ment skills training;

5 “(iii) education services, such as scho-
6 lastic tutoring, literacy training, and Gen-
7 eral Educational Degree services;

8 “(iv) job readiness skills;

9 “(v) child abuse and neglect preven-
10 tion activities;

11 “(vi) services that families with chil-
12 dren with disabilities or special needs may
13 require;

14 “(vii) community and social service re-
15 ferral;

16 “(viii) peer counseling;

17 “(ix) referral for substance abuse
18 counseling and treatment; and

19 “(x) help line services.

20 “(4) INDIAN TRIBE AND TRIBAL ORGANIZA-
21 TION.—The terms ‘Indian tribe’ and ‘tribal organi-
22 zation’ shall have the same meanings given such
23 terms in subsections (e) and (l), respectively, of sec-
24 tion 4 of the Indian Self-Determination and Edu-
25 cation Assistance Act (25 U.S.C. 450b(e) and (l)).

1 “(5) RESPITE SERVICES.—The term ‘respite
2 services’ means short-term care services provided in
3 the temporary absence of the regular caregiver (par-
4 ent, other relative, foster parent, adoptive parent, or
5 guardian) to children who—

6 “(A) are in danger of abuse or neglect;

7 “(B) have experienced abuse or neglect; or

8 “(C) have disabilities, chronic, or terminal
9 illnesses.

10 Such services shall be provided within or outside the
11 home of the child, be short-term care (ranging from
12 a few hours to a few weeks of time, per year), and
13 be intended to enable the family to stay together and
14 to keep the child living in the home and community
15 of the child.

16 “(6) SECRETARY.—The term ‘Secretary’ means
17 the Secretary of Health and Human Services.

18 “(7) SEXUAL ABUSE.—The term ‘sexual abuse’
19 includes—

20 “(A) the employment, use, persuasion, in-
21 ducement, enticement, or coercion of any child
22 to engage in, or assist any other person to en-
23 gage in, any sexually explicit conduct or simula-
24 tion of such conduct for the purpose of produc-
25 ing a visual depiction of such conduct; or

1 “(B) the rape, molestation, prostitution, or
2 other form of sexual exploitation of children, or
3 incest with children.

4 “(8) STATE.—The term ‘State’ means each of
5 the several States, the District of Columbia, the
6 Commonwealth of Puerto Rico, the Virgin Islands,
7 Guam, American Samoa, the Commonwealth of the
8 Northern Mariana Islands, and the Trust Territory
9 of the Pacific Islands.

10 “(9) WITHHOLDING OF MEDICALLY INDICATED
11 TREATMENT.—The term ‘withholding of medically
12 indicated treatment’ means the failure to respond to
13 the infant’s life-threatening conditions by providing
14 treatment (including appropriate nutrition, hydra-
15 tion, and medication) which, in the treating physi-
16 cian’s or physicians’ reasonable medical judgment,
17 will be most likely to be effective in ameliorating or
18 correcting all such conditions, except that the term
19 does not include the failure to provide treatment
20 (other than appropriate nutrition, hydration, or
21 medication) to an infant when, in the treating physi-
22 cian’s or physicians’ reasonable medical judgment—

23 “(A) the infant is chronically and irrevers-
24 ibly comatose;

1 “(B) the provision of such treatment
2 would—

3 “(i) merely prolong dying;

4 “(ii) not be effective in ameliorating
5 or correcting all of the infant’s life-threat-
6 ening conditions; or

7 “(iii) otherwise be futile in terms of
8 the survival of the infant; or

9 “(C) the provision of such treatment would
10 be virtually futile in terms of the survival of the
11 infant and the treatment itself under such cir-
12 cumstances would be inhumane.

13 **“TITLE I—GENERAL BLOCK**
14 **GRANT**

15 **“SEC. 101. CHILD AND FAMILY SERVICES BLOCK GRANTS.**

16 “(a) ELIGIBILITY.—The Secretary shall award
17 grants to eligible States that file a State plan that is ap-
18 proved under section 102 and that otherwise meet the eli-
19 gibility requirements for grants under this title.

20 “(b) AMOUNT OF GRANT.—The amount of a grant
21 made to each State under subsection (a) for a fiscal year
22 shall be based on the population of children under the age
23 of 18 residing in each State that applies for a grant under
24 this section.

1 “(c) USE OF AMOUNTS.—Amounts received by a
2 State under a grant awarded under subsection (a) shall
3 be used to carry out the purposes described in section 3.

4 **“SEC. 102. ELIGIBLE STATES.**

5 “(a) IN GENERAL.—As used in this title, the term
6 ‘eligible State’ means a State that has submitted to the
7 Secretary, not later than October 1, 1996, and every 3
8 years thereafter, a plan which has been signed by the chief
9 executive officer of the State and that includes the follow-
10 ing:

11 “(1) OUTLINE OF CHILD PROTECTION PRO-
12 GRAM.—A written document that outlines the activi-
13 ties the State intends to conduct to achieve the pur-
14 pose of this title, including the procedures to be used
15 for—

16 “(A) receiving and assessing reports of
17 child abuse or neglect;

18 “(B) investigating such reports;

19 “(C) with respect to families in which
20 abuse or neglect has been confirmed, providing
21 services or referral for services for families and
22 children where the State makes a determination
23 that the child may safely remain with the fam-
24 ily;

1 “(D) protecting children by removing them
2 from dangerous settings and ensuring their
3 placement in a safe environment;

4 “(E) providing training for individuals
5 mandated to report suspected cases of child
6 abuse or neglect;

7 “(F) protecting children in foster care;

8 “(G) promoting timely adoptions;

9 “(H) protecting the rights of families,
10 using adult relatives as the preferred placement
11 for children separated from their parents where
12 such relatives meet the relevant State child pro-
13 tection standards; and

14 “(I) providing services to individuals, fami-
15 lies, or communities, either directly or through
16 referral, that are aimed at preventing the occur-
17 rence of child abuse and neglect.

18 “(2) CERTIFICATION OF STATE LAW REQUIRING
19 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
20 A certification that the State has in effect laws that
21 require public officials and other professionals to re-
22 port, in good faith, actual or suspected instances of
23 child abuse or neglect.

24 “(3) CERTIFICATION OF PROCEDURES FOR
25 SCREENING, SAFETY ASSESSMENT, AND PROMPT IN-

1 VESTIGATION.—A certification that the State has in
2 effect procedures for receiving and responding to re-
3 ports of child abuse or neglect, including the reports
4 described in paragraph (2), and for the immediate
5 screening, safety assessment, and prompt investiga-
6 tion of such reports.

7 “(4) CERTIFICATION OF STATE PROCEDURES
8 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
9 GLECTED CHILDREN.—A certification that the State
10 has in effect procedures for the removal from fami-
11 lies and placement of abused or neglected children
12 and of any other child in the same household who
13 may also be in danger of abuse or neglect.

14 “(5) CERTIFICATION OF PROVISIONS FOR IMMUN-
15 NITY FROM PROSECUTION.—A certification that the
16 State has in effect laws requiring immunity from
17 prosecution under State and local laws and regula-
18 tions for individuals making good faith reports of
19 suspected or known instances of child abuse or ne-
20 glect.

