

104TH CONGRESS
1ST SESSION

H. R. 4

IN THE SENATE OF THE UNITED STATES

MARCH 29 (legislative day, MARCH 27), 1995

Received; read twice and referred to the Committee on Finance

AN ACT

To restore the American family, reduce illegitimacy, control
welfare spending and reduce welfare dependence.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Personal Responsibility
5 Act of 1995”.

6 **SEC. 2. TABLE OF CONTENTS.**

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

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR
NEEDY FAMILIES

- Sec. 100. Sense of the Congress.
- Sec. 101. Block grants to States.
- Sec. 102. Report on data processing.
- Sec. 103. Transfers.
- Sec. 104. Conforming amendments to the Social Security Act.
- Sec. 105. Conforming amendments to other laws.
- Sec. 106. Continued application of current standards under medicaid program.
- Sec. 107. Effective date.

TITLE II—CHILD PROTECTION BLOCK GRANT PROGRAM

- Sec. 201. Establishment of program.
- Sec. 202. Conforming amendments.
- Sec. 203. Continued application of current standards under medicaid program.
- Sec. 204. Effective date.
- Sec. 205. Sense of the Congress regarding timely adoption of children.

TITLE III—BLOCK GRANTS FOR CHILD CARE AND FOR
NUTRITION ASSISTANCE

Subtitle A—Child Care Block Grants

- Sec. 301. Amendments to the Child Care and Development Block Grant Act of 1990.
- Sec. 302. Repeal of child care assistance authorized by Acts other than the Social Security Act.

Subtitle B—Family and School-Based Nutrition Block Grants

CHAPTER 1—FAMILY NUTRITION BLOCK GRANT PROGRAM

- Sec. 321. Amendment to Child Nutrition Act of 1966.

CHAPTER 2—SCHOOL-BASED NUTRITION BLOCK GRANT PROGRAM

- Sec. 341. Amendment to National School Lunch Act.

CHAPTER 3—MISCELLANEOUS PROVISIONS

- Sec. 361. Repealers.

Subtitle C—Other Repealers and Conforming Amendments

- Sec. 371. Amendments to laws relating to child protection block grant.

Subtitle D—Related Provisions

- Sec. 381. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
- Sec. 382. Data on program participation and outcomes.

Subtitle E—General Effective Date; Preservation of Actions, Obligations, and Rights

- Sec. 391. Effective date.
- Sec. 392. Application of amendments and repealers.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR
ALIENS

Sec. 400. Statements of national policy concerning welfare and immigration.

Subtitle A—Eligibility for Federal Benefits Programs

- Sec. 401. Ineligibility of illegal aliens for certain public benefits programs.
- Sec. 402. Ineligibility of nonimmigrants for certain public benefits programs.
- Sec. 403. Limited eligibility of immigrants for 5 specified Federal public benefits programs.
- Sec. 404. Notification.

Subtitle B—Eligibility for State and Local Public Benefits Programs

- Sec. 411. Ineligibility of illegal aliens for State and local public benefits programs.
- Sec. 412. Ineligibility of nonimmigrants for State and local public benefits programs.
- Sec. 413. State authority to limit eligibility of immigrants for State and local means-tested public benefits programs.

Subtitle C—Attribution of Income and Affidavits of Support

- Sec. 421. Attribution of sponsor's income and resources to family-sponsored immigrants.
- Sec. 422. Requirements for sponsor's affidavit of support.

Subtitle D—General Provisions

- Sec. 431. Definitions.
- Sec. 432. Construction.

Subtitle E—Conforming Amendments

- Sec. 441. Conforming amendments relating to assisted housing.

TITLE V—FOOD STAMP REFORM AND COMMODITY DISTRIBUTION

Sec. 501. Short title.

Subtitle A—Commodity Distribution Provisions

- Sec. 511. Short title.
- Sec. 512. Availability of commodities.
- Sec. 513. State, local and private supplementation of commodities.
- Sec. 514. State plan.
- Sec. 515. Allocation of commodities to States.
- Sec. 516. Priority system for State distribution of commodities.
- Sec. 517. Initial processing costs.
- Sec. 518. Assurances; anticipated use.
- Sec. 519. Authorization of appropriations.
- Sec. 520. Commodity supplemental food program.
- Sec. 521. Commodities not income.
- Sec. 522. Prohibition against certain State charges.
- Sec. 523. Definitions.
- Sec. 524. Regulations.
- Sec. 525. Finality of determinations.
- Sec. 526. Sale of commodities prohibited.

- Sec. 527. Settlement and adjustment of claims.
- Sec. 528. Repealers; amendments.

Subtitle B—Simplification and Reform of Food Stamp Program

- Sec. 531. Short title.

CHAPTER 1—SIMPLIFIED FOOD STAMP PROGRAM AND STATE ASSISTANCE FOR NEEDY FAMILIES

- Sec. 541. Establishment of simplified food stamp program.
- Sec. 542. Simplified food stamp program.
- Sec. 543. Conforming amendments.

CHAPTER 2—FOOD STAMP PROGRAM

- Sec. 551. Thrifty food plan.
- Sec. 552. Income deductions and energy assistance.
- Sec. 553. Vehicle allowance.
- Sec. 554. Work requirements.
- Sec. 555. Comparable treatment of disqualified individuals.
- Sec. 556. Encourage electronic benefit transfer systems.
- Sec. 557. Value of minimum allotment.
- Sec. 558. Initial month benefit determination.
- Sec. 559. Improving food stamp program management.
- Sec. 560. Work supplementation or support program.
- Sec. 561. Obligations and allotments.

CHAPTER 3—PROGRAM INTEGRITY

- Sec. 571. Authority to establish authorization periods.
- Sec. 572. Condition precedent for approval of retail food stores and wholesale food concerns.
- Sec. 573. Waiting period for retail food stores and wholesale food concerns that are denied approval to accept coupons.
- Sec. 574. Disqualification of retail food stores and wholesale food concerns.
- Sec. 575. Authority to suspend stores violating program requirements pending administrative and judicial review.
- Sec. 576. Criminal forfeiture.
- Sec. 577. Expanded definition of “coupon”.
- Sec. 578. Doubled penalties for violating food stamp program requirements.
- Sec. 579. Disqualification of convicted individuals.
- Sec. 580. Claims collection.
- Sec. 581. Denial of food stamp benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
- Sec. 582. Disqualification relating to child support arrears.
- Sec. 583. Elimination of food stamp benefits with respect to fugitive felons and probation and parole violators.

Subtitle C—Effective Dates and Miscellaneous Provisions

- Sec. 591. Effective dates.
- Sec. 592. Sense of the Congress.
- Sec. 593. Deficit reduction.

TITLE VI—SUPPLEMENTAL SECURITY INCOME

- Sec. 601. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
- Sec. 602. Supplemental security income benefits for disabled children.
- Sec. 603. Examination of mental listings used to determine eligibility of children for SSI benefits by reason of disability.
- Sec. 604. Limitation on payments to Puerto Rico, the Virgin Islands, and Guam under programs of aid to the aged, blind, or disabled.
- Sec. 605. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.
- Sec. 606. 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. 607. Denial of SSI benefits for fugitive felons and probation and parole violators.

TITLE VII—CHILD SUPPORT

- Sec. 700. References.

Subtitle A—Eligibility for Services; Distribution of Payments

- Sec. 701. State obligation to provide child support enforcement services.
- Sec. 702. Distribution of child support collections.
- Sec. 703. Privacy safeguards.

Subtitle B—Locate and Case Tracking

- Sec. 711. State case registry.
- Sec. 712. Collection and disbursement of support payments.
- Sec. 713. State directory of new hires.
- Sec. 714. Amendments concerning income withholding.
- Sec. 715. Locator information from interstate networks.
- Sec. 716. Expansion of the Federal Parent Locator Service.
- Sec. 717. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

- Sec. 721. Adoption of uniform State laws.
- Sec. 722. Improvements to full faith and credit for child support orders.
- Sec. 723. Administrative enforcement in interstate cases.
- Sec. 724. Use of forms in interstate enforcement.
- Sec. 725. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

- Sec. 731. State laws concerning paternity establishment.
- Sec. 732. Outreach for voluntary paternity establishment.
- Sec. 733. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

- Sec. 741. Federal matching payments.
- Sec. 742. Performance-based incentives and penalties.
- Sec. 743. Federal and State reviews and audits.
- Sec. 744. Required reporting procedures.
- Sec. 745. Automated data processing requirements.

Sec. 746. Technical assistance.

Sec. 747. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 751. Simplified process for review and adjustment of child support orders.

Sec. 752. Furnishing consumer reports for certain purposes relating to child support.

Subtitle G—Enforcement of Support Orders

Sec. 761. Federal income tax refund offset.

Sec. 762. Authority to collect support from Federal employees.

Sec. 763. Enforcement of child support obligations of members of the Armed Forces.

Sec. 764. Voiding of fraudulent transfers.

Sec. 765. Sense of the Congress that States should suspend drivers', business, and occupational licenses of persons owing past-due child support.

Sec. 766. Work requirement for persons owing past-due child support.

Sec. 767. Definition of support order.

Sec. 768. Liens.

Sec. 769. State law authorizing suspension of licenses.

Subtitle H—Medical Support

Sec. 771. Technical correction to ERISA definition of medical child support order.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 781. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 791. Effective dates.

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 801. Scoring.

Sec. 802. Provisions to encourage electronic benefit transfer systems.

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

4 **SEC. 100. SENSE OF THE CONGRESS.**

5 It is the sense of the Congress that—

6 (1) marriage is the foundation of a successful
7 society;

1 (2) marriage is an essential social institution
2 which promotes the interests of children and society
3 at large;

4 (3) the negative consequences of an out-of-wed-
5 lock birth on the child, the mother, and society are
6 well documented as follows:

7 (A) the illegitimacy rate among black
8 Americans was 26 percent in 1965, but today
9 the rate is 68 percent and climbing;

10 (B) the illegitimacy rate among white
11 Americans has risen tenfold, from 2.29 percent
12 in 1960 to 22 percent today;

13 (C) the total of all out-of-wedlock births
14 between 1970 and 1991 has risen from 10 per-
15 cent to 30 percent and if the current trend con-
16 tinues, 50 percent of all births by the year 2015
17 will be out-of-wedlock;

18 (D) $\frac{3}{4}$ of illegitimate births among whites
19 are to women with a high school education or
20 less;

21 (E) the 1-parent family is 6 times more
22 likely to be poor than the 2-parent family;

23 (F) children born into families receiving
24 welfare assistance are 3 times more likely than

1 children not born into families receiving welfare
2 to be on welfare when they reach adulthood;

3 (G) teenage single parent mothering is the
4 single biggest contributor to low birth weight
5 babies;

6 (H) children born out-of-wedlock are more
7 likely to experience low verbal cognitive attain-
8 ment, child abuse, and neglect;

9 (I) young people from single parent or
10 stepparent families are 2 to 3 times more likely
11 to have emotional or behavioral problems than
12 those from intact families;

13 (J) young white women who were raised in
14 a single parent family are more than twice as
15 likely to have children out-of-wedlock and to be-
16 come parents as teenagers, and almost twice as
17 likely to have their marriages end in divorce, as
18 are children from 2-parent families;

19 (K) the younger the single parent mother,
20 the less likely she is to finish high school;

21 (L) young women who have children before
22 finishing high school are more likely to receive
23 welfare assistance for a longer period of time;

24 (M) between 1985 and 1990, the public
25 cost of births to teenage mothers under the aid

1 to families with dependent children program,
2 the food stamp program, and the medicaid pro-
3 gram has been estimated at \$120,000,000,000;

4 (N) the absence of a father in the life of
5 a child has a negative effect on school perform-
6 ance and peer adjustment;

7 (O) the likelihood that a young black man
8 will engage in criminal activities doubles if he
9 is raised without a father and triples if he lives
10 in a neighborhood with a high concentration of
11 single parent families; and

12 (P) the greater the incidence of single par-
13 ent families in a neighborhood, the higher the
14 incidence of violent crime and burglary; and

15 (4) in light of this demonstration of the crisis
16 in our Nation, the reduction of out-of-wedlock births
17 is an important government interest and the policy
18 contained in provisions of this title address the
19 crisis.

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

21 Title IV of the Social Security Act (42 U.S.C. 601
22 et seq.) is amended by striking part A, except sections
23 403(h) and 417, and inserting the following:

1 **“PART A—BLOCK GRANTS TO STATES FOR**
2 **TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**
3 **“SEC. 401. PURPOSE.**

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

6 “(1) provide assistance to needy families so that
7 the children in such families may be cared for in
8 their homes or in the homes of relatives;

9 “(2) end the dependence of needy parents on
10 government benefits by promoting work and mar-
11 riage; and

12 “(3) discourage out-of-wedlock births.