21 “(6) CERTIFICATION OF PROVISIONS AND PRO-
22 CEDURES RELATING TO APPEALS.—A certification
23 that not later than 2 years after the date of the en-
24 actment of this Act, the State shall have laws and
25 procedures in effect affording individuals an oppor-

1 tunity to appeal an official finding of abuse or ne-
2 glect.

3 “(7) CERTIFICATION OF STATE PROCEDURES
4 FOR DEVELOPING AND REVIEWING WRITTEN PLANS
5 FOR PERMANENT PLACEMENT OF REMOVED CHIL-
6 DREN.—A certification that the State has in effect
7 procedures for ensuring that a written plan is pre-
8 pared for children who have been removed from their
9 families. Such plan shall specify the goals for achiev-
10 ing a permanent placement for the child in a timely
11 fashion, for ensuring that the written plan is re-
12 viewed every 6 months (until such placement is
13 achieved), and for ensuring that information about
14 such children is collected regularly and recorded in
15 case records, and include a description of such pro-
16 cedures.

17 “(8) CERTIFICATION OF STATE PROGRAM TO
18 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
19 tification that the State has in effect a program to
20 provide independent living services, for assistance in
21 making the transition to self-sufficient adulthood, to
22 individuals in the child protection program of the
23 State who are 16, but who are not 20 (or, at the op-
24 tion of the State, 22), years of age, and who do not
25 have a family to which to be returned.

1 “(9) CERTIFICATION OF STATE PROCEDURES
2 TO RESPOND TO REPORTING OF MEDICAL NEGLIGENCE
3 OF DISABLED INFANTS.—

4 “(A) IN GENERAL.—A certification that
5 the State has in place for the purpose of re-
6 sponding to the reporting of medical neglect of
7 infants (including instances of withholding of
8 medically indicated treatment from disabled in-
9 fants with life-threatening conditions), proce-
10 dures or programs, or both (within the State
11 child protective services system), to provide
12 for—

13 “(i) coordination and consultation
14 with individuals designated by and within
15 appropriate health-care facilities;

16 “(ii) prompt notification by individ-
17 uals designated by and within appropriate
18 health-care facilities of cases of suspected
19 medical neglect (including instances of
20 withholding of medically indicated treat-
21 ment from disabled infants with life-threat-
22 ening conditions); and

23 “(iii) authority, under State law, for
24 the State child protective service to pursue
25 any legal remedies, including the authority

1 to initiate legal proceedings in a court of
2 competent jurisdiction, as may be nec-
3 essary to prevent the withholding of medi-
4 cally indicated treatment from disabled in-
5 fants with life-threatening conditions.

6 “(B) WITHHOLDING OF MEDICALLY INDI-
7 CATED TREATMENT.—As used in subparagraph
8 (A), the term ‘withholding of medically indi-
9 cated treatment’ means the failure to respond
10 to the infant’s life-threatening conditions by
11 providing treatment (including appropriate nu-
12 trition, hydration, and medication) which, in the
13 treating physician’s or physicians’ reasonable
14 medical judgment, will be most likely to be ef-
15 fective in ameliorating or correcting all such
16 conditions, except that such term does not in-
17 clude the failure to provide treatment (other
18 than appropriate nutrition, hydration, or medi-
19 cation) to an infant when, in the treating physi-
20 cian’s or physicians’ reasonable medical judg-
21 ment—

22 “(i) the infant is chronically and irre-
23 versibly comatose;

24 “(ii) the provision of such treatment
25 would—

1 “(I) merely prolong dying;

2 “(II) not be effective in amelio-
3 rating or correcting all of the infant’s
4 life-threatening conditions; or

5 “(III) otherwise be futile in
6 terms of the survival of the infant; or

7 “(iii) the provision of such treatment
8 would be virtually futile in terms of the
9 survival of the infant and the treatment it-
10 self under such circumstances would be in-
11 humane.

12 “(10) IDENTIFICATION OF CHILD PROTECTION
13 GOALS.—The quantitative goals of the State child
14 protection program.

15 “(11) CERTIFICATION OF CHILD PROTECTION
16 STANDARDS.—With respect to fiscal years beginning
17 on or after April 1, 1996, a certification that the
18 State—

19 “(A) has completed an inventory of all
20 children who, before the inventory, had been in
21 foster care under the responsibility of the State
22 for 6 months or more, which determined—

23 “(i) the appropriateness of, and neces-
24 sity for, the foster care placement;

1 “(ii) whether the child could or should
2 be returned to the parents of the child or
3 should be freed for adoption or other per-
4 manent placement; and

5 “(iii) the services necessary to facili-
6 tate the return of the child or the place-
7 ment of the child for adoption or legal
8 guardianship;

9 “(B) is operating, to the satisfaction of the
10 Secretary—

11 “(i) a statewide information system
12 from which can be readily determined the
13 status, demographic characteristics, loca-
14 tion, and goals for the placement of every
15 child who is (or, within the immediately
16 preceding 12 months, has been) in foster
17 care;

18 “(ii) a case review system for each
19 child receiving foster care under the super-
20 vision of the State;

21 “(iii) a service program designed to
22 help children—

23 “(I) where appropriate, return to
24 families from which they have been
25 removed; or

1 “(II) be placed for adoption, with
2 a legal guardian, or if adoption or
3 legal guardianship is determined not
4 to be appropriate for a child, in some
5 other planned, permanent living ar-
6 rangement; and

7 “(iv) a preplacement preventive serv-
8 ices program designed to help children at
9 risk for foster care placement remain with
10 their families; and

11 “(C)(i) has reviewed (or not later than Oc-
12 tober 1, 1997, will review) State policies and
13 administrative and judicial procedures in effect
14 for children abandoned at or shortly after birth
15 (including policies and procedures providing for
16 legal representation of such children); and

17 “(ii) is implementing (or not later than Oc-
18 tober 1, 1997, will implement) such policies and
19 procedures as the State determines, on the
20 basis of the review described in clause (i), to be
21 necessary to enable permanent decisions to be
22 made expeditiously with respect to the place-
23 ment of such children.

24 “(12) CERTIFICATION OF REASONABLE EF-
25 FORTS BEFORE PLACEMENT OF CHILDREN IN FOS-

1 TER CARE.—A certification that the State in each
2 case will—

3 “(A) make reasonable efforts prior to the
4 placement of a child in foster care, to prevent
5 or eliminate the need for removal of the child
6 from the child’s home, and to make it possible
7 for the child to return home; and

8 “(B) with respect to families in which
9 abuse or neglect has been confirmed, provide
10 services or referral for services for families and
11 children where the State makes a determination
12 that the child may safely remain with the fam-
13 ily.

14 “(13) CERTIFICATION OF CONFIDENTIALITY
15 AND REQUIREMENTS FOR INFORMATION DISCLO-
16 SURE.—

17 “(A) IN GENERAL.—A certification that
18 the State has in effect and operational—

19 “(i) requirements ensuring that re-
20 ports and records made and maintained
21 pursuant to the purposes of this part shall
22 only be made available to—

23 “(I) individuals who are the sub-
24 ject of the report;

1 “(II) Federal, State, or local gov-
2 ernment entities, or any agent of such
3 entities, having a need for such infor-
4 mation in order to carry out their re-
5 sponsibilities under law to protect
6 children from abuse and neglect;

7 “(III) child abuse citizen review
8 panels;

9 “(IV) child fatality review panels;

10 “(V) a grand jury or court, upon
11 a finding that information in the
12 record is necessary for the determina-
13 tion of an issue before the court or
14 grand jury; and

15 “(VI) other entities or classes of
16 individuals statutorily authorized by
17 the State to receive such information
18 pursuant to a legitimate State pur-
19 pose; and

20 “(ii) provisions that allow for public
21 disclosure of the findings or information
22 about cases of child abuse or neglect that
23 have resulted in a child fatality or near fa-
24 tality.