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

14 “(a) IN GENERAL.—As used in this part, the term
15 ‘eligible State’ means, with respect to a fiscal year, a State
16 that, during the 3-year period immediately preceding the
17 fiscal year, has submitted to the Secretary a plan that in-
18 cludes the following:

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

22 “(A) Conduct a program designed to—

23 “(i) provide cash benefits to needy
24 families with children; and

25 “(ii) provide parents of children in
26 such families with work experience, assist-

1 ance in finding employment, and other
2 work preparation activities and support
3 services that the State considers appro-
4 priate to enable such families to leave the
5 program and become self-sufficient.

6 “(B) Require at least 1 parent of a child
7 in any family which has received benefits for
8 more than 24 months (whether or not consecu-
9 tive) under the program to engage in work ac-
10 tivities (as defined by the State).

11 “(C) Ensure that parents receiving assist-
12 ance under the program engage in work activi-
13 ties in accordance with section 404.

14 “(D) Treat interstate immigrants, if fami-
15 lies including such immigrants are to be treated
16 differently than other families.

17 “(E) Take such reasonable steps as the
18 State deems necessary to restrict the use and
19 disclosure of information about individuals and
20 families receiving benefits under the program.

21 “(F) Take actions to reduce the incidence
22 of out-of-wedlock pregnancies, which may in-
23 clude providing unmarried mothers and unmar-
24 ried fathers with services which will help
25 them—

1 “(i) avoid subsequent pregnancies;
2 and

3 “(ii) provide adequate care to their
4 children.

5 “(G) Reduce teenage pregnancy, including
6 (at the option of the State) through the provi-
7 sion of education and counseling to male and
8 female teenagers.

9 “(2) CERTIFICATION THAT THE STATE WILL
10 OPERATE A CHILD SUPPORT ENFORCEMENT PRO-
11 GRAM.—A certification by the Governor of the State
12 that, during the fiscal year, the State will operate a
13 child support enforcement program under the State
14 plan approved under part D, in a manner that com-
15 plies with the requirements of such part.

16 “(3) CERTIFICATION THAT THE STATE WILL
17 OPERATE A CHILD PROTECTION PROGRAM.—A cer-
18 tification by the Governor of the State that, during
19 the fiscal year, the State will operate a child protec-
20 tion program in accordance with part B, which in-
21 cludes a foster care program and an adoption assist-
22 ance program.

23 “(b) DETERMINATIONS.—The Secretary shall deter-
24 mine whether a plan submitted pursuant to subsection (a)
25 contains the material required by subsection (a).

1 **“SEC. 403. PAYMENTS TO STATES.**

2 **“(a) ENTITLEMENTS.—**

3 **“(1) GRANTS FOR FAMILY ASSISTANCE.—**

4 **“(A) IN GENERAL.—**Each eligible State
5 shall be entitled to receive from the Secretary
6 for each of fiscal years 1996, 1997, 1998,
7 1999, and 2000 a grant in an amount equal to
8 the State family assistance grant for the fiscal
9 year.

10 **“(B) GRANT INCREASED TO REWARD**
11 **STATES THAT REDUCE OUT-OF-WEDLOCK**
12 **BIRTHS.—**The amount of the grant payable to
13 a State under subparagraph (A) for fiscal year
14 1998 or any succeeding fiscal year shall be in-
15 creased by—

16 **“(i)** 5 percent if the illegitimacy ratio
17 of the State for the fiscal year is at least
18 1 percentage point lower than the illegit-
19 imacy ratio of the State for fiscal year
20 1995; or

21 **“(ii)** 10 percent if the illegitimacy
22 ratio of the State for the fiscal year is at
23 least 2 percentage points lower than the il-
24 legitimacy ratio of the State for fiscal year
25 1995.

1 “(2) SUPPLEMENTAL GRANTS TO ADJUST FOR
2 POPULATION INCREASES.—In addition to any grant
3 under paragraph (1), each eligible State shall be en-
4 titled to receive from the Secretary for each of fiscal
5 years 1997, 1998, 1999, and 2000, a grant in an
6 amount equal to the State proportion of
7 \$100,000,000.

8 “(b) DEFINITIONS.—As used in this section:

9 “(1) STATE FAMILY ASSISTANCE GRANT.—

10 “(A) IN GENERAL.—The term ‘State fam-
11 ily assistance grant’ means, with respect to a
12 fiscal year, the provisional State family assist-
13 ance grant adjusted in accordance with sub-
14 paragraph (C).

15 “(B) PROVISIONAL STATE FAMILY ASSIST-
16 ANCE GRANT.—The term ‘provisional State
17 family assistance grant’ means—

18 “(i) the greater of—

19 “(I) $\frac{1}{3}$ of the total amount of ob-
20 ligations to the State under section
21 403 of this title (as in effect before
22 October 1, 1995) for fiscal years
23 1992, 1993, and 1994 (other than
24 with respect to amounts expended for
25 child care under subsection (g) or (i)

1 of section 402 of this title (as so in ef-
2 fect)); or

3 “(II) the total amount of obliga-
4 tions to the State under such section
5 403 for fiscal year 1994 (other than
6 with respect to amounts expended for
7 child care under subsection (g) or (i)
8 of section 402 of this title (as so in ef-
9 fect)); multiplied by

10 “(ii)(I) the total amount of outlays to
11 all of the States under such section 403
12 for fiscal year 1994 (other than with re-
13 spect to amounts expended for child care
14 under subsection (g) or (i) of section 402
15 of this title (as so in effect)); divided by

16 “(II) the total amount of obligations
17 to all of the States under such section 403
18 for fiscal year 1994 (other than with re-
19 spect to amounts expended for child care
20 under subsection (g) or (i) of section 402
21 of this title (as so in effect)).

22 “(C) PROPORTIONAL ADJUSTMENT.—The
23 Secretary shall determine the percentage (if
24 any) by which each provisional State family as-
25 sistance grant must be reduced or increased to

1 ensure that the sum of such grants equals
2 \$15,390,296,000, and shall adjust each provi-
3 sional State family assistance grant by the per-
4 centage so determined.

5 “(2) ILLEGITIMACY RATIO.—The term ‘illegit-
6 imacy ratio’ means, with respect to a State and a
7 fiscal year—

8 “(A) the sum of—

9 “(i) the number of out-of-wedlock
10 births that occurred in the State during
11 the most recent fiscal year for which such
12 information is available; and

13 “(ii) the amount (if any) by which the
14 number of abortions performed in the
15 State during the most recent fiscal year for
16 which such information is available exceeds
17 the number of abortions performed in the
18 State during the fiscal year that imme-
19 diately precedes such most recent fiscal
20 year; divided by

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

24 “(3) STATE PROPORTION.—The term ‘State
25 proportion’ means, with respect to a fiscal year, the

1 amount that bears the same ratio to the amount
2 specified in subsection (a)(2) as the increase (if any)
3 in the population of the State for the most recent
4 fiscal year for which such information is available
5 over the population of the State for the fiscal year
6 that immediately precedes such most recent fiscal
7 year bears to the total increase in the population of
8 all States which have such an increase in population,
9 as determined by the Secretary using data from the
10 Bureau of the Census.

11 “(4) FISCAL YEAR.—The term ‘fiscal year’
12 means any 12-month period ending on September 30
13 of a calendar year.

14 “(5) STATE.—The term ‘State’ includes the
15 several States, the District of Columbia, the Com-
16 monwealth of Puerto Rico, the United States Virgin
17 Islands, Guam, and American Samoa.

18 “(c) USE OF GRANT.—

19 “(1) IN GENERAL.—A State to which a grant
20 is made under this section may use the grant in any
21 manner that is reasonably calculated to accomplish
22 the purpose of this part, subject to this part, includ-
23 ing to provide noncash assistance to mothers who
24 have not attained 18 years of age and their children
25 and to provide low income households with assist-

1 ance in meeting home heating and cooling costs.
2 Notwithstanding any other provision of this Act, a
3 State to which a grant is made under section 403
4 may not use any part of the grant to provide medi-
5 cal services.

6 “(2) AUTHORITY TO TREAT INTERSTATE IMMI-
7 GRANTS UNDER RULES OF FORMER STATE.—A State
8 to which a grant is made under this section may
9 apply to a family the rules of the program operated
10 under this part of another State if the family has
11 moved to the State from the other State and has re-
12 sided in the State for less than 12 months.

13 “(3) AUTHORITY TO USE PORTION OF GRANT
14 FOR OTHER PURPOSES.—

15 “(A) IN GENERAL.—A State may use not
16 more than 30 percent of the amount of the
17 grant made to the State under this section for
18 a fiscal year to carry out a State program pur-
19 suant to any or all of the following provisions
20 of law:

21 “(i) Part B of this title.

22 “(ii) Title XX of this Act.

23 “(iii) Any provision of law, enacted
24 into law during the 104th Congress, under

1 which grants are made to States for food
2 and nutrition.

3 “(iv) The Child Care and Develop-
4 ment Block Grant Act of 1990.

5 “(B) APPLICABLE RULES.—Any amount
6 paid to the State under this part that is used
7 to carry out a State program pursuant to a pro-
8 vision of law specified in subparagraph (A)
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
13 program.

14 “(4) AUTHORITY TO RESERVE CERTAIN
15 AMOUNTS FOR EMERGENCY BENEFITS.—A State
16 may reserve amounts paid to the State under this
17 section for any fiscal year for the purpose of provid-
18 ing emergency assistance under the State program
19 operated under this part.

20 “(5) IMPLEMENTATION OF ELECTRONIC BENE-
21 FIT TRANSFER SYSTEM.—A State to which a grant
22 is made under this section is encouraged to imple-
23 ment an electronic benefit transfer system for pro-
24 viding assistance under the State program funded

1 under this part, and may use the grant for such
2 purpose.

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

6 “(e) PENALTIES.—

7 “(1) FOR USE OF GRANT IN VIOLATION OF
8 THIS PART.—

9 “(A) IN GENERAL.—If an audit conducted
10 pursuant to chapter 75 of title 31, United
11 States Code, finds that an amount paid to a
12 State under this section for a fiscal year has
13 been used in violation of this part, then the
14 Secretary shall reduce the amount of the grant
15 otherwise payable to the State under this sec-
16 tion for the immediately succeeding fiscal year
17 by the amount so used.

18 “(B) LIMITATION ON AMOUNT OF PEN-
19 ALTY.—In carrying out subparagraph (A), the
20 Secretary shall not reduce any quarterly pay-
21 ment by more than 25 percent.

22 “(C) CARRYFORWARD OF UNRECOVERED
23 PENALTIES.—To the extent that subparagraph
24 (B) prevents the Secretary from recovering dur-
25 ing a fiscal year the full amount of a penalty

1 imposed on a State under subparagraph (A) for
2 a prior fiscal year, the Secretary shall apply
3 subparagraph (A) to the grant otherwise pay-
4 able to the State under this section for the im-
5 mediately succeeding fiscal year.

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

8 “(A) IN GENERAL.—If the Secretary deter-
9 mines that a State has not, within 6 months
10 after the end of a fiscal year, submitted the re-
11 port required by section 406 for the fiscal year,
12 the Secretary shall reduce by 3 percent the
13 amount of the grant that would (in the absence
14 of this subsection, subsection (a)(1)(B) of this
15 section, and section 404(c)(2)) be payable to
16 the State under subsection (a)(1)(A) for the im-
17 mediately succeeding fiscal year.

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

24 “(3) FOR FAILURE TO PARTICIPATE IN THE IN-
25 COME AND ELIGIBILITY VERIFICATION SYSTEM.—If

1 the Secretary determines that a State program fund-
2 ed under this part is not participating during a fis-
3 cal year in the income and eligibility verification sys-
4 tem required by section 1137, the Secretary shall re-
5 duce by 1 percent the amount of the grant that
6 would (in the absence of this subsection, subsection
7 (a)(1)(B) of this section, and section 404(c)(2)) be
8 payable to the State under subsection (a)(1)(A) for
9 the fiscal year.

10 “(f) LIMITATION ON FEDERAL AUTHORITY.—The
11 Secretary may not regulate the conduct of States under
12 this part or enforce any provision of this part, except to
13 the extent expressly provided in this part.

14 “(g) FEDERAL RAINY DAY FUND.—

15 “(1) ESTABLISHMENT.—There is hereby estab-
16 lished in the Treasury of the United States a revolv-
17 ing loan fund which shall be known as the ‘Federal
18 Rainy Day Fund’.

19 “(2) DEPOSITS INTO FUND.—

20 “(A) APPROPRIATION.—Out of any money
21 in the Treasury of the United States not other-
22 wise appropriated, \$1,000,000,000 are hereby
23 appropriated for fiscal year 1996 for payment
24 to the Federal Rainy Day Fund.

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

5 “(3) AVAILABILITY.—Amounts in the fund are
6 authorized to remain available without fiscal year
7 limitation for the purpose of making loans and re-
8 ceiving payments of principal and interest on such
9 loans, in accordance with this subsection.

10 “(4) USE OF FUND.—

11 “(A) LOANS TO QUALIFIED STATES.—

12 “(i) IN GENERAL.—The Secretary
13 shall make loans from the fund to any
14 qualified State for a period to maturity of
15 not more than 3 years.

16 “(ii) RATE OF INTEREST.—The Sec-
17 retary shall charge and collect interest on
18 any loan made under clause (i) at a rate
19 equal to the current average market yield
20 on outstanding marketable obligations of
21 the United States with remaining periods
22 to maturity comparable to the period to
23 maturity of the loan.

24 “(iii) MAXIMUM LOAN.—The amount
25 of any loan made to a State under clause

1 (i) during a fiscal year shall not exceed the
2 lesser of—

3 “(I) 50 percent of the amount of
4 the grant payable to the State under
5 this section for the fiscal year; or

6 “(II) \$100,000,000.

7 “(B) QUALIFIED STATE DEFINED.—A
8 State is a qualified State for purposes of sub-
9 paragraph (A) if the unemployment rate of the
10 State (as determined by the Bureau of Labor
11 Statistics) for the most recent 3-month period
12 for which such information is available is—

13 “(i) more than 6.5 percent; and

14 “(ii) at least 110 percent of such rate
15 for the corresponding 3-month period in ei-
16 ther of the 2 immediately preceding cal-
17 endar years.

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

19 “(a) PARTICIPATION RATE REQUIREMENTS.—

20 “(1) REQUIREMENT APPLICABLE TO ALL FAMI-
21 LIES RECEIVING ASSISTANCE.—

22 “(A) IN GENERAL.—A State to which a
23 grant is made under section 403 for a fiscal
24 year shall achieve the minimum participation
25 rate specified in the following table for the fis-

1 cal year with respect to all families receiving as-
 2 sistence under the State program funded under
 3 this part:

"If the fiscal year is:	The minimum participation rate is:
1996	10
1997	15
1998	20
1999	25
2000	27
2001	29
2002	40
2003 or thereafter	50.

4 “(B) PRO RATA REDUCTION OF PARTICIPA-
 5 TION RATE DUE TO CASELOAD REDUCTIONS
 6 NOT REQUIRED BY FEDERAL LAW.—The mini-
 7 mum participation rate otherwise required by
 8 subparagraph (A) for a fiscal year shall be re-
 9 duced by a percentage equal to the percentage
 10 (if any) by which the number of families receiv-
 11 ing assistance during the fiscal year under the
 12 State program funded under this part is less
 13 than the number of families that received aid
 14 under the State plan approved under part A of
 15 this title (as in effect before October 1, 1995)
 16 during the fiscal year immediately preceding
 17 such effective date, except to the extent that the
 18 Secretary determines that the reduction in the
 19 number of families receiving such assistance is
 20 required by Federal law.

1 “(C) PARTICIPATION RATE.—For purposes
2 of this paragraph:

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

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

11 “(I) the number of families re-
12 ceiving cash assistance under the
13 State program funded under this part
14 which include an individual who is en-
15 gaged in work activities for the
16 month; divided by

17 “(II) the total number of families
18 receiving cash assistance under the
19 State program funded under this part
20 during the month which include an in-
21 dividual who has attained 18 years of
22 age.

23 “(iii) ENGAGED.—A recipient is en-
24 gaged in work activities for a month in a
25 fiscal year if the recipient is making

1 progress in such activities for at least the
 2 minimum average number of hours per
 3 week specified in the following table during
 4 the month, not fewer than 20 hours per
 5 week of which are attributable to an activ-
 6 ity described in subparagraph (A), (B),
 7 (C), or (D) of subsection (b)(1) (or, in the
 8 case of the first 4 weeks for which the re-
 9 cipient is required under this section to
 10 participate in work activities, an activity
 11 described in subsection (b)(1)(E)):

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

12 “(2) REQUIREMENT APPLICABLE TO 2-PARENT
 13 FAMILIES.—

14 “(A) IN GENERAL.—A State to which a
 15 grant is made under section 403 for a fiscal
 16 year shall achieve the minimum participation
 17 rate specified in the following table for the fis-
 18 cal year with respect to 2-parent families receiv-
 19 ing assistance under the State program funded
 20 under this part:

“If the fiscal year is:	The minimum participation rate is:
1996	50
1997	50
1998 or thereafter	90.

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

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

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

11 “(I) the number of 2-parent fam-
12 ilies receiving cash assistance under
13 the State program funded under this
14 part which include at least 1 adult
15 who is engaged in work activities for
16 the month; divided by

17 “(II) the total number of 2-par-
18 ent families receiving cash assistance
19 under the State program funded
20 under this part during the month.

21 “(iii) ENGAGED.—An adult is engaged
22 in work activities for a month in a fiscal

1 year if the adult is making progress in
2 such activities for at least 35 hours per
3 week during the month, not fewer than 30
4 hours per week of which are attributable to
5 an activity described in subparagraph (A),
6 (B), (C), or (D) of subsection (b)(1) (or, in
7 the case of the first 4 weeks for which the
8 recipient is required under this section to
9 participate in work activities, an activity
10 described in subsection (b)(1)(E)).

11 “(b) DEFINITIONS.—As used in this section:

12 “(1) WORK ACTIVITIES.—The term ‘work ac-
13 tivities’ means—

14 “(A) unsubsidized employment;

15 “(B) subsidized private sector employment;

16 “(C) subsidized public sector employment
17 or work experience (including work associated
18 with the refurbishing of publicly assisted hous-
19 ing) only if sufficient private sector employment
20 is not available;

21 “(D) on-the-job training;

22 “(E) job search and job readiness assist-
23 ance;

24 “(F) education directly related to employ-
25 ment, in the case of a recipient who has not at-

1 tained 20 years of age, and has not received a
2 high school diploma or a certificate of high
3 school equivalency;

4 “(G) job skills training directly related to
5 employment; or

6 “(H) at the option of the State, satisfac-
7 tory attendance at secondary school, in the case
8 of a recipient who—

9 “(i) has not completed secondary
10 school; and

11 “(ii) is a dependent child, or a head of
12 household who has not attained 20 years
13 of age.

14 “(2) FISCAL YEAR.—The term ‘fiscal year’
15 means any 12-month period ending on September 30
16 of a calendar year.

17 “(C) PENALTIES.—

18 “(1) AGAINST INDIVIDUALS.—

19 “(A) APPLICABLE TO ALL FAMILIES.—A
20 State to which a grant is made under section
21 403 shall ensure that the amount of cash as-
22 sistance paid under the State program funded
23 under this part to a recipient of assistance
24 under the program who refuses to engage (with-

1 in the meaning of subsection (a)(1)(C)(iii)) in
2 work activities required under this section shall
3 be less than the amount of cash assistance that
4 would otherwise be paid to the recipient under
5 the program, subject to such good cause and
6 other exceptions as the State may establish.

7 “(B) APPLICABLE TO 2-PARENT FAMI-
8 LIES.—A State to which a grant is made under
9 section 403 shall reduce the amount of cash as-
10 sistance otherwise payable to a 2-parent family
11 for a month under the State program funded
12 under this part with respect to an adult in the
13 family who is not engaged (within the meaning
14 of subsection (a)(2)(B)(iii)) in work activities
15 for at least 35 hours per week during the
16 month, pro rata (or more, at the option of the
17 State) with respect to any period during the
18 month for which the adult is not so engaged.

19 “(C) LIMITATION ON FEDERAL AUTHOR-
20 ITY.—No officer or employee of the Federal
21 Government may regulate the conduct of States
22 under this paragraph or enforce this paragraph
23 against any State.

24 “(2) AGAINST STATES.—

1 “(A) IN GENERAL.—If the Secretary deter-
2 mines that a State to which a grant is made
3 under section 403 for a fiscal year has failed to
4 comply with subsection (a) for the fiscal year,
5 the Secretary shall reduce by not more than 5
6 percent the amount of the grant that would (in
7 the absence of this paragraph and subsections
8 (a)(1)(B) and (e) of section 403) be payable to
9 the State under section 403(a)(1)(A) for the
10 immediately succeeding fiscal year.

11 “(B) PENALTY BASED ON SEVERITY OF
12 FAILURE.—The Secretary shall impose reduc-
13 tions under subparagraph (A) based on the de-
14 gree of noncompliance.

15 “(d) RULE OF INTERPRETATION.—This section shall
16 not be construed to prohibit a State from offering recipi-
17 ents of assistance under the State program funded under
18 this part an opportunity to participate in an education or
19 training program, consistent with the requirements of this
20 section.

21 “(e) RESEARCH.—The Secretary shall conduct re-
22 search on the costs and benefits of State activities under
23 this section.

24 “(f) EVALUATION OF INNOVATIVE APPROACHES TO
25 EMPLOYING RECIPIENTS OF ASSISTANCE.—The Sec-

1 retary shall evaluate innovative approaches to employing
2 recipients of assistance under State programs funded
3 under this part.

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

6 “(1) ANNUAL RANKING OF STATES.—The Sec-
7 retary shall rank the States to which grants are paid
8 under section 403 in the order of their success in
9 moving recipients of assistance under the State pro-
10 gram funded under this part into long-term private
11 sector jobs.

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

22 “(h) SENSE OF THE CONGRESS.—In complying with
23 this section, each State that operates a program funded
24 under this part is encouraged to assign the highest prior-

1 ity to requiring families that include older preschool or
2 school-age children to be engaged in work activities.

3 “(i) SENSE OF THE CONGRESS THAT STATES
4 SHOULD IMPOSE CERTAIN REQUIREMENTS ON
5 NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It
6 is the sense of the Congress that the States should require
7 noncustodial, nonsupporting parents who have not at-
8 tained 18 years of age to fulfill community work obliga-
9 tions and attend appropriate parenting or money manage-
10 ment classes after school.

11 **“SEC. 405. PROHIBITIONS.**

12 “(a) IN GENERAL.—

13 “(1) NO ASSISTANCE FOR FAMILIES WITHOUT A
14 MINOR CHILD.—A State to which a grant is made
15 under section 403 may not use any part of the grant
16 to provide assistance to a family, unless the family
17 includes a minor child.

18 “(2) CERTAIN PAYMENTS NOT TO BE DIS-
19 REGARDED IN DETERMINING THE AMOUNT OF AS-
20 SISTANCE TO BE PROVIDED TO A FAMILY.—

21 “(A) INCOME SECURITY PAYMENTS.—If a
22 State to which a grant is made under section
23 403 uses any part of the grant to provide as-
24 sistance for any individual who is receiving a
25 payment under a State plan for old-age assist-

1 ance approved under section 2, a State program
2 funded under part B that provides cash pay-
3 ments for foster care, or the supplemental secu-
4 rity income program under title XVI (other
5 than service benefits provided through the use
6 of a grant made under part C of such title),
7 then the State may not disregard the payment
8 in determining the amount of assistance to be
9 provided to the family of which the individual is
10 a member under the State program funded
11 under this part.

12 “(B) CERTAIN SUPPORT PAYMENTS.—A
13 State to which a grant is made under section
14 403 may not disregard an amount distributed
15 to a family under section 457(a)(1)(A) in deter-
16 mining the income of the family for purposes of
17 eligibility for assistance under the State pro-
18 gram funded under this part.

19 “(3) NO ASSISTANCE FOR CERTAIN ALIENS.—
20 Notwithstanding section 403(c)(1), a State to which
21 a grant is made under section 403 may not use any
22 part of the grant to provide assistance for an indi-
23 vidual who is not a citizen or national of the United
24 States, except consistent with title IV of the Per-
25 sonal Responsibility Act of 1995.

1 “(4) NO ASSISTANCE FOR OUT-OF-WEDLOCK
2 BIRTHS TO MINORS.—

3 “(A) GENERAL RULE.—A State to which a
4 grant is made under section 403 may not use
5 any part of the grant to provide cash benefits
6 for a child born out-of-wedlock to an individual
7 who has not attained 18 years of age, or for the
8 individual, until the individual attains such age.

9 “(B) EXCEPTION FOR RAPE OR INCEST.—
10 Subparagraph (A) shall not apply with respect
11 to a child who is born as a result of rape or in-
12 cest.

13 “(C) STATE OPTION.—Nothing in subpara-
14 graph (A) shall be construed to prohibit a State
15 from using funds provided by section 403 from
16 providing aid in the form of vouchers that may
17 be used only to pay for particular goods and
18 services specified by the State as suitable for
19 the care of the child such as diapers, clothing,
20 and school supplies.

21 “(5) NO ADDITIONAL CASH ASSISTANCE FOR
22 CHILDREN BORN TO FAMILIES RECEIVING ASSIST-
23 ANCE.—

24 “(A) GENERAL RULE.—A State to which a
25 grant is made under section 403 may not use

1 any part of the grant to provide cash benefits
2 for a minor child who is born to—

3 “(i) a recipient of benefits under the
4 program operated under this part; or

5 “(ii) a person who received such bene-
6 fits at any time during the 10-month pe-
7 riod ending with the birth of the child.