1 “(B) LIMITATION.—Disclosures made pur-
2 suant to clause (i) or (ii) shall not include the
3 identifying information concerning the individ-
4 ual initiating a report or complaint alleging sus-
5 pected instances of child abuse or neglect.

6 “(C) DEFINITION.—For purposes of this
7 paragraph, the term ‘near fatality’ means an
8 act that, as certified by a physician, places the
9 child in serious or critical condition.

10 “(b) DETERMINATIONS.—The Secretary shall deter-
11 mine whether a plan submitted pursuant to subsection (a)
12 contains the material required by subsection (a), other
13 than the material described in paragraph (9) of such sub-
14 section. The Secretary may not require a State to include
15 in such a plan any material not described in subsection
16 (a).

17 **“SEC. 103. DATA COLLECTION AND REPORTING.**

18 “(a) NATIONAL CHILD ABUSE AND NEGLECT DATA
19 SYSTEM.—The Secretary shall establish a national data
20 collection and analysis program—

21 “(1) which, to the extent practicable, coordi-
22 nates existing State child abuse and neglect reports
23 and which shall include—

1 “(A) standardized data on substantiated,
2 as well as false, unfounded, or unsubstantiated
3 reports; and

4 “(B) information on the number of deaths
5 due to child abuse and neglect; and

6 “(2) which shall collect, compile, analyze, and
7 make available State child abuse and neglect report-
8 ing information which, to the extent practical, is uni-
9 versal and case-specific and integrated with other
10 case-based foster care and adoption data collected by
11 the Secretary.

12 “(b) ADOPTION AND FOSTER CARE AND ANALYSIS
13 AND REPORTING SYSTEMS.—The Secretary shall imple-
14 ment a system for the collection of data relating to adop-
15 tion and foster care in the United States. Such data collec-
16 tion system shall—

17 “(1) avoid unnecessary diversion of resources
18 from agencies responsible for adoption and foster
19 care;

20 “(2) assure that any data that is collected is re-
21 liable and consistent over time and among jurisdic-
22 tions through the use of uniform definitions and
23 methodologies;

24 “(3) provide comprehensive national informa-
25 tion with respect to—

1 “(A) the demographic characteristics of
2 adoptive and foster children and their biological
3 and adoptive or foster parents;

4 “(B) the status of the foster care popu-
5 lation (including the number of children in fos-
6 ter care, length of placement, type of place-
7 ment, availability for adoption, and goals for
8 ending or continuing foster care);

9 “(C) the number and characteristics of—

10 “(i) children placed in or removed
11 from foster care;

12 “(ii) children adopted or with respect
13 to whom adoptions have been terminated;
14 and

15 “(iii) children placed in foster care
16 outside the State which has placement and
17 care responsibility; and

18 “(D) the extent and nature of assistance
19 provided by Federal, State, and local adoption
20 and foster care programs and the characteris-
21 tics of the children with respect to whom such
22 assistance is provided; and

23 “(4) utilize appropriate requirements and incen-
24 tives to ensure that the system functions reliably
25 throughout the United States.

1 “(c) ADDITIONAL INFORMATION.—The Secretary
2 may require the provision of additional information under
3 the data collection system established under subsection (b)
4 if the addition of such information is agreed to by a major-
5 ity of the States.

6 “(d) ANNUAL REPORT BY THE SECRETARY.—Within
7 6 months after the end of each fiscal year, the Secretary
8 shall prepare a report based on information provided by
9 the States for the fiscal year pursuant to this section, and
10 shall make the report and such information available to
11 the Congress and the public.

12 **“TITLE II—RESEARCH, DEM-**
13 **ONSTRATIONS, TRAINING,**
14 **AND TECHNICAL ASSISTANCE**

15 **“SEC. 201. RESEARCH GRANTS.**

16 “(a) IN GENERAL.—The Secretary, in consultation
17 with appropriate Federal officials and recognized experts
18 in the field, shall award grants or contracts for the con-
19 duct of research in accordance with subsection (b).

20 “(b) RESEARCH.—Research projects to be conducted
21 using amounts received under this section—

22 “(1) shall be designed to provide information to
23 better protect children from abuse or neglect and to
24 improve the well-being of abused or neglected chil-

1 dren, with at least a portion of any such research
2 conducted under a project being field initiated;

3 “(2) shall at a minimum, focus on—

4 “(A) the nature and scope of child abuse
5 and neglect;

6 “(B) the causes, prevention, assessment,
7 identification, treatment, cultural and socio-
8 economic distinctions, and the consequences of
9 child abuse and neglect;

10 “(C) appropriate, effective and culturally
11 sensitive investigative, administrative, and judi-
12 cial procedures with respect to cases of child
13 abuse; and

14 “(D) the national incidence of child abuse
15 and neglect, including—

16 “(i) the extent to which incidents of
17 child abuse are increasing or decreasing in
18 number and severity;

19 “(ii) the incidence of substantiated
20 and unsubstantiated reported child abuse
21 cases;

22 “(iii) the number of substantiated
23 cases that result in a judicial finding of
24 child abuse or neglect or related criminal
25 court convictions;

1 “(iv) the extent to which the number
2 of unsubstantiated, unfounded and false
3 reported cases of child abuse or neglect
4 have contributed to the inability of a State
5 to respond effectively to serious cases of
6 child abuse or neglect;

7 “(v) the extent to which the lack of
8 adequate resources and the lack of ade-
9 quate training of reporters have contrib-
10 uted to the inability of a State to respond
11 effectively to serious cases of child abuse
12 and neglect;

13 “(vi) the number of unsubstantiated,
14 false, or unfounded reports that have re-
15 sulted in a child being placed in substitute
16 care, and the duration of such placement;

17 “(vii) the extent to which unsubstan-
18 tiated reports return as more serious cases
19 of child abuse or neglect;

20 “(viii) the incidence and prevalence of
21 physical, sexual, and emotional abuse and
22 physical and emotional neglect in sub-
23 stitute care;

24 “(ix) the incidence and outcomes of
25 abuse allegations reported within the con-

1 text of divorce, custody, or other family
2 court proceedings, and the interaction be-
3 tween this venue and the child protective
4 services system; and

5 “(x) the cases of children reunited
6 with their families or receiving family pres-
7 ervation services that result in subsequent
8 substantiated reports of child abuse and
9 neglect, including the death of the child;
10 and

11 “(3) may include the appointment of an advi-
12 sory board to—

13 “(A) provide recommendations on coordi-
14 nating Federal, State, and local child abuse and
15 neglect activities at the State level with similar
16 activities at the State and local level pertaining
17 to family violence prevention;

18 “(B) consider specific modifications needed
19 in State laws and programs to reduce the num-
20 ber of unfounded or unsubstantiated reports of
21 child abuse or neglect while enhancing the abil-
22 ity to identify and substantiate legitimate cases
23 of abuse or neglect which place a child in dan-
24 ger; and

1 “(C) provide recommendations for modi-
2 fications needed to facilitate coordinated na-
3 tional and Statewide data collection with re-
4 spect to child protection and child welfare.