8 “(B) EXCEPTION FOR VOUCHERS.—Sub-
9 paragraph (A) shall not apply to vouchers
10 which are provided in lieu of cash benefits and
11 which may be used only to pay for particular
12 goods and services specified by the State as
13 suitable for the care of the child involved.

14 “(C) EXCEPTION FOR RAPE OR INCEST.—
15 Subparagraph (A) shall not apply with respect
16 to a child who is born as a result of rape or in-
17 cest.

18 “(6) NO ASSISTANCE FOR MORE THAN 5
19 YEARS.—

20 “(A) IN GENERAL.—A State to which a
21 grant is made under section 403 may not use
22 any part of the grant to provide cash benefits
23 for the family of an individual who, after at-
24 taining 18 years of age, has received benefits
25 under the program operated under this part for

1 60 months (whether or not consecutive) after
2 the effective date of this part, except as pro-
3 vided under subparagraph (B).

4 “(B) HARDSHIP EXCEPTION.—

5 “(i) IN GENERAL.—The State may ex-
6 empt a family from the application of sub-
7 paragraph (A) by reason of hardship.

8 “(ii) LIMITATION.—The number of
9 families with respect to which an exemp-
10 tion made by a State under clause (i) is in
11 effect shall not exceed 10 percent of the
12 number of families to which the State is
13 providing assistance under the program op-
14 erated under this part.

15 “(7) NO ASSISTANCE FOR FAMILIES NOT CO-
16 OPERATING IN PATERNITY ESTABLISHMENT OR
17 CHILD SUPPORT.—Notwithstanding section
18 403(c)(1), a State to which a grant is made under
19 section 403 may not use any part of the grant to
20 provide assistance to a family that includes an indi-
21 vidual whom the agency responsible for administer-
22 ing the State plan approved under part D deter-
23 mines is not cooperating with the State in establish-
24 ing the paternity of any child of the individual, or

1 in establishing, modifying, or enforcing a support
2 order with respect to such a child.

3 “(8) NO ASSISTANCE FOR FAMILIES NOT AS-
4 SIGNING SUPPORT RIGHTS TO THE STATE.—Not-
5 withstanding section 403(c)(1), a State to which a
6 grant is made under section 403 may not use any
7 part of the grant to provide assistance to a family
8 that includes an individual who has not assigned to
9 the State any rights the individual may have (on be-
10 half of the individual or of any other person for
11 whom the individual has applied for or is receiving
12 such assistance) to support from any other person
13 for any period for which the individual receives such
14 assistance.

15 “(9) WITHHOLDING OF PORTION OF ASSIST-
16 ANCE FOR FAMILIES WHICH INCLUDE A CHILD
17 WHOSE PATERNITY IS NOT ESTABLISHED.—

18 “(A) IN GENERAL.—A State to which a
19 grant is made under section 403 may not fail
20 to—

21 “(i) withhold assistance under the
22 State program funded under this part from
23 a family which includes a child whose pa-
24 ternity is not established, in an amount
25 equal to \$50 or 15 percent of the amount

1 of the amount of the assistance that would
2 (in the absence of this paragraph) be pro-
3 vided to the family with respect to the
4 child, whichever the State elects; or

5 “(ii) provide to the family the total
6 amount of assistance so withheld once the
7 paternity of the child is established, if the
8 family is then eligible for such assistance.

9 “(B) EXCEPTION FOR RAPE OR INCEST.—Sub-
10 paragraph (A) shall not apply with respect to a child
11 who is born as a result of rape or incest.

12 “(10) DENIAL OF ASSISTANCE FOR 10 YEARS
13 TO A PERSON FOUND TO HAVE FRAUDULENTLY MIS-
14 REPRESENTED RESIDENCE IN ORDER TO OBTAIN
15 BENEFITS IN 2 OR MORE STATES.—An individual
16 shall not be considered an eligible individual for the
17 purposes of this title during the 10-year period that
18 begins with the date the individual is found by a
19 State to have made, or is convicted in Federal or
20 State court of having made a fraudulent statement
21 or representation with respect to the place of resi-
22 dence of the person in order to receive benefits or
23 services simultaneously from 2 or more States under
24 programs that are funded under this part, title XIX,
25 or the Food Stamp Act of 1977, or benefits in 2 or

1 more States under the supplemental security income
2 program under title XVI.

3 “(11) DENIAL OF ASSISTANCE FOR FUGITIVE
4 FELONS AND PROBATION AND PAROLE VIOLA-
5 TORS.—

6 “(A) IN GENERAL.—A State to which a
7 grant is made under section 403 may not use
8 any part of the grant to provide assistance to
9 any individual who is—

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

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

22 “(B) EXCHANGE OF INFORMATION WITH
23 LAW ENFORCEMENT AGENCIES.—If a State to
24 which a grant is made under section 403 estab-
25 lishes safeguards against the use or disclosure

1 of information about applicants or recipients of
2 assistance under the State program funded
3 under this part, the safeguards shall not pre-
4 vent the State agency administering the pro-
5 gram from furnishing a Federal, State, or local
6 law enforcement officer, upon the request of the
7 officer, with the current address of any recipi-
8 ent if the officer furnishes the agency with the
9 name of the recipient and notifies the agency
10 that—

11 (i) such recipient—

12 (I) is fleeing to avoid prosecution,
13 or custody or confinement after con-
14 viction, under the laws of the place
15 from which the recipient flees, for a
16 crime, or an attempt to commit a
17 crime, which is a felony under the
18 laws of the place from which the re-
19 cipient flees, or which, in the case of
20 the State of New Jersey, is a high
21 misdemeanor under the laws of such
22 State;

23 (II) is violating a condition of
24 probation or parole imposed under
25 Federal or State law; or

1 (III) has information that is nec-
2 essary for the officer to conduct the
3 official duties of the officer; and
4 (ii) the location or apprehension of the
5 recipient is within such official duties.

6 “(12) DENIAL OF ASSISTANCE FOR MINOR
7 CHILDREN WHO ARE ABSENT FROM THE HOME FOR
8 A SIGNIFICANT PERIOD.—

9 “(A) IN GENERAL.—A State to which a
10 grant is made under section 403 may not use
11 any part of the grant to provide assistance for
12 a minor child who has been, or is expected by
13 a parent (or other caretaker relative) of the
14 child to be, absent from the home for a period
15 of 45 consecutive days or, at the option of the
16 State, such period of not less than 30 and not
17 more than 90 consecutive days as the State
18 may provide for in the State plan submitted
19 pursuant to section 402.

20 “(B) STATE AUTHORITY TO ESTABLISH
21 GOOD CAUSE EXCEPTIONS.—The State may es-
22 tablish such good cause exceptions to subpara-
23 graph (A) as the State considers appropriate if
24 such exceptions are provided for in the State
25 plan submitted pursuant to section 402.

1 “(C) DENIAL OF ASSISTANCE FOR REL-
2 ATIVE WHO FAILS TO NOTIFY STATE AGENCY
3 OF ABSENCE OF CHILD.—A State to which a
4 grant is made under section 403 may not use
5 any part of the grant to provide assistance for
6 an individual who is a parent (or other care-
7 taker relative) of a minor child and who fails to
8 notify the agency administering the State pro-
9 gram funded under this part, of the absence of
10 the minor child from the home for the period
11 specified in or provided for under subparagraph
12 (A), by the end of the 5-day period that begins
13 with the date that it becomes clear to the par-
14 ent (or relative) that the minor child will be ab-
15 sent for such period so specified or provided
16 for.

17 “(b) MINOR CHILD DEFINED.—As used in sub-
18 section (a), the term ‘minor child’ means an individual—

19 “(1) who has not attained 18 years of age; or

20 “(2) who—

21 “(A) has not attained 19 years of age; and

22 “(B) is a full-time student in a secondary
23 school (or in the equivalent level of vocational
24 or technical training).

1 **“SEC. 406. DATA COLLECTION AND REPORTING.**

2 “(a) IN GENERAL.—Each State to which a grant is
3 made under section 403 for a fiscal year shall, not later
4 than 6 months after the end of the fiscal year, transmit
5 to the Secretary the following aggregate information on
6 families to which assistance was provided during the fiscal
7 year under the State program operated under this part
8 or an equivalent State program:

9 “(1) The number of adults receiving such as-
10 sistance.

11 “(2) The number of children receiving such as-
12 sistance and the average age of the children.

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

16 “(4) The number of 1-parent families in which
17 the parent is a widow or widower, is divorced, is sep-
18 arated, or has never married.

19 “(5) The age, race, and educational attainment
20 of the adults receiving such assistance.

21 “(6) The average assistance provided to the
22 families under the program.

23 “(7) Whether, at the time of application for as-
24 sistance under the program, the families or any
25 member of the families receives benefits under any
26 of the following:

1 “(A) Any housing program.

2 “(B) The food stamp program under the
3 Food Stamp Act of 1977.

4 “(C) The Head Start programs carried out
5 under the Head Start Act.

6 “(D) Any job training program.

7 “(8) The number of months, since the most re-
8 cent application for assistance under the program,
9 for which such assistance has been provided to the
10 families.

11 “(9) The total number of months for which as-
12 sistance has been provided to the families under the
13 program.

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

18 “(11) The components of any program carried
19 out by the State to provide employment and training
20 activities in order to comply with section 404, and
21 the average monthly number of adults in each such
22 component.

23 “(12) The number of part-time job placements
24 and the number of full-time job placements made
25 through the program referred to in paragraph (11),

1 the number of cases with reduced assistance, and
2 the number of cases closed due to employment.

3 “(b) AUTHORITY OF STATES TO USE ESTIMATES.—

4 A State may comply with the requirement to provide pre-
5 cise numerical information described in subsection (a) by
6 submitting an estimate which is obtained through the use
7 of scientifically acceptable sampling methods.

8 “(c) REPORT ON USE OF FEDERAL FUNDS TO

9 COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The
10 report required by subsection (a) for a fiscal year shall
11 include a statement of the percentage of the funds paid
12 to the State under this part for the fiscal year that are
13 used to cover administrative costs or overhead.

14 “(d) REPORT ON STATE EXPENDITURES ON PRO-

15 GRAMS FOR NEEDY FAMILIES.—The report required by
16 subsection (a) for a fiscal year shall include a statement
17 of the total amount expended by the State during the fis-
18 cal year on programs for needy families.

19 “(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-

20 PATING IN WORK ACTIVITIES.—The report required by
21 subsection (a) for a fiscal year shall include the number
22 of noncustodial parents in the State who participated in
23 work activities (as defined in section 404(b)(1)) during the
24 fiscal year.

1 **“SEC. 407. RESEARCH, EVALUATIONS, AND NATIONAL STUD-**
2 **IES.**

3 “(a) RESEARCH.—The Secretary may conduct re-
4 search on the effects, costs, and benefits of State pro-
5 grams funded under this part.

6 “(b) DEVELOPMENT AND EVALUATION OF INNOVA-
7 TIVE APPROACHES TO EMPLOYING WELFARE RECIPI-
8 ENTS.—The Secretary may assist States in developing,
9 and shall evaluate, innovative approaches to employing re-
10 cipients of cash assistance under programs funded under
11 this part. In performing such evaluations, the Secretary
12 shall, to the maximum extent feasible, use random assign-
13 ment to experimental and control groups.

14 “(c) STUDIES OF WELFARE CASELOADS.—The Sec-
15 retary may conduct studies of the caseloads of States oper-
16 ating programs funded under this part.

17 “(d) DISSEMINATION OF INFORMATION.—The Sec-
18 retary shall develop innovative methods of disseminating
19 information on any research, evaluations, and studies con-
20 ducted under this section, including the facilitation of the
21 sharing of information and best practices among States
22 and localities through the use of computers and other
23 technologies.

24 **“SEC. 408. STUDY BY THE CENSUS BUREAU.**

25 “(a) IN GENERAL.—The Bureau of the Census shall
26 expand the Survey of Income and Program Participation

1 as necessary to obtain such information as will enable in-
2 terested persons to evaluate the impact of the amendments
3 made by title I of the Personal Responsibility Act of 1995
4 on a random national sample of recipients of assistance
5 under State programs funded under this part and (as ap-
6 propriate) other low income families, and in doing so, shall
7 pay particular attention to the issues of out-of-wedlock
8 birth, welfare dependency, the beginning and end of wel-
9 fare spells, and the causes of repeat welfare spells.

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

15 **SEC. 102. REPORT ON DATA PROCESSING.**

16 (a) IN GENERAL.—Within 6 months after the date
17 of the enactment of this Act, the Secretary of Health and
18 Human Services shall prepare and submit to the Congress
19 a report on—

20 (1) the status of the automated data processing
21 systems operated by the States to assist manage-
22 ment in the administration of State programs under
23 part A of title IV of the Social Security Act (wheth-
24 er in effect before or after October 1, 1995); and

1 (2) what would be required to establish a sys-
2 tem capable of—

3 (A) tracking participants in public pro-
4 grams over time; and

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

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

10 (1) a plan for building on the automated data
11 processing systems of the States to establish a sys-
12 tem with the capabilities described in subsection
13 (a)(2); and

14 (2) an estimate of the amount of time required
15 to establish such a system and of the cost of estab-
16 lishing such a system.

17 **SEC. 103. TRANSFERS.**

18 (a) CHILD SUPPORT REVIEW PENALTIES.—

19 (1) TRANSFER OF PROVISION.—Section 403 of
20 the Social Security Act, as added by the amendment
21 made by section 101 of this Act, is amended by add-
22 ing at the end subsection (h) of section 403, as in
23 effect immediately before the effective date of this
24 title.

1 (2) CONFORMING AMENDMENT.—Section
2 403(h)(3) of such Act, as in effect pursuant to para-
3 graph (1) of this subsection, is amended by striking
4 “, section 402(a)(27),”.

5 (b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

6 (1) REDESIGNATION OF PROVISION.—Section
7 417 of such Act (42 U.S.C. 617), as in effect imme-
8 diately before the effective date of this title, is
9 amended by striking the following:

10 “ASSISTANT SECRETARY FOR FAMILY SUPPORT
11 “SEC. 417.”

12 and inserting the following:

13 **“SEC. 409. ASSISTANT SECRETARY FOR FAMILY SUPPORT.”.**

14 (2) TRANSFER OF PROVISION.—Part A of title
15 IV of such Act, as added by the amendment made
16 by section 101 of this Act, is amended by adding at
17 the end the section amended by paragraph (1) of
18 this subsection.

19 (3) CONFORMING AMENDMENT.—Section 409
20 of such Act, as added by paragraph (2) of this sub-
21 section is amended by striking “, part D, and part
22 F” and inserting “and part D”.

23 **SEC. 104. CONFORMING AMENDMENTS TO THE SOCIAL**
24 **SECURITY ACT.**

25 (a) AMENDMENTS TO TITLE II.—

1 (1) Section 205(c)(2)(C)(vi) of the Social Secu-
2 rity Act (42 U.S.C. 405(c)(2)(C)(vi)), as so redesign-
3 nated by section 321(a)(9)(B) of the Social Security
4 Independence and Program Improvements Act of
5 1994, is amended—

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

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

11 (2) Section 228(d)(1) of such Act (42 U.S.C.
12 428(d)(1)) is amended by inserting “under a State
13 program funded under” before “part A of title IV”.

14 (b) AMENDMENTS TO PART D OF TITLE IV.—

15 (1) Section 451 of such Act (42 U.S.C. 651) is
16 amended by striking “aid” and inserting “assistance
17 under a State program funded”.

18 (2) Section 452(a)(10)(C) of such Act (42
19 U.S.C. 652(a)(10)(C)) is amended—

20 (A) by striking “aid to families with de-
21 pendent children” and inserting “assistance
22 under a State program funded under part A”;
23 and

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

1 (C) by striking “under section 402(a)(26)”
2 and inserting “pursuant to section 405(a)(8)”.

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

5 (A) by striking “aid under a State plan ap-
6 proved” and inserting “assistance under a State
7 program funded”; and

8 (B) by striking “in accordance with the
9 standards referred to in section
10 402(a)(26)(B)(ii)” and inserting “by the
11 State”.

12 (4) Section 452(b) of such Act (42 U.S.C.
13 652(b)) is amended in the last sentence by striking
14 “plan approved under part A” and inserting “pro-
15 gram funded under part A”.

16 (5) Section 452(d)(3)(B)(i) of such Act (42
17 U.S.C. 652(d)(3)(B)(i)) is amended by striking
18 “1115(c)” and inserting “1115(b)”.

19 (6) Section 452(g)(2)(A)(ii)(I) of such Act (42
20 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking
21 “aid is being paid under the State’s plan approved”
22 and inserting “assistance is being provided under
23 the State program funded under”.

24 (7) Section 452(g)(2)(A) of such Act (42
25 U.S.C. 652(g)(2)(A)) is amended in the matter fol-

1 lowing clause (iii) by striking “aid was being paid
2 under the State’s plan approved” and inserting “as-
3 sistance was being provided under the State pro-
4 gram funded”.

5 (8) Section 452(g)(2) of such Act (42 U.S.C.
6 652(g)(2)) is amended in the matter following sub-
7 paragraph (B)—

8 (A) by striking “who is a dependent child
9 by reason of the death of a parent” and insert-
10 ing “with respect to whom assistance is being
11 provided under the State program funded under
12 part A”; and

13 (B) by inserting “by the State agency ad-
14 ministering the State plan approved under this
15 part” after “found”;

16 (C) by striking “under section 402(a)(26)”
17 and inserting “pursuant to section 405(a)(8)”;
18 and

19 (D) by striking “administering the plan
20 under part E determines (as provided in section
21 454(4)(B))” and inserting “determines”.

22 (9) Section 452(h) of such Act (42 U.S.C.
23 652(h)) is amended by striking “under section
24 402(a)(26)” and inserting “pursuant to section
25 405(a)(8)”.

1 (10) Section 454(5) of such Act (42 U.S.C.
2 654(5)) is amended—

3 (A) by striking “under section 402(a)(26)”
4 and inserting “pursuant to section 405(a)(8)”;
5 and

6 (B) by striking “except that this para-
7 graph shall not apply to such payments for any
8 month following the first month in which the
9 amount collected is sufficient to make such
10 family ineligible for assistance under the State
11 plan approved under part A;”.

12 (11) Section 454(6)(D) of such Act (42 U.S.C.
13 654(6)(D)) is amended by striking “aid under a
14 State plan approved” and inserting “assistance
15 under a State program funded”.

16 (12) Section 456 of such Act (42 U.S.C. 656)
17 is amended by striking “under section 402(a)(26)”
18 each place such term appears and inserting “pursu-
19 ant to section 405(a)(8)”.

20 (13) Section 466(a)(3)(B) of such Act (42
21 U.S.C. 666(a)(3)(B)) is amended by striking
22 “402(a)(26)” and inserting “405(a)(8)”.

23 (14) Section 466(b)(2) of such Act (42 U.S.C.
24 666(b)(2)) is amended by striking “aid” and insert-
25 ing “assistance under a State program funded”.

1 (c) REPEAL OF PART F OF TITLE IV.—Part F of
2 title IV of such Act (42 U.S.C. 681–687) is hereby re-
3 pealed.

4 (d) AMENDMENT TO TITLE X.—Section 1002(a)(7)
5 of such Act (42 U.S.C. 1202(a)(7)) is amended by striking
6 “aid to families with dependent children under the State
7 plan approved under section 402 of this Act” and insert-
8 ing “assistance under a State program funded under part
9 A of title IV”.

10 (e) AMENDMENTS TO TITLE XI.—

11 (1) Section 1108 of such Act (42 U.S.C. 1308)
12 is amended—

13 (A) by striking subsections (a), (b), (d),
14 and (e); and

15 (B) by striking “(c)”.

16 (2) Section 1109 of such Act (42 U.S.C. 1309)
17 is amended by striking “or part A of title IV,”.

18 (3) Section 1115(a) of such Act (42 U.S.C.
19 1315(a)) is amended—

20 (A) in the matter preceding paragraph (1),
21 by striking “A or”;

22 (B) in paragraph (1), by striking “402,”;
23 and

24 (C) in paragraph (2), by striking “403,”.

1 (4) Section 1116 of such Act (42 U.S.C. 1316)
2 is amended—

3 (A) in each of subsections (a)(1), (b), and
4 (d), by striking “or part A of title IV,”; and
5 (B) in subsection (a)(3), by striking
6 “404,”.

7 (5) Section 1118 of such Act (42 U.S.C. 1318)
8 is amended—

9 (A) by striking “403(a),”;
10 (B) by striking “and part A of title IV,”;
11 and
12 (C) by striking “, and shall, in the case of
13 American Samoa, mean 75 per centum with re-
14 spect to part A of title IV”.

15 (6) Section 1119 of such Act (42 U.S.C. 1319)
16 is amended—

17 (A) by striking “or part A of title IV”; and
18 (B) by striking “403(a),”.

19 (7) Section 1133(a) of such Act (42 U.S.C.
20 1320b–3(a)) is amended by striking “or part A of
21 title IV,”.

22 (8) Section 1136 of such Act (42 U.S.C.
23 1320b–6) is hereby repealed.

24 (9) Section 1137 of such Act (42 U.S.C.
25 1320b–7) is amended—

1 (A) in subsection (b), by striking para-
2 graph (1) and inserting the following:

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

5 (B) in subsection (d)(1)(B)—

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

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

12 (iii) by moving such redesignated ma-
13 terial 2 ems to the left.

14 (f) AMENDMENT TO TITLE XIV.—Section
15 1402(a)(7) of such Act (42 U.S.C. 1352(a)(7)) is amend-
16 ed by striking “aid to families with dependent children
17 under the State plan approved under section 402 of this
18 Act” and inserting “assistance under a State program
19 funded under part A of title IV”.

20 (g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH
21 RESPECT TO THE TERRITORIES.—Section 1602(a)(11) of
22 such Act, as in effect without regard to the amendment
23 made by section 301 of the Social Security Amendments
24 of 1972, (42 U.S.C. 1382 note) is amended by striking

1 “aid under the State plan approved” and inserting “assist-
2 ance under a State program funded”.

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

8 **SEC. 105. CONFORMING AMENDMENTS TO OTHER LAWS.**

9 (a) Subsection (b) of section 508 of the Unemploy-
10 ment Compensation Amendments of 1976 (42 U.S.C.
11 603a) is amended to 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)),

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) Paragraph (9) of section 51(d) of the Internal
6 Revenue Code of 1986 is amended by striking all that fol-
7 lows “agency as” and inserting “being eligible for financial
8 assistance under part A of title IV of the Social Security
9 Act and as having continually received such financial as-
10 sistance during the 90-day period which immediately pre-
11 cedes the date on which such individual is hired by the
12 employer.”

13 (c) Section 9121 of the Omnibus Budget Reconcili-
14 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

15 (d) Section 9122 of the Omnibus Budget Reconcili-
16 ation Act of 1987 (42 U.S.C. 602 note) is hereby repealed.

17 (e) Section 221 of the Housing and Urban-Rural Re-
18 covery Act of 1983 (42 U.S.C. 602 note), relating to treat-
19 ment under AFDC of certain rental payments for federally
20 assisted housing, is hereby repealed.

21 (f) Section 159 of the Tax Equity and Fiscal Respon-
22 sibility Act of 1982 (42 U.S.C. 602 note) is hereby re-
23 pealed.

1 (g) Section 202(d) of the Social Security Amend-
2 ments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is here-
3 by repealed.

4 (h) Section 233 of the Social Security Act Amend-
5 ments of 1994 (42 U.S.C. 602 note) is hereby repealed.

6 (i) Section 903 of the Stewart B. McKinney Home-
7 less Assistance Amendments Act of 1988 (42 U.S.C.
8 11381 note), relating to demonstration projects to reduce
9 number of AFDC families in welfare hotels, is amended—

10 (1) in subsection (a), by striking “aid to fami-
11 lies with dependent children under a State plan ap-
12 proved” and inserting “assistance under a State pro-
13 gram funded”; and

14 (2) in subsection (c), by striking “aid to fami-
15 lies with dependent children in the State under a
16 State plan approved” and inserting “assistance in
17 the State under a State program funded”.

18 **SEC. 106. CONTINUED APPLICATION OF CURRENT STAND-**
19 **ARDS UNDER MEDICAID PROGRAM.**

20 (a) **IN GENERAL.**—Title XIX of the Social Security
21 Act is amended—

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

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

3 “CONTINUED APPLICATION OF AFDC STANDARDS

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

6 “(1) except as provided in paragraph (2), any
7 reference in this title (or other provision of law in
8 relation to the operation of this title) to a provision
9 of part A of title IV of this Act, or a State plan
10 under such part, shall be considered a reference to
11 such provision or plan as in effect as of March 7,
12 1995, with respect to the State and eligibility for
13 medical assistance under this title shall be deter-
14 mined as if such provision or plan (as in effect as
15 of such date) had remained in effect on and after
16 October 1, 1995; and

17 “(2) any reference in section 1902(a)(5) or
18 1902(a)(55) to a State plan approved under part A
19 of title IV shall be deemed a reference to a State
20 program funded under such part (as in effect on and
21 after October 1, 1995).

22 “(b) In the case of a waiver of a provision of part
23 A of title IV in effect with respect to a State as of March
24 7, 1995, if the waiver affects eligibility of individuals for
25 medical assistance under this title, such waiver may con-
26 tinue to be applied, at the option of the State, in relation

1 to this title after the date the waiver would otherwise
2 expire.”