5 **“SEC. 202. NATIONAL CLEARINGHOUSE FOR INFORMATION**
6 **RELATING TO CHILD ABUSE.**

7 “(a) ESTABLISHMENT.—The Secretary shall,
8 through the Department of Health and Human Services,
9 or by one or more contracts of not less than 3 years dura-
10 tion provided through a competition, establish a national
11 clearinghouse for information relating to child abuse.

12 “(b) FUNCTIONS.—The Secretary shall, through the
13 clearinghouse established by subsection (a)—

14 “(1) maintain, coordinate, and disseminate in-
15 formation on all programs, including private pro-
16 grams, that show promise of success with respect to
17 the prevention, assessment, identification, and treat-
18 ment of child abuse and neglect;

19 “(2) maintain and disseminate information re-
20 lating to—

21 “(A) the incidence of cases of child abuse
22 and neglect in the United States;

23 “(B) the incidence of such cases in popu-
24 lations determined by the Secretary under sec-
25 tion 105(a)(1) of the Child Abuse Prevention,

1 Adoption, and Family Services Act of 1988 (as
2 such section was in effect on the day before the
3 date of enactment of this Act); and

4 “(C) the incidence of any such cases relat-
5 ed to alcohol or drug abuse;

6 “(3) disseminate information related to data
7 collected and reported by States pursuant to section
8 103;

9 “(4) compile, analyze, and publish a summary
10 of the research conducted under section 201; and

11 “(5) solicit public comment on the components
12 of such clearinghouse.

13 **“SEC. 203. GRANTS FOR DEMONSTRATION PROJECTS.**

14 “(a) AWARDING OF GENERAL GRANTS.—The Sec-
15 retary may make grants to, and enter into contracts with,
16 public and nonprofit private agencies or organizations (or
17 combinations of such agencies or organizations) for the
18 purpose of developing, implementing, and operating time
19 limited, demonstration programs and projects for the fol-
20 lowing purposes:

21 “(1) INNOVATIVE PROGRAMS AND PROJECTS.—

22 The Secretary may award grants to public agencies
23 that demonstrate innovation in responding to reports
24 of child abuse and neglect including programs of col-
25 laborative partnerships between the State child pro-

1 tective service agency, community social service
2 agencies and family support programs, schools,
3 churches and synagogues, and other community
4 agencies to allow for the establishment of a triage
5 system that—

6 “(A) accepts, screens and assesses reports
7 received to determine which such reports re-
8 quire an intensive intervention and which re-
9 quire voluntary referral to another agency, pro-
10 gram or project;

11 “(B) provides, either directly or through
12 referral, a variety of community-linked services
13 to assist families in preventing child abuse and
14 neglect; and

15 “(C) provides further investigation and in-
16 tensive intervention where the child’s safety is
17 in jeopardy.

18 “(2) KINSHIP CARE PROGRAMS AND
19 PROJECTS.—The Secretary may award grants to
20 public entities to assist such entities in developing or
21 implementing procedures using adult relatives as the
22 preferred placement for children removed from their
23 home, where such relatives are determined to be ca-
24 pable of providing a safe nurturing environment for
25 the child and where, to the maximum extent prac-

1 ticable, such relatives comply with relevant State
2 child protection standards.

3 “(3) ADOPTION OPPORTUNITIES.—The Sec-
4 retary may award grants to public entities to assist
5 such entities in developing or implementing pro-
6 grams to expand opportunities for the adoption of
7 children with special needs.

8 “(4) FAMILY RESOURCE CENTERS.—The Sec-
9 retary may award grants to public or nonprofit pri-
10 vate entities to provide for the establishment of fam-
11 ily resource programs and support services that—

12 “(A) develop, expand, and enhance state-
13 wide networks of community-based, prevention-
14 focused centers, programs, or services that pro-
15 vide comprehensive support for families;

16 “(B) promote the development of parental
17 competencies and capacities in order to increase
18 family stability;

19 “(C) support the additional needs of fami-
20 lies with children with disabilities;

21 “(D) foster the development of a contin-
22 uum of preventive services for children and
23 families through State and community-based
24 collaborations and partnerships (both public
25 and private); and

1 “(E) maximize funding for the financing,
2 planning, community mobilization, collabora-
3 tion, assessment, information and referral,
4 startup, training and technical assistance, infor-
5 mation management, reporting, and evaluation
6 costs for establishing, operating, or expanding a
7 statewide network of community-based, preven-
8 tion-focused family resource and support serv-
9 ices.

10 “(5) OTHER INNOVATIVE PROGRAMS.—The
11 Secretary may award grants to public or private
12 nonprofit organizations to assist such entities in de-
13 veloping or implementing innovative programs and
14 projects that show promise of preventing and treat-
15 ing cases of child abuse and neglect (such as Par-
16 ents Anonymous).

17 “(b) GRANTS FOR ABANDONED INFANT PRO-
18 GRAMS.—The Secretary may award grants to public and
19 nonprofit private entities to assist such entities in develop-
20 ing or implementing procedures—

21 “(1) to prevent the abandonment of infants and
22 young children, including the provision of services to
23 members of the natural family for any condition that
24 increases the probability of abandonment of an in-
25 fant or young child;

1 “(2) to identify and address the needs of aban-
2 doned infants and young children;

3 “(3) to assist abandoned infants and young
4 children to reside with their natural families or in
5 foster care, as appropriate;

6 “(4) to recruit, train, and retain foster families
7 for abandoned infants and young children;

8 “(5) to carry out residential care programs for
9 abandoned infants and young children who are un-
10 able to reside with their families or to be placed in
11 foster care;

12 “(6) to carry out programs of respite care for
13 families and foster families of infants and young
14 children; and

15 “(7) to recruit and train health and social serv-
16 ices personnel to work with families, foster care fam-
17 ilies, and residential care programs for abandoned
18 infants and young children.

19 “(c) EVALUATION.—In making grants for demonstra-
20 tion projects under this section, the Secretary shall require
21 all such projects to be evaluated for their effectiveness.
22 Funding for such evaluations shall be provided either as
23 a stated percentage of a demonstration grant or as a sepa-
24 rate grant entered into by the Secretary for the purpose

1 of evaluating a particular demonstration project or group
2 of projects.

3 **“SEC. 204. TECHNICAL ASSISTANCE.**

4 “(a) CHILD ABUSE AND NEGLECT.—

5 “(1) IN GENERAL.—The Secretary shall provide
6 technical assistance under this title to States to as-
7 sist such States in planning, improving, developing,
8 and carrying out programs and activities relating to
9 the prevention, assessment identification, and treat-
10 ment of child abuse and neglect.

11 “(2) EVALUATION.—Technical assistance pro-
12 vided under paragraph (1) may include an evalua-
13 tion or identification of—

14 “(A) various methods and procedures for
15 the investigation, assessment, and prosecution
16 of child physical and sexual abuse cases;

17 “(B) ways to mitigate psychological trau-
18 ma to the child victim; and

19 “(C) effective programs carried out by the
20 States under this Act.