3 (b) PLAN AMENDMENT.—Section 1902(a) of such
4 Act (42 U.S.C. 1396a(a)) is amended—

5 (1) by striking “and” at the end of paragraph
6 (61),

7 (2) by striking the period at the end of para-
8 graph (62) and inserting “; and”, and

9 (3) by inserting after paragraph (62) the fol-
10 lowing new paragraph:

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

15 (c) CONFORMING AMENDMENTS.—(1) Section
16 1902(c) of such Act (42 U.S.C. 1396a(c)) is amended by
17 striking “if—” and all that follows and inserting the fol-
18 lowing: “if the State requires individuals described in sub-
19 section (l)(1) to apply for assistance under the State pro-
20 gram funded under part A of title IV as a condition of
21 applying for or receiving medical assistance under this
22 title.”.

23 (2) Section 1903(i) of such Act (42 U.S.C. 1396b(i))
24 is amended by striking paragraph (9).

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

4 **SEC. 107. EFFECTIVE DATE.**

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

8 (b) DELAYED APPLICABILITY OF AUTHORITY TO
9 TEMPORARILY REDUCE ASSISTANCE FOR CERTAIN FAMI-
10 LIES WHICH INCLUDE A CHILD WHOSE PATERNITY IS
11 NOT ESTABLISHED.—Section 405(a)(9) of the Social Se-
12 curity Act, as added by the amendment made by section
13 101 of this Act, shall not apply to individuals who, imme-
14 diately before the effective date of this title, are recipients
15 of aid under a State plan approved under part A of title
16 IV of the Social Security Act, until the end of the 1-year
17 (or, at the option of the State, 2-year) period that begins
18 with such effective date.

19 (c) TRANSITION RULE.—The amendments made by
20 this title shall not apply with respect to—

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

1 (2) administrative actions and proceedings com-
2 menced before such date, or authorized before such
3 date to be commenced, under such provisions.

4 **TITLE II—CHILD PROTECTION**
5 **BLOCK GRANT PROGRAM**

6 **SEC. 201. ESTABLISHMENT OF PROGRAM.**

7 Part B of title IV of the Social Security Act (42
8 U.S.C. 620–635) is amended to read as follows:

9 **“PART B—BLOCK GRANTS TO STATES FOR THE**
10 **PROTECTION OF CHILDREN**

11 **“SEC. 421. PURPOSE.**

12 “The purpose of this part is to enable eligible States
13 to carry out a child protection program to—

14 “(1) identify and assist families at risk of abus-
15 ing or neglecting their children;

16 “(2) operate a system for receiving reports of
17 abuse or neglect of children;

18 “(3) investigate families reported to abuse or
19 neglect their children;

20 “(4) provide support, treatment, and family
21 preservation services to families which are, or are at
22 risk of, abusing or neglecting their children;

23 “(5) support children who must be removed
24 from or who cannot live with their families;

1 “(6) make timely decisions about permanent liv-
2 ing arrangements for children who must be removed
3 from or who cannot live with their families; and

4 “(7) provide for continuing evaluation and im-
5 provement of child protection laws, regulations, and
6 services.

7 **“SEC. 422. ELIGIBLE STATES.**

8 “(a) IN GENERAL.—As used in this part, the term
9 ‘eligible State’ means, with respect to a fiscal year, a State
10 that, during the 3-year period immediately preceding the
11 fiscal year, has submitted to the Secretary a plan that in-
12 cludes the following:

13 “(1) OUTLINE OF CHILD PROTECTION PRO-
14 GRAM.—A written document that outlines the activi-
15 ties the State intends to conduct to achieve the pur-
16 pose of this part, including the procedures to be
17 used for—

18 “(A) receiving reports of child abuse or ne-
19 glect;

20 “(B) investigating such reports;

21 “(C) protecting children in families in
22 which child abuse or neglect is found to have
23 occurred;

24 “(D) removing children from dangerous
25 settings;

1 “(E) protecting children in foster care;

2 “(F) promoting timely adoptions;

3 “(G) protecting the rights of families,
4 using adult relatives as the preferred placement
5 for children separated from their parents if
6 such relatives meet all State child protection
7 standards;

8 “(H) preventing child abuse and neglect;
9 and

10 “(I) establishing and responding to citizen
11 review panels under section 425.

12 “(2) CERTIFICATION OF STATE LAW REQUIRING
13 THE REPORTING OF CHILD ABUSE AND NEGLECT.—
14 A certification that the State has in effect laws that
15 require public officials and other professionals to re-
16 port actual or suspected instances of child abuse or
17 neglect.

18 “(3) CERTIFICATION OF STATE PROGRAM TO
19 INVESTIGATE CHILD ABUSE AND NEGLECT CASES.—
20 A certification that the State has in effect a pro-
21 gram to investigate child abuse and neglect cases.

22 “(4) CERTIFICATION OF STATE PROCEDURES
23 FOR REMOVAL AND PLACEMENT OF ABUSED OR NE-
24 GLECTED CHILDREN.—A certification that the State

1 has in effect procedures for removal from families
2 and placement of abused or neglected children.

3 “(5) 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, which specifies the goal for achieving a per-
10 manent placement for the child in a timely fashion,
11 for ensuring that the written plan is reviewed every
12 6 months, and for ensuring that information about
13 such children is collected regularly and recorded in
14 case records, and a description of such procedures.

15 “(6) CERTIFICATION THAT THE STATE WILL
16 CONTINUE TO HONOR ADOPTION ASSISTANCE
17 AGREEMENTS.—A certification that the State will
18 honor any adoption assistance agreement (as defined
19 in section 475(3), as in effect immediately before the
20 effective date of this part) entered into by an agency
21 of the State, that is in effect as of such effective
22 date.

23 “(7) CERTIFICATION OF STATE PROGRAM TO
24 PROVIDE INDEPENDENT LIVING SERVICES.—A cer-
25 tification that the State has in effect a program to

1 provide independent living services to individuals in
2 the child protection program of the State who have
3 attained 16 years of age but have not attained 20
4 (or, at the option of the State, 22) years of age, and
5 who do not have a family to which to be returned
6 for assistance in making the transition to self-suffi-
7 cient adulthood.

8 “(8) CERTIFICATION OF STATE PROCEDURES
9 TO RESPOND TO REPORTING OF MEDICAL NEGLECT
10 OF DISABLED INFANTS.—

11 “(A) IN GENERAL.—A certification that
12 the State has in place for the purpose of re-
13 sponding to the reporting of medical neglect of
14 infants (including instances of withholding of
15 medically indicated treatment from disabled in-
16 fants with life-threatening conditions), proce-
17 dures or programs, or both (within the State
18 child protective services system), to provide
19 for—

20 “(i) coordination and consultation
21 with individuals designated by and within
22 appropriate health-care facilities;

23 “(ii) prompt notification by individ-
24 uals designated by and within appropriate
25 health-care facilities of cases of suspected

1 medical neglect (including instances of
2 withholding of medically indicated treat-
3 ment from disabled infants with life-threat-
4 ening conditions); and

5 “(iii) authority, under State law, for
6 the State child protective service to pursue
7 any legal remedies, including the authority
8 to initiate legal proceedings in a court of
9 competent jurisdiction, as may be nec-
10 essary to prevent the withholding of medi-
11 cally indicated treatment from disabled in-
12 fants with life-threatening conditions.

13 “(B) WITHHOLDING OF MEDICALLY INDI-
14 CATED TREATMENT.—As used in subparagraph
15 (A), the term ‘withholding of medically indi-
16 cated treatment’ means the failure to respond
17 to the infant’s life-threatening conditions by
18 providing treatment (including appropriate nu-
19 trition, hydration, and medication) which, in the
20 treating physician’s or physicians’ reasonable
21 medical judgment, will be most likely to be ef-
22 fective in ameliorating or correcting all such
23 conditions, except that such term does not in-
24 clude the failure to provide treatment (other
25 than appropriate nutrition, hydration, or medi-

1 cation) to an infant when, in the treating physi-
2 cian's or physicians' reasonable medical judg-
3 ment—

4 “(i) the infant is chronically and irre-
5 versibly comatose;

6 “(ii) the provision of such treatment
7 would—

8 “(I) merely prolong dying;

9 “(II) not be effective in amelio-
10 rating or correcting all of the infant's
11 life-threatening conditions; or

12 “(III) otherwise be futile in
13 terms of the survival of the infant; or

14 “(iii) the provision of such treatment
15 would be virtually futile in terms of the
16 survival of the infant and the treatment it-
17 self under such circumstances would be in-
18 humane.

19 “(9) IDENTIFICATION OF CHILD PROTECTION
20 GOALS.—The quantitative goals of the State child
21 protection program.

22 “(b) DETERMINATIONS.—The Secretary shall deter-
23 mine whether a plan submitted pursuant to subsection (a)
24 contains the material required by subsection (a). The Sec-
25 retary may not require a State to include in such a plan

1 any material not described in subsection (a), and may not
2 review the adequacy of State procedures. The Secretary
3 may not require a State to alter its child protection law
4 regarding determination of the adequacy, type and timing
5 of health care (whether medical, non-medical or spiritual).

6 **“SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.**

7 **“(a) ENTITLEMENT.—**

8 **“(1) IN GENERAL.—**Each eligible State shall be
9 entitled to receive from the Secretary for each fiscal
10 year specified in subsection (b)(1) a grant in an
11 amount equal to the State share of the child protec-
12 tion amount for the fiscal year.

13 **“(2) ADDITIONAL GRANT.—**

14 **“(A) IN GENERAL.—**In addition to a grant
15 under paragraph (1) of this subsection, the Sec-
16 retary shall pay to each eligible State for each
17 fiscal year specified in subsection (b)(1) an
18 amount equal to the State share of the amount
19 (if any) appropriated pursuant to subparagraph
20 (B) of this paragraph for the fiscal year.

21 **“(B) LIMITATION ON AUTHORIZATION OF**
22 **APPROPRIATIONS.—**For grants under subpara-
23 graph (A), there are authorized to be appro-
24 priated to the Secretary an amount not to ex-

1 ceed \$486,000,000 for each fiscal year specified
2 in subsection (b)(1).

3 “(b) DEFINITIONS.—As used in this section:

4 “(1) CHILD PROTECTION AMOUNT.—The term
5 ‘child protection amount’ means—

6 “(A) \$3,930,000,000 for fiscal year 1996;

7 “(B) \$4,195,000,000 for fiscal year 1997;

8 “(C) \$4,507,000,000 for fiscal year 1998;

9 “(D) \$4,767,000,000 for fiscal year 1999;

10 and

11 “(E) \$5,071,000,000 for fiscal year 2000.

12 “(2) STATE SHARE.—

13 “(A) IN GENERAL.—The term ‘State
14 share’ means the qualified child protection ex-
15 penses of the State divided by the sum of the
16 qualified child protection expenses of all of the
17 States.

18 “(B) QUALIFIED CHILD PROTECTION EX-
19 PENSES.—The term ‘qualified child protection
20 expenses’ means, with respect to a State the
21 greater of—

22 “(i) $\frac{1}{3}$ of the total amount of obliga-
23 tions to the State under the provisions of
24 law specified in subparagraph (C) for fiscal
25 years 1992, 1993, and 1994; or

1 “(ii) the total amount of obligations to
2 the State under such provisions of law for
3 fiscal year 1994.

4 “(C) PROVISIONS OF LAW.—The provisions
5 of law specified in this subparagraph are the
6 following (as in effect immediately before the
7 effective date of this part):

8 “(i) Section 474(a) (other than sub-
9 paragraphs (C) and (D) of paragraph (3))
10 of this Act.

11 “(ii) Section 304 of the Family Vio-
12 lence Prevention and Services Act.

13 “(iii) Section 107(a) of the Child
14 Abuse Prevention and Treatment Act.

15 “(iv) Section 201(d) of the Child
16 Abuse Prevention and Treatment Act.

17 “(v) Section 423 of this Act.

18 “(3) STATE.—The term ‘State’ includes the
19 several States, the District of Columbia, the Com-
20 monwealth of Puerto Rico, the United States Virgin
21 Islands, Guam, and American Samoa.

22 “(c) USE OF GRANT.—

23 “(1) IN GENERAL.—A State to which a grant
24 is made under this section may use the grant in any
25 manner that the State deems appropriate to accom-

1 plish the purpose of this part, including setting up
2 abuse and neglect reporting systems, abuse and ne-
3 glect prevention, family preservation, foster care,
4 adoption, program administration, and training.

5 “(2) AUTHORITY TO USE PORTION OF GRANT
6 FOR OTHER PURPOSES.—

7 “(A) IN GENERAL.—A State may use not
8 more than 30 percent of the amount of the
9 grant made to the State under this section for
10 fiscal year 1998 or a succeeding fiscal year to
11 carry out a State program pursuant to any or
12 all of the following provisions of law:

13 “(i) Part A of this title.

14 “(ii) Title XX of this Act.

15 “(iii) The Child Care and Develop-
16 ment Block Grant Act of 1990.

17 “(iv) Any provision of law, enacted
18 into law during the 104th Congress, under
19 which grants are made to States for food
20 and nutrition or employment and training.