21 “(b) ADOPTION OPPORTUNITIES.—The Secretary
22 shall provide, directly or by grant to or contract with pub-
23 lic or private nonprofit agencies or organizations—

24 “(1) technical assistance and resource and re-
25 ferral information to assist State or local govern-

1 ments with termination of parental rights issues, in
2 recruiting and retaining adoptive families, in the
3 successful placement of children with special needs,
4 and in the provision of pre- and post-placement serv-
5 ices, including post-legal adoption services; and

6 “(2) other assistance to help State and local
7 governments replicate successful adoption-related
8 projects from other areas in the United States.

9 **“SEC. 205. TRAINING RESOURCES.**

10 “(a) TRAINING PROGRAMS.—The Secretary may
11 award grants to public or private nonprofit organiza-
12 tions—

13 “(1) for the training of professional and para-
14 professional personnel in the fields of medicine, law,
15 education, law enforcement, social work, and other
16 relevant fields who are engaged in, or intend to work
17 in, the field of prevention, identification, and treat-
18 ment of child abuse and neglect, including the links
19 between domestic violence and child abuse;

20 “(2) to provide culturally specific instruction in
21 methods of protecting children from child abuse and
22 neglect to children and to persons responsible for the
23 welfare of children, including parents of and persons
24 who work with children with disabilities; and

1 “(3) to improve the recruitment, selection, and
2 training of volunteers serving in private and public
3 nonprofit children, youth and family service organi-
4 zations in order to prevent child abuse and neglect
5 through collaborative analysis of current recruit-
6 ment, selection, and training programs and develop-
7 ment of model programs for dissemination and rep-
8 lication nationally.

9 “(b) DISSEMINATION OF INFORMATION.—The Sec-
10 retary may provide for and disseminate information relat-
11 ing to various training resources available at the State and
12 local level to—

13 “(1) individuals who are engaged, or who intend
14 to engage, in the prevention, identification, assess-
15 ment, and treatment of child abuse and neglect; and

16 “(2) appropriate State and local officials, in-
17 cluding prosecutors, to assist in training law en-
18 forcement, legal, judicial, medical, mental health,
19 education, and child welfare personnel in appropriate
20 methods of interacting during investigative, adminis-
21 trative, and judicial proceedings with children who
22 have been subjected to abuse.

1 **“SEC. 206. APPLICATIONS AND AMOUNTS OF GRANTS.**

2 “(a) REQUIREMENT OF APPLICATION.—The Sec-
3 retary may not make a grant to a State or other entity
4 under this title unless—

5 “(1) an application for the grant is submitted
6 to the Secretary;

7 “(2) with respect to carrying out the purpose
8 for which the grant is to be made, the application
9 provides assurances of compliance satisfactory to the
10 Secretary; and

11 “(3) the application otherwise is in such form,
12 is made in such manner, and contains such agree-
13 ments, assurances, and information as the Secretary
14 determines to be necessary to carry out this title.

15 “(b) AMOUNT OF GRANT.—The Secretary shall de-
16 termine the amount of a grant to be awarded under this
17 title.

18 **“SEC. 207. PEER REVIEW FOR GRANTS.**

19 “(a) ESTABLISHMENT OF PEER REVIEW PROCESS.—

20 “(1) IN GENERAL.—The Secretary shall, in con-
21 sultation with experts in the field and other Federal
22 agencies, establish a formal, rigorous, and meritori-
23 ous peer review process for purposes of evaluating
24 and reviewing applications for grants under this title
25 and determining the relative merits of the projects
26 for which such assistance is requested. The purpose

1 of this process is to enhance the quality and useful-
2 ness of research in the field of child abuse and ne-
3 glect.

4 “(2) REQUIREMENTS FOR MEMBERS.—In estab-
5 lishing the process required by paragraph (1), the
6 Secretary shall appoint to the peer review panels
7 only members who are experts in the field of child
8 abuse and neglect or related disciplines, with appro-
9 priate expertise in the application to be reviewed,
10 and who are not individuals who are officers or em-
11 ployees of the Administration for Children and Fam-
12 ilies. The panels shall meet as often as is necessary
13 to facilitate the expeditious review of applications for
14 grants and contracts under this title, but may not
15 meet less than once a year. The Secretary shall en-
16 sure that the peer review panel utilizes scientifically
17 valid review criteria and scoring guidelines for re-
18 view committees.

19 “(b) REVIEW OF APPLICATIONS FOR ASSISTANCE.—
20 Each peer review panel established under subsection
21 (a)(1) that reviews any application for a grant shall—

22 “(1) determine and evaluate the merit of each
23 project described in such application;

24 “(2) rank such application with respect to all
25 other applications it reviews in the same priority

1 area for the fiscal year involved, according to the rel-
2 ative merit of all of the projects that are described
3 in such application and for which financial assist-
4 ance is requested; and

5 “(3) make recommendations to the Secretary
6 concerning whether the application for the project
7 shall be approved.

8 The Secretary shall award grants under this title on the
9 basis of competitive review.

10 “(c) NOTICE OF APPROVAL.—

11 “(1) IN GENERAL.—The Secretary shall provide
12 grants under this title from among the projects
13 which the peer review panels established under sub-
14 section (a)(1) have determined to have merit.

15 “(2) REQUIREMENT OF EXPLANATION.—In the
16 instance in which the Secretary approves an applica-
17 tion for a program under this title without having
18 approved all applications ranked above such applica-
19 tion, the Secretary shall append to the approved ap-
20 plication a detailed explanation of the reasons relied
21 on for approving the application and for failing to
22 approve each pending application that is superior in
23 merit.

1 **“SEC. 208. NATIONAL RANDOM SAMPLE STUDY OF CHILD**
2 **WELFARE.**

3 “(a) IN GENERAL.—The Secretary shall conduct a
4 national study based on random samples of children who
5 are at risk of child abuse or neglect, or are determined
6 by States to have been abused or neglected, and such other
7 research as may be necessary.

8 “(b) REQUIREMENTS.—The study required by sub-
9 section (a) shall—

10 “(1) have a longitudinal component; and

11 “(2) yield data reliable at the State level for as
12 many States as the Secretary determines is feasible.

13 “(c) PREFERRED CONTENTS.—In conducting the
14 study required by subsection (a), the Secretary should—

15 “(1) collect data on the child protection pro-
16 grams of different small States (or different groups
17 of such States) in different years to yield an occa-
18 sional picture of the child protection programs of
19 such States;

20 “(2) carefully consider selecting the sample
21 from cases of confirmed abuse or neglect; and

22 “(3) follow each case for several years while ob-
23 taining information on, among other things—

24 “(A) the type of abuse or neglect involved;

25 “(B) the frequency of contact with State
26 or local agencies;

1 “(C) whether the child involved has been
2 separated from the family, and, if so, under
3 what circumstances;

4 “(D) the number, type, and characteristics
5 of out-of-home placements of the child; and

6 “(E) the average duration of each place-
7 ment.

8 “(d) REPORTS.—

9 “(1) IN GENERAL.—From time to time, the
10 Secretary shall prepare reports summarizing the re-
11 sults of the study required by subsection (a).

12 “(2) AVAILABILITY.—The Secretary shall make
13 available to the public any report prepared under
14 paragraph (1), in writing or in the form of an elec-
15 tronic data tape.

16 “(3) AUTHORITY TO CHARGE FEE.—The Sec-
17 retary may charge and collect a fee for the furnish-
18 ing of reports under paragraph (2).