21 “(B) APPLICABLE RULES.—Any amount
22 paid to the State under this part that is used
23 to carry out a State program pursuant to a pro-
24 vision of law specified in subparagraph (A)
25 shall not be subject to the requirements of this

1 part, but shall be subject to the requirements
2 that apply to Federal funds provided directly
3 under the provision of law to carry out the pro-
4 gram.

5 “(3) TIMING OF EXPENDITURES.—A State to
6 which a grant is made under this section for a fiscal
7 year shall expend the total amount of the grant not
8 later than the end of the immediately succeeding fis-
9 cal year.

10 “(4) RULE OF INTERPRETATION.—This part
11 shall not be interpreted to prohibit short- and long-
12 term foster care facilities operated for profit from
13 receiving funds provided under this part.

14 “(d) TIMING OF PAYMENTS.—The Secretary shall
15 pay each eligible State the amount of the grant payable
16 to the State under this section in quarterly installments.

17 “(e) PENALTIES.—

18 “(1) FOR USE OF GRANT IN VIOLATION OF
19 THIS PART.—

20 “(A) IN GENERAL.—If an audit conducted
21 pursuant to chapter 75 of title 31, United
22 States Code, finds that an amount paid to a
23 State under this section for a fiscal year has
24 been used in violation of this part, then the
25 Secretary shall reduce the amount of the grant

1 that would (in the absence of this subsection)
2 be payable to the State under this section for
3 the immediately succeeding fiscal year by the
4 amount so used.

5 “(B) LIMITATION.—In carrying out sub-
6 paragraph (A), the Secretary shall not reduce
7 any quarterly payment by more than 25
8 percent.

9 “(C) CARRYFORWARD OF UNRECOVERED
10 PENALTY.—To the extent that subparagraph
11 (B) prevents the Secretary from recovering dur-
12 ing a fiscal year the full amount of a penalty
13 imposed on a State under subparagraph (A) for
14 a prior fiscal year, the Secretary shall apply
15 subparagraph (A) to the grant otherwise pay-
16 able to the State under this section for the im-
17 mediately succeeding fiscal year.

18 “(2) FOR FAILURE TO MAINTAIN EFFORT.—If
19 an audit conducted pursuant to chapter 75 of title
20 31, United States Code, finds that the amount ex-
21 pended by a State (other than from amounts pro-
22 vided by the Federal Government) during fiscal year
23 1996 or 1997 to carry out the State program funded
24 under this part is less than the total amount ex-
25 pended by the State (other than from amounts pro-

1 vided by the Federal Government) during fiscal year
2 1995 under parts B and E of this title, then the
3 Secretary shall reduce the amount of the grant that
4 would (in the absence of this subsection) be payable
5 to the State under this section for the immediately
6 succeeding fiscal year by the amount of the dif-
7 ference.

8 “(3) FOR FAILURE TO SUBMIT REQUIRED RE-
9 PORT.—

10 “(A) IN GENERAL.—The Secretary shall
11 reduce by 3 percent the amount of the grant
12 that would (in the absence of this subsection)
13 be payable to a State under this section for a
14 fiscal year if the Secretary determines that the
15 State has not submitted the report required by
16 section 427(b) for the immediately preceding
17 fiscal year, within 6 months after the end of the
18 immediately preceding fiscal year.

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

1 “(f) LIMITATION ON FEDERAL AUTHORITY.—Except
2 as expressly provided in this part, the Secretary may not
3 regulate the conduct of States under this part or enforce
4 any provision of this part.

5 **“SEC. 424. CHILD PROTECTION STANDARDS.**

6 “(a) IN GENERAL.—Each State to which a grant is
7 made under section 423 shall operate a child protection
8 program in accordance with the following standards in
9 order to assure the protection of children:

10 “(1) The primary standard by which a State
11 child welfare system shall be judged is the protection
12 of children.

13 “(2) Each State shall investigate reports of
14 abuse and neglect promptly.

15 “(3) Children removed from their homes shall
16 have a permanency plan and a dispositional hearing
17 by a court or a court-appointed body within 3
18 months after a fact-finding hearing.

19 “(4) All child protection cases in which the
20 child is placed outside the home shall be reviewed
21 every 6 months unless the child is in a long-term
22 placement.

23 “(b) PLACEMENT OF CHILDREN WITH REL-
24 ATIVES.—A State to which a grant is made under this
25 part may consider—

1 “(1) establishing a new type of foster care
2 placement, which could be considered a permanent
3 placement, for children who are separated from their
4 parents (in this subsection referred to as ‘kinship
5 care’) under which—

6 “(A) adult relatives of such children would
7 be the preferred placement option if such rel-
8 atives meet all relevant child protection stand-
9 ards established by the State;

10 “(B) the State would make a needs-based
11 payment and provide supportive services, as ap-
12 propriate, with respect to children placed in a
13 kinship care arrangement; and

14 “(2) in placing children for adoption, giving
15 preference to adult relatives who meet applicable
16 adoption standards (including those acting as foster
17 parents of such children).

18 **“SEC. 425. CITIZEN REVIEW PANELS.**

19 “(a) ESTABLISHMENT.—Each State to which a grant
20 is made under section 423 shall establish at least 3 citizen
21 review panels.

22 “(b) COMPOSITION.—Each panel established under
23 subsection (a) shall be broadly representative of the com-
24 munity from which drawn.

1 “(c) FREQUENCY OF MEETINGS.—Each panel estab-
2 lished under subsection (a) shall meet not less frequently
3 than quarterly.

4 “(d) DUTIES.—

5 “(1) IN GENERAL.—Each panel established
6 under subsection (a) shall, by examining specific
7 cases, determine the extent to which the State and
8 local agencies responsible for carrying out activities
9 under this part are doing so in accordance with the
10 State plan, with the child protection standards set
11 forth in section 424, and with any other criteria that
12 the panel considers important to ensure the protec-
13 tion of children.

14 “(2) CONFIDENTIALITY.—The members and
15 staff of any panel established under subsection (a)
16 shall not disclose to any person or government any
17 information about any specific child protection case
18 with respect to which the panel is provided informa-
19 tion.

20 “(e) STATE ASSISTANCE.—Each State that estab-
21 lishes a panel under subsection (a) shall afford the panel
22 access to any information on any case that the panel de-
23 sires to review, and shall provide the panel with staff as-
24 sistance in performing its duties.

1 “(f) REPORTS.—Each panel established under sub-
2 section (a) shall make a public report of its activities after
3 each meeting.

4 **“SEC. 426. CLEARINGHOUSE AND HOTLINE ON MISSING**
5 **AND RUNAWAY CHILDREN.**

6 “(a) IN GENERAL.—The Attorney General of the
7 United States shall establish and operate by contract a
8 clearinghouse of information on children who are missing
9 or have run away from home, including a 24-hour toll-
10 free telephone hotline which may be contacted for informa-
11 tion on such children.

12 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
13 PRIATIONS.—To carry out subsection (a), there are au-
14 thorized to be appropriated to the Attorney General of the
15 United States not to exceed \$7,000,000 for each fiscal
16 year.

17 **“SEC. 427. DATA COLLECTION AND REPORTING.**

18 “(a) ANNUAL REPORTS ON STATE CHILD WELFARE
19 GOALS.—On the date that is 3 years after the effective
20 date of this part and annually thereafter, each State to
21 which a grant is made under section 423 shall submit to
22 the Secretary a report that contains quantitative informa-
23 tion on the extent to which the State is making progress
24 toward achieving the goals of the State child protection
25 program.

1 “(b) ANNUAL STATE DATA REPORTS.—Each State
2 to which a grant is made under section 423 shall annually
3 submit to the Secretary of Health and Human Services
4 a report that includes the following:

5 “(1) The number of children who were reported
6 to the State during the year as abused or neglected.

7 “(2) Of the number of children described in
8 paragraph (1), the number with respect to whom
9 such reports were substantiated.

10 “(3) Of the number of children described in
11 paragraph (2)—

12 “(A) the number that did not receive serv-
13 ices during the year under the State program
14 funded under this part;

15 “(B) the number that received services
16 during the year under the State program fund-
17 ed under this part or an equivalent State pro-
18 gram; and

19 “(C) the number that were removed from
20 their families during the year.

21 “(4) The number of families that received pre-
22 ventive services from the State during the year.

23 “(5) The number of children who entered foster
24 care under the responsibility of the State during the
25 year.

1 “(6) The number of children in foster care
2 under the responsibility of the State who exited from
3 foster care during the year.

4 “(7) The types of foster care placements made
5 by the State during the year, and the average
6 monthly number of children in each type of place-
7 ment.

8 “(8) The average length of the foster care
9 placements made by the State during the year.

10 “(9) The age, ethnicity, gender, and family in-
11 come of the children placed in foster care under the
12 responsibility of the State during the year.

13 “(10) The number of children in foster care
14 under the responsibility of the State with respect to
15 whom the State has the goal of adoption.

16 “(11) The number of children in foster care
17 under the responsibility of the State who were freed
18 for adoption during the year.

19 “(12) The number of children in foster care
20 under the responsibility of the State whose adoptions
21 were finalized during the year.

22 “(13) The number of disrupted adoptions in the
23 State during the year.

24 “(14) Quantitative measurements showing
25 whether the State is making progress toward the

1 child protection goals identified by the State under
2 section 422(a)(9).

3 “(15) The number of infants abandoned in the
4 State during the year, and the number of such in-
5 fants who were legally adopted during the year and
6 the length of time between the discovery of the aban-
7 donment and such adoption.

8 “(16) The number of children who died during
9 the year while in foster care under the responsibility
10 of the State.

11 “(17) The number of deaths in the State dur-
12 ing the year resulting from child abuse or neglect.

13 “(18) The number of children served by the
14 independent living program of the State.

15 “(19) Any other information which the Sec-
16 retary and a majority of the States agree is appro-
17 priate to collect for purposes of this part.

18 “(20) The response of the State to the findings
19 and recommendations of the citizen review panels es-
20 tablished by the State pursuant to section 425.

21 “(c) AUTHORITY OF STATES TO USE ESTIMATES.—

22 A State may comply with a requirement to provide precise
23 numerical information described in subsection (b) by sub-
24 mitting an estimate which is obtained through the use of
25 scientifically acceptable sampling methods.

1 “(d) ANNUAL REPORT BY THE SECRETARY.—Within
2 6 months after the end of each fiscal year, the Secretary
3 shall prepare a report based on information provided by
4 the States for the fiscal year pursuant to subsection (b),
5 and shall make the report and such information available
6 to the Congress and the public.

7 “(e) SCOPE OF STATE PROGRAM FUNDED UNDER
8 THIS PART.—As used in subsection (b), the term ‘State
9 program funded under this part’ includes any equivalent
10 State program.

11 **“SEC. 428. RESEARCH AND TRAINING.**

12 “(a) IN GENERAL.—The Secretary shall conduct re-
13 search and training in child welfare.

14 “(b) LIMITATION ON AUTHORIZATION OF APPRO-
15 PRIATIONS.—To carry out subsection (a), there are au-
16 thorized to be appropriated to the Secretary not to exceed
17 \$10,000,000 for each fiscal year.

18 **“SEC. 429. NATIONAL RANDOM SAMPLE STUDY OF CHILD**
19 **WELFARE.**

20 “(a) IN GENERAL.—The Secretary shall conduct a
21 national study based on random samples of children who
22 are at risk of child abuse or neglect, or are determined
23 by States to have been abused or neglected.

24 “(b) REQUIREMENTS.—The study required by sub-
25 section (a) shall—

1 “(1) have a longitudinal component; and

2 “(2) yield data reliable at the State level for as
3 many States as the Secretary determines is feasible.

4 “(c) PREFERRED CONTENTS.—In conducting the
5 study required by subsection (a), the Secretary should—

6 “(1) collect data on the child protection pro-
7 grams of different small States or (different groups
8 of such States) in different years to yield an occa-
9 sional picture of the child protection programs of
10 such States;

11 “(2) carefully consider selecting the sample
12 from cases of confirmed abuse or neglect; and

13 “(3) follow each case for several years while ob-
14 taining information on, among other things—

15 “(A) the type of abuse or neglect involved;

16 “(B) the frequency of contact with State
17 or local agencies;

18 “(C) whether the child involved has been
19 separated from the family, and, if so, under
20 what circumstances;

21 “(D) the number, type, and characteristics
22 of out-of-home placements of the child; and

23 “(E) the average duration of each place-
24 ment.

25 “(d) REPORTS.—

1 “(1) IN GENERAL.—From time to time, the
2 Secretary shall prepare reports summarizing the re-
3 sults of the study required by subsection (a), and
4 should include in such reports a comparison of the
5 results of the study with the information reported by
6 States under section 427.

7 “(2) AVAILABILITY.—The Secretary shall make
8 available to the public any report prepared under
9 paragraph (1), in writing or in the form of an elec-
10 tronic data tape.