19 “(4) FUNDING.—The Secretary shall carry out
20 this section using amounts made available under sec-
21 tion 425 of the Social Security Act.

1 **“TITLE III—GENERAL**
2 **PROVISIONS**

3 **“SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

4 “(a) TITLE I.—There are authorized to be appro-
5 priated to carry out title I, \$230,000,000 for fiscal year
6 1996, and such sums as may be necessary for each of the
7 fiscal years 1997 through 2002.

8 “(b) TITLE II.—

9 “(1) IN GENERAL.—Of the amount appro-
10 priated under subsection (a) for a fiscal year, the
11 Secretary shall make available 12 percent of such
12 amount to carry out title II (except for sections 203
13 and 208).

14 “(2) GRANTS FOR DEMONSTRATION
15 PROJECTS.—Of the amount made available under
16 paragraph (1) for a fiscal year, the Secretary shall
17 make available not less than 40 percent of such
18 amount to carry out section 203.

19 “(c) INDIAN TRIBES.—Of the amount appropriated
20 under subsection (a) for a fiscal year, the Secretary shall
21 make available 1 percent of such amount to provide grants
22 and contracts to Indian tribes and Tribal Organizations.

23 “(d) AVAILABILITY OF APPROPRIATIONS.—Amounts
24 appropriated under subsection (a) shall remain available
25 until expended.

1 **“SEC. 302. GRANTS TO STATES FOR PROGRAMS RELATING**
2 **TO THE INVESTIGATION AND PROSECUTION**
3 **OF CHILD ABUSE AND NEGLECT CASES.**

4 “(a) GRANTS TO STATES.—The Secretary, in con-
5 sultation with the Attorney General, is authorized to make
6 grants to the States for the purpose of assisting States
7 in developing, establishing, and operating programs de-
8 signed to improve—

9 “(1) the handling of child abuse and neglect
10 cases, particularly cases of child sexual abuse and
11 exploitation, in a manner which limits additional
12 trauma to the child victim;

13 “(2) the handling of cases of suspected child
14 abuse or neglect related fatalities; and

15 “(3) the investigation and prosecution of cases
16 of child abuse and neglect, particularly child sexual
17 abuse and exploitation.

18 “(b) ELIGIBILITY REQUIREMENTS.—In order for a
19 State to qualify for assistance under this section, such
20 State shall—

21 “(1) be an eligible State under section 102;

22 “(2) establish a task force as provided in sub-
23 section (c);

24 “(3) fulfill the requirements of subsection (d);

25 “(4) submit annually an application to the Sec-
26 retary at such time and containing such information

1 and assurances as the Secretary considers necessary,
2 including an assurance that the State will—

3 “(A) make such reports to the Secretary as
4 may reasonably be required; and

5 “(B) maintain and provide access to
6 records relating to activities under subsection
7 (a); and

8 “(5) submit annually to the Secretary a report
9 on the manner in which assistance received under
10 this program was expended throughout the State,
11 with particular attention focused on the areas de-
12 scribed in paragraphs (1) through (3) of subsection
13 (a).

14 “(c) STATE TASK FORCES.—

15 “(1) GENERAL RULE.—Except as provided in
16 paragraph (2), a State requesting assistance under
17 this section shall establish or designate, and main-
18 tain, a State multidisciplinary task force on chil-
19 dren’s justice (hereafter in this section referred to as
20 ‘State task force’) composed of professionals with
21 knowledge and experience relating to the criminal
22 justice system and issues of child physical abuse,
23 child neglect, child sexual abuse and exploitation,
24 and child maltreatment related fatalities. The State
25 task force shall include—

1 “(A) individuals representing the law en-
2 forcement community;

3 “(B) judges and attorneys involved in both
4 civil and criminal court proceedings related to
5 child abuse and neglect (including individuals
6 involved with the defense as well as the prosecu-
7 tion of such cases);

8 “(C) child advocates, including both attor-
9 neys for children and, where such programs are
10 in operation, court appointed special advocates;

11 “(D) health and mental health profes-
12 sionals;

13 “(E) individuals representing child protec-
14 tive service agencies;

15 “(F) individuals experienced in working
16 with children with disabilities;

17 “(G) parents; and

18 “(H) representatives of parents’ groups.

19 “(2) EXISTING TASK FORCE.—As determined
20 by the Secretary, a State commission or task force
21 established after January 1, 1983, with substantially
22 comparable membership and functions, may be con-
23 sidered the State task force for purposes of this sub-
24 section.

1 “(d) STATE TASK FORCE STUDY.—Before a State
2 receives assistance under this section, and at 3-year inter-
3 vals thereafter, the State task force shall comprehen-
4 sively—

5 “(1) review and evaluate State investigative, ad-
6 ministrative and both civil and criminal judicial han-
7 dling of cases of child abuse and neglect, particularly
8 child sexual abuse and exploitation, as well as cases
9 involving suspected child maltreatment related fatali-
10 ties and cases involving a potential combination of
11 jurisdictions, such as interstate, Federal-State, and
12 State-Tribal; and

13 “(2) make policy and training recommendations
14 in each of the categories described in subsection (e).
15 The task force may make such other comments and rec-
16 ommendations as are considered relevant and useful.

17 “(e) ADOPTION OF STATE TASK FORCE REC-
18 OMMENDATIONS.—

19 “(1) GENERAL RULE.—Subject to the provi-
20 sions of paragraph (2), before a State receives as-
21 sistance under this section, a State shall adopt rec-
22 ommendations of the State task force in each of the
23 following categories—

24 “(A) investigative, administrative, and ju-
25 dicial handling of cases of child abuse and ne-

1 neglect, particularly child sexual abuse and exploi-
2 tation, as well as cases involving suspected child
3 maltreatment related fatalities and cases involv-
4 ing a potential combination of jurisdictions,
5 such as interstate, Federal-State, and State-
6 Tribal, in a manner which reduces the addi-
7 tional trauma to the child victim and the vic-
8 tim's family and which also ensures procedural
9 fairness to the accused;

10 “(B) experimental, model and demonstra-
11 tion programs for testing innovative approaches
12 and techniques which may improve the prompt
13 and successful resolution of civil and criminal
14 court proceedings or enhance the effectiveness
15 of judicial and administrative action in child
16 abuse and neglect cases, particularly child sex-
17 ual abuse and exploitation cases, including the
18 enhancement of performance of court-appointed
19 attorneys and guardians ad litem for children;
20 and

21 “(C) reform of State laws, ordinances, reg-
22 ulations, protocols and procedures to provide
23 comprehensive protection for children from
24 abuse, particularly child sexual abuse and ex-

1 ploitation, while ensuring fairness to all affected
2 persons.

3 “(2) EXEMPTION.—As determined by the Sec-
4 retary, a State shall be considered to be in fulfill-
5 ment of the requirements of this subsection if—

6 “(A) the State adopts an alternative to the
7 recommendations of the State task force, which
8 carries out the purpose of this section, in each
9 of the categories under paragraph (1) for which
10 the State task force’s recommendations are not
11 adopted; or

12 “(B) the State is making substantial
13 progress toward adopting recommendations of
14 the State task force or a comparable alternative
15 to such recommendations.

16 “(f) FUNDS AVAILABLE.—For grants under this sec-
17 tion, the Secretary shall use the amount authorized by sec-
18 tion 1404A of the Victims of Crime Act of 1984.

19 **“SEC. 303. TRANSITIONAL PROVISION.**

20 “A State or other entity that has a grant, contract,
21 or cooperative agreement in effect, on the date of enact-
22 ment of this Act, under the Family Resource and Support
23 Program, the Community-Based Family Resource Pro-
24 gram, the Family Support Center Program, the Emer-
25 gency Child Abuse Prevention Grant Program, the Aban-

1 doned Infants Assistance Act of 1988, or the Temporary
2 Child Care for Children with Disabilities and Crisis Nurs-
3 eries Programs shall continue to receive funds under such
4 grant, contract, or cooperative agreement, subject to the
5 original terms under which such funds were provided,
6 through the end of the applicable grant, contract, or
7 agreement cycle.

8 **“SEC. 304. RULE OF CONSTRUCTION.**

9 “(a) IN GENERAL.—Nothing in this Act, or in part
10 B or E of title IV of the Social Security Act, shall be con-
11 strued—

12 “(1) as establishing a Federal requirement that
13 a parent or legal guardian provide a child any medi-
14 cal service or treatment against the religious beliefs
15 of the parent or legal guardian; and

16 “(2) to require that a State find, or to prohibit
17 a State from finding, abuse or neglect in cases in
18 which a parent or legal guardian relies solely or par-
19 tially upon spiritual means rather than medical
20 treatment, in accordance with the religious beliefs of
21 the parent or legal guardian.

22 “(b) STATE REQUIREMENT.—Notwithstanding sub-
23 section (a), a State shall have in place authority under
24 State law to permit the child protective service system of
25 the State to pursue any legal remedies, including the au-

1 thority to initiate legal proceedings in a court of competent
2 jurisdiction, to provide medical care or treatment for a
3 child when such care or treatment is necessary to prevent
4 or remedy serious harm to the child, or to prevent the
5 withholding of medically indicated treatment from children
6 with life threatening conditions. Except with respect to the
7 withholding of medically indicated treatments from dis-
8 abled infants with life threatening conditions, case by case
9 determinations concerning the exercise of the authority of
10 this subsection shall be within the sole discretion of the
11 State.”.

12 **SEC. 4752. REAUTHORIZATIONS.**

13 (a) MISSING CHILDREN’S ASSISTANCE ACT.—Section
14 408 of the Missing Children’s Assistance Act (42 U.S.C.
15 5777) is amended—

16 (1) by striking “To” and inserting “(a) IN
17 GENERAL.—To”

18 (2) by striking “and 1996” and inserting
19 “1996, and 1997”; and

20 (3) by adding at the end thereof the following
21 new subsection:

22 “(b) EVALUATION.—The Administrator shall use not
23 more than 5 percent of the amount appropriated for a fis-
24 cal year under subsection (a) to conduct an evaluation of

1 the effectiveness of the programs and activities established
2 and operated under this title.”.

3 (b) VICTIMS OF CHILD ABUSE ACT OF 1990.—Sec-
4 tion 214B of the Victims of Child Abuse Act of 1990 (42
5 U.S.C. 13004) is amended—

6 (1) in subsection (a)(2), by striking “and 1996”
7 and inserting “1996, and 1997”; and

8 (2) in subsection (b)(2), by striking “and
9 1996” and inserting “1996, and 1997”.

10 **SEC. 4753. REPEALS.**

11 (a) IN GENERAL.—The following provisions of law
12 are repealed:

13 (1) Title II of the Child Abuse Prevention and
14 Treatment and Adoption Reform Act of 1978 (42
15 U.S.C. 5111 et seq.).

16 (2) The Abandoned Infants Assistance Act of
17 1988 (42 U.S.C. 670 note).

18 (3) The Temporary Child Care for Children
19 with Disabilities and Crisis Nurseries Act of 1986
20 (42 U.S.C. 5117 et seq.).

21 (4) Subtitle F of title VII of the Stewart B.
22 McKinney Homeless Assistance Act (42 U.S.C.
23 11481 et seq.).

24 (b) CONFORMING AMENDMENTS.—

1 (1) RECOMMENDED LEGISLATION.—After con-
2 sultation with the appropriate committees of the
3 Congress and the Director of the Office of Manage-
4 ment and Budget, the Secretary of Health and
5 Human Services shall prepare and submit to the
6 Congress a legislative proposal in the form of an im-
7 plementing bill containing technical and conforming
8 amendments to reflect the repeals made by this sec-
9 tion.

10 (2) SUBMISSION TO CONGRESS.—Not later than
11 6 months after the date of enactment of this sub-
12 chapter, the Secretary of Health and Human Serv-
13 ices shall submit the implementing bill referred to
14 under paragraph (1).

15 **Subtitle G—Reductions in Federal** 16 **Government Positions**

17 **SEC. 4801. REDUCTIONS.**

18 (a) DEFINITIONS.—As used in this section:

19 (1) APPROPRIATE EFFECTIVE DATE.—The term
20 “appropriate effective date”, used with respect to a
21 Department referred to in this section, means the
22 date on which all provisions of this Act (other than
23 subtitle B of this title) that the Department is re-
24 quired to carry out, and amendments and repeals
25 made by this Act to provisions of Federal law that

1 the Department is required to carry out, are effective.
2

3 (2) COVERED ACTIVITY.—The term “covered
4 activity”, used with respect to a Department referred to in this section, means an activity that the
5 Department is required to carry out under—
6

7 (A) a provision of this Act (other than subtitle B of this title); or
8

9 (B) a provision of Federal law that is
10 amended or repealed by this Act (other than
11 subtitle B of this title).

12 (b) REPORTS.—

13 (1) CONTENTS.—Not later than January 1,
14 1997, each Secretary referred to in paragraph (2)
15 shall prepare and submit to the relevant committees
16 described in paragraph (3) a report containing—

17 (A) the determinations described in subsection (c);
18

19 (B) appropriate documentation in support
20 of such determinations; and

21 (C) a description of the methodology used
22 in making such determinations.

23 (2) SECRETARY.—The Secretaries referred to in
24 this paragraph are—

25 (A) the Secretary of Agriculture;

1 (B) the Secretary of Education;

2 (C) the Secretary of Labor;

3 (D) the Secretary of Housing and Urban
4 Development; and

5 (E) the Secretary of Health and Human
6 Services.

7 (3) RELEVANT COMMITTEES.—The relevant
8 Committees described in this paragraph are the fol-
9 lowing:

10 (A) With respect to each Secretary de-
11 scribed in paragraph (2), the Committee on
12 Government Reform and Oversight of the
13 House of Representatives and the Committee
14 on Governmental Affairs of the Senate.

15 (B) With respect to the Secretary of Agri-
16 culture, the Committee on Agriculture and the
17 Committee on Economic and Educational Op-
18 portunities of the House of Representatives and
19 the Committee on Agriculture, Nutrition, and
20 Forestry of the Senate.

21 (C) With respect to the Secretary of Edu-
22 cation, the Committee on Economic and Edu-
23 cational Opportunities of the House of Rep-
24 resentatives and the Committee on Labor and
25 Human Resources of the Senate.

1 (D) With respect to the Secretary of
2 Labor, the Committee on Economic and Edu-
3 cational Opportunities of the House of Rep-
4 resentatives and the Committee on Labor and
5 Human Resources of the Senate.