11 “(3) AUTHORITY TO CHARGE FEE.—The Sec-
12 retary may charge and collect a fee for the furnish-
13 ing of reports under paragraph (2).

14 “(e) FUNDING.—Out of any money in the Treasury
15 of the United States not otherwise appropriated, the Sec-
16 retary of the Treasury shall pay to the Secretary of Health
17 and Human Services \$6,000,000 for each of fiscal years
18 1996 through 2000 to carry out this section.

19 **“SEC. 430. REMOVAL OF BARRIERS TO INTERETHNIC**
20 **ADOPTION.**

21 “(a) PURPOSE.—The purpose of this section is to de-
22 crease the length of time that children wait to be adopted
23 and to prevent discrimination in the placement of children
24 on the basis of race, color, or national origin.

25 “(b) MULTIETHNIC PLACEMENTS.—

1 “(1) PROHIBITION.—A State or other entity
2 that receives funds from the Federal Government
3 and is involved in adoption or foster care placements
4 may not—

5 “(A) deny to any person the opportunity to
6 become an adoptive or a foster parent, on the
7 basis of the race, color, or national origin of the
8 person, or of the child, involved; or

9 “(B) delay or deny the placement of a
10 child for adoption or into foster care, or other-
11 wise discriminate in making a placement deci-
12 sion, on the basis of the race, color, or national
13 origin of the adoptive or foster parent, or the
14 child, involved.

15 “(2) PENALTIES.—

16 “(A) STATE VIOLATORS.—A State that
17 violates paragraph (1) during a period shall
18 remit to the Secretary all funds that were paid
19 to the State under this part during the period.

20 “(B) PRIVATE VIOLATORS.—Any other en-
21 tity that violates paragraph (1) during a period
22 shall remit to the Secretary all funds that were
23 paid to the entity during the period by a State
24 from funds provided under this part.

25 “(3) PRIVATE CAUSE OF ACTION.—

1 “(A) IN GENERAL.—Any individual who is
2 aggrieved by a violation of paragraph (1) by a
3 State or other entity may bring an action seek-
4 ing relief in any United States district court.

5 “(B) STATUTE OF LIMITATIONS.—An ac-
6 tion under this paragraph may not be brought
7 more than 2 years after the date the alleged
8 violation occurred.”.

9 **SEC. 202. CONFORMING AMENDMENTS.**

10 (a) AMENDMENTS TO PART D OF TITLE IV OF THE
11 SOCIAL SECURITY ACT.—

12 (1) Section 452(a)(10)(C) of the Social Security
13 Act (42 U.S.C. 652(a)(10)(C)), as amended by sec-
14 tion 104(b)(2)(C) of this Act, is amended—

15 (A) by striking “(or foster care mainte-
16 nance payments under part E)” and inserting
17 “or cash payments under a State program
18 funded under part B”; and

19 (B) by striking “or 471(a)(17)”.

20 (2) Section 452(g)(2)(A) of such Act (42
21 U.S.C. 652(g)(2)(A)) is amended—

22 (A) by striking “or E” the 1st place such
23 term appears and inserting “or benefits or serv-
24 ices are being provided under the State pro-
25 gram funded under part B”; and

1 (B) by striking “or E” the 2nd place such
2 term appears and inserting “or benefits or serv-
3 ices were being provided under the State pro-
4 gram funded under part B”.

5 (3) Section 456(a)(1) of such Act (42 U.S.C.
6 656(a)(1)) is amended by striking “foster care main-
7 tenance payments” and inserting “benefits or serv-
8 ices under a State program funded under part B”.

9 (4) Section 466(a)(3)(B) of such Act (42
10 U.S.C. 666(a)(3)(B)), as amended by section
11 104(b)(13) of this Act, is amended by striking “or
12 471(a)(17)”.

13 (b) REPEAL OF PART E OF TITLE IV OF THE SOCIAL
14 SECURITY ACT.—Part E of title IV of such Act (42
15 U.S.C. 671–679) is hereby repealed.

16 (c) AMENDMENT TO TITLE XVI OF THE SOCIAL SE-
17 CURITY ACT AS IN EFFECT WITH RESPECT TO THE
18 STATES.—Section 1611(c)(5)(B) of such Act (42 U.S.C.
19 1382(c)(5)(B)) is amended to read as follows: “(B) the
20 State program funded under part B of title IV,”.

21 (d) REPEAL OF SECTION 13712 OF THE OMNIBUS
22 BUDGET RECONCILIATION ACT OF 1993.—Section 13712
23 of the Omnibus Budget Reconciliation Act of 1993 (42
24 U.S.C. 670 note) is hereby repealed.

1 (e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS
2 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 (f) REPEAL OF SECTION 553 OF THE HOWARD M.
7 METZENBAUM MULTIETHNIC PLACEMENT ACT OF
8 1994.—Section 553 of the Howard M. Metzenbaum
9 Multiethnic Placement Act of 1994 (42 U.S.C. 5115a; 108
10 Stat. 4056) is hereby repealed.

11 (g) REPEAL OF SUBTITLE C OF TITLE XVII OF THE
12 VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT
13 OF 1994.—Subtitle C of title XVII of the Violent Crime
14 Control and Law Enforcement Act of 1994 is hereby re-
15 pealed.

16 **SEC. 203. CONTINUED APPLICATION OF CURRENT STAND-**
17 **ARDS UNDER MEDICAID PROGRAM.**

18 Section 1931 of the Social Security Act, as inserted
19 by section 106(a)(2) of this Act, is amended—

20 (1) in subsection (a)(1)—

21 (A) by striking “part A of”, and

22 (B) by striking “under such part” and in-
23 serting “under a part of such title”; and

24 (2) in subsection (b), by striking “part A of”.

1 **SEC. 204. EFFECTIVE DATE.**

2 (a) IN GENERAL.—This title and the amendments
3 made by this title shall take effect on October 1, 1995.

4 (b) TRANSITION RULE.—The amendments made by
5 this title shall not apply with respect to—

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

10 (2) administrative actions and proceedings com-
11 menced before such date, or authorized before such
12 date to be commenced, under such provisions.

13 **SEC. 205. SENSE OF THE CONGRESS REGARDING TIMELY**
14 **ADOPTION OF CHILDREN.**

15 It is the sense of the Congress that—

16 (1) too many children who wish to be adopted
17 are spending inordinate amounts of time in foster
18 care;

19 (2) there is an urgent need for States to in-
20 crease the number of waiting children being adopted
21 in a timely and lawful manner;

22 (3) studies have shown that States spend an ex-
23 cess of \$15,000 each year on each special needs
24 child in foster care, and would save significant
25 amounts of money if they offered incentives to fami-
26 lies to adopt special needs children;

1 (4) States should allocate sufficient funds under
2 this title for adoption assistance and medical assist-
3 ance to encourage more families to adopt children
4 who otherwise would languish in the foster care sys-
5 tem for a period that many experts consider det-
6 rimental to their development;

7 (5) States should offer incentives for families
8 that adopt special needs children to make adoption
9 more affordable for middle-class families;

10 (6) when it is necessary for a State to remove
11 a child from the home of the child's biological par-
12 ents, the State should strive—

13 (A) to provide the child with a single foster
14 care placement and a single coordinated case
15 team; and

16 (B) to conclude an adoption of the child,
17 when adoption is the goal of the child and the
18 State, within one year of the child's placement
19 in foster care; and

20 (7) States should participate in local, regional,
21 or national programs to enable maximum visibility of
22 waiting children to potential parents. Such programs
23 should include a nationwide, interactive computer
24 network to disseminate information on children eligi-

1 ble for adoption to help match them with families
2 around the country.

3 **TITLE III—BLOCK GRANTS FOR**
4 **CHILD CARE AND FOR NUTRI-**
5 **TION ASSISTANCE**

6 **Subtitle A—Child Care Block**
7 **Grants**

8 **SEC. 301. AMENDMENTS TO THE CHILD CARE AND DEVEL-**
9 **OPMENT BLOCK GRANT ACT OF 1990.**

10 (a) GOALS.—Section 658A of the Child Care and De-
11 velopment Block Grant Act of 1990 (42 U.S.C. 9801 note)
12 is amended—

13 (1) in the heading of such section by inserting
14 “**AND GOALS**” after “**TITLE**”,

15 (2) by inserting “(a) **SHORT TITLE.**—” before
16 “**This**”, and

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

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

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

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

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

4 “(4) to assist States to provide child care to
5 parents trying to achieve independence from public
6 assistance; and

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

10 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section
11 658B of the Child Care and Development Block Grant Act
12 of 1990 (42 U.S.C. 9858) is amended to read as follows:

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

14 **“There is authorized to be appropriated to carry out**
15 **this subchapter \$2,093,000,000 for each of the fiscal**
16 **years 1996, 1997, 1998, 1999, and 2000.”.**

17 (c) **LEAD ENTITY.**—Section 658D of the Child Care
18 and Development Block Grant Act of 1990 (42 U.S.C.
19 9858b) is amended—

20 (1) in the heading of such section by striking
21 **“AGENCY”** inserting **“ENTITY”**,

22 (2) in subsection (a) by inserting “or other en-
23 tity” after “State agency”, and

24 (3) by striking “lead agency” each place it ap-
25 pears and inserting “lead entity”.

1 (d) APPLICATION AND PLAN.—Section 658E of the
2 Child Care and Development Block Grant Act of 1990 (42
3 U.S.C. 9858c) is amended—

4 (1) in subsection (b)—

5 (A) by striking “implemented—” and all
6 that follows through “(2)” and inserting “im-
7 plemented”, and

8 (B) by striking “for subsequent State
9 plans”,

10 (2) in subsection (c)—

11 (A) in paragraph (1)—

12 (i) in the heading of such paragraph
13 by striking “AGENCY” and inserting “EN-
14 TITY”, and

15 (ii) by striking “agency” and inserting
16 “entity”,

17 (B) in paragraph (2)—

18 (i) in subparagraph (A)—

19 (I) in clause (i) by striking “,
20 other than through assistance pro-
21 vided under paragraph (3)(C),” and

22 (II) by striking “except” and all
23 that follows through “1992”, and in-
24 serting “and provide a detailed de-
25 scription of the procedures the State

1 will implement to carry out the re-
2 quirements of this subparagraph”,

3 (ii) in subparagraph (B)—

4 (I) by striking “Provide assur-
5 ances” and inserting “Certify”, and

6 (II) by inserting before the pe-
7 riod at the end “and provide a de-
8 tailed description of such procedures”,

9 (iii) in subparagraph (C)—

10 (I) by striking “Provide assur-
11 ances” and inserting “Certify”, and

12 (II) by inserting before the pe-
13 riod at the end “and provide a de-
14 tailed description of how such record
15 is maintained and is made available”,

16 (iv) by amending subparagraph (D) to
17 read as follows:

18 “(D) CONSUMER EDUCATION INFORMA-
19 TION.—Provide assurances that the State will
20 collect and disseminate to parents of eligible
21 children and the general public, consumer edu-
22 cation information that will promote informed
23 child care choices.”,

24 (v) in subparagraph (E)—

1 (I) by striking “Provide assur-
2 ances” and inserting “Certify”,

3 (II) in clause (i) by inserting
4 “health, safety, and” after “comply
5 with all”,

6 (III) in clause (i) by striking “;
7 and” at the end,

8 (IV) by striking “that—” and all
9 that follows through “(i)”, and insert-
10 ing “that”, and

11 (V) by striking “(ii)” and all that
12 follows through the end of such sub-
13 paragraph, and inserting “and provide
14 a detailed description of such require-
15 ments and of how such requirements
16 are effectively enforced.”, and

17 (vi) by striking subparagraphs (F),
18 (G), (H), (I), and (J),
19 (C) in paragraph (3)—

20 (i) in subparagraph (A) by inserting
21 “or as authorized by section 658T” before
22 the period at the end,

23 (ii) in subparagraph (B)—

24 (I) by striking “.—Subject to the
25 reservation contained in subparagraph

1 (C), the” and inserting “AND RELAT-
2 ED ACTIVITIES.—The”,

3 (II) by inserting “, other than
4 amounts transferred under section
5 658T,” after “subchapter”,

6 (III) in clause (i) by striking “;
7 and” at the end and inserting a pe-
8 riod,

9 (IV) by striking “for—” and all
10 that follows through “section
11 658E(c)(2)(A)” and inserting “for
12 child care services, activities that im-
13 prove the quality or availability of
14 such services, and any other activity
15 that the State deems appropriate to
16 realize any of the goals specified in
17 paragraphs (2) through (5) of section
18 658A(b)”, and

19 (V) by striking clause (ii), and
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 payments received under this
25 subchapter by a State in each fiscal year may

1 be expended for administrative costs incurred
2 by such State to carry out all its functions and
3 duties under this subchapter.”,

4 (D) in paragraph (4)(A)—

5 (i) by striking “provide assurances”
6 and inserting “certify”,

7 (ii) in the first sentence