6 (E) With respect to the Secretary of Hous-
7 ing and Urban Development, the Committee on
8 Banking and Financial Services of the House of
9 Representatives and the Committee on Bank-
10 ing, Housing, and Urban Affairs of the Senate.

11 (F) With respect to the Secretary of
12 Health and Human Services, the Committee on
13 Economic and Educational Opportunities of the
14 House of Representatives, the Committee on
15 Labor and Human Resources of the Senate, the
16 Committee on Ways and Means of the House of
17 Representatives, and the Committee on Finance
18 of the Senate.

19 (4) REPORT ON CHANGES.—Not later than De-
20 cember 31, 1996, and each December 31 thereafter,
21 each Secretary referred to in paragraph (2) shall
22 prepare and submit to the relevant Committees de-
23 scribed in paragraph (3), a report concerning any
24 changes with respect to the determinations made

1 under subsection (c) for the year in which the report
2 is being submitted.

3 (c) DETERMINATIONS.—Not later than December 31,
4 1996, each Secretary referred to in subsection (b)(2) shall
5 determine—

6 (1) the number of full-time equivalent positions
7 required by the Department headed by such Sec-
8 retary to carry out the covered activities of the De-
9 partment, as of the day before the date of enactment
10 of this Act;

11 (2) the number of such positions required by
12 the Department to carry out the activities, as of the
13 appropriate effective date for the Department; and

14 (3) the difference obtained by subtracting the
15 number referred to in paragraph (2) from the num-
16 ber referred to in paragraph (1).

17 (d) ACTIONS.—Each Secretary referred to in sub-
18 section (b)(2) shall take such actions as may be necessary,
19 including reduction in force actions, consistent with sec-
20 tions 3502 and 3595 of title 5, United States Code, to
21 reduce the number of positions of personnel of the Depart-
22 ment—

23 (1) not later than 30 days after the appropriate
24 effective date for the Department involved, by at

1 least 50 percent of the difference referred to in sub-
2 section (c)(3); and

3 (2) not later than 13 months after such appro-
4 priate effective date, by at least the remainder of
5 such difference (after the application of paragraph
6 (1)).

7 (e) CONSISTENCY.—

8 (1) EDUCATION.—The Secretary of Education
9 shall carry out this section in a manner that enables
10 the Secretary to meet the requirements of this sec-
11 tion.

12 (2) LABOR.—The Secretary of Labor shall
13 carry out this section in a manner that enables the
14 Secretary to meet the requirements of this section.

15 (3) HEALTH AND HUMAN SERVICES.—The Sec-
16 retary of Health and Human Services shall carry out
17 this section in a manner that enables the Secretary
18 to meet the requirements of this section and sections
19 4802 and 4803.

20 (f) CALCULATION.—In determining, under subsection
21 (c), the number of full-time equivalent positions required
22 by a Department to carry out a covered activity, a Sec-
23 retary referred to in subsection (b)(2) shall include the
24 number of such positions occupied by personnel carrying
25 out program functions or other functions (including budg-

1 etary, legislative, administrative, planning, evaluation, and
2 legal functions) related to the activity.

3 (g) GENERAL ACCOUNTING OFFICE REPORT.—Not
4 later than July 1, 1997, the Comptroller General of the
5 United States shall prepare and submit to the committees
6 described in subsection (b)(3), a report concerning the de-
7 terminations made by each Secretary under subsection (c).
8 Such report shall contain an analysis of the determina-
9 tions made by each Secretary under subsection (c) and
10 a determination as to whether further reductions in full-
11 time equivalent positions are appropriate.

12 **SEC. 4802. REDUCTIONS IN FEDERAL BUREAUCRACY.**

13 (a) IN GENERAL.—The Secretary of Health and
14 Human Services shall reduce the Federal workforce within
15 the Department of Health and Human Services by an
16 amount equal to the sum of—

17 (1) 75 percent of the full-time equivalent posi-
18 tions at such Department that relate to any direct
19 spending program, or any program funded through
20 discretionary spending, that has been converted into
21 a block grant program under this Act and the
22 amendments made by this Act; and

23 (2) an amount equal to 75 percent of that por-
24 tion of the total full-time equivalent departmental
25 management positions at such Department that

1 bears the same relationship to the amount appro-
2 priated for the programs referred to in paragraph
3 (1) as such amount relates to the total amount ap-
4 propriated for use by such Department.

5 (b) REDUCTIONS IN THE DEPARTMENT OF HEALTH
6 AND HUMAN SERVICES.—Notwithstanding any other pro-
7 vision of this Act, the Secretary of Health and Human
8 Services shall take such actions as may be necessary, in-
9 cluding reductions in force actions, consistent with sec-
10 tions 3502 and 3595 of title 5, United States Code, to
11 reduce the full-time equivalent positions within the De-
12 partment of Health and Human Services—

13 (1) by 245 full-time equivalent positions related
14 to the program converted into a block grant under
15 the amendment made by section 103; and

16 (2) by 60 full-time equivalent managerial posi-
17 tions in the Department.

18 **SEC. 4803. REDUCING PERSONNEL IN WASHINGTON, D.C.**

19 **AREA.**

20 In making reductions in full-time equivalent posi-
21 tions, the Secretary of Health and Human Services is en-
22 couraged to reduce personnel in the Washington, D.C.,
23 area office (agency headquarters) before reducing field
24 personnel.

1 **Subtitle H—Miscellaneous**

2 **SEC. 4901. APPROPRIATION BY STATE LEGISLATURES.**

3 (a) IN GENERAL.—Any funds received by a State
4 under the provisions of law specified in subsection (b) shall
5 be subject to appropriation by the State legislature, con-
6 sistent with the terms and conditions required under such
7 provisions of law.

8 (b) PROVISIONS OF LAW.—The provisions of law
9 specified in this subsection are the following:

10 (1) Part A of title IV of the Social Security Act
11 (relating to block grants for temporary assistance
12 for needy families).

13 (2) Section 25 of the Food Stamp Act of 1977
14 (relating to the optional State food assistance block
15 grant).

16 (3) The Child Care and Development Block
17 Grant Act of 1990 (relating to block grants for child
18 care).

19 **SEC. 4902. SANCTIONING FOR TESTING POSITIVE FOR CON-** 20 **TROLLED SUBSTANCES.**

21 Notwithstanding any other provision of law, States
22 shall not be prohibited by the Federal Government from
23 testing welfare recipients for use of controlled substances
24 nor from sanctioning welfare recipients who test positive
25 for use of controlled substances.

1 **SEC. 4903. REDUCTION IN BLOCK GRANTS TO STATES FOR**
2 **SOCIAL SERVICES.**

3 Section 2003(c) of the Social Security Act (42 U.S.C.
4 1397b(c)) is amended—

5 (1) by striking “and” at the end of paragraph
6 (4); and

7 (2) by striking paragraph (5) and inserting the
8 following:

9 “(5) \$2,800,000,000 for each of the fiscal years
10 1990 through 1995;

11 “(6) \$2,520,000,000 for each of the fiscal years
12 1997 through 2002; and

13 “(7) \$2,380,000,000 for the fiscal year 2003
14 and each succeeding fiscal year.”.

Passed the House of Representatives July 18, 1996.

Attest:

Clerk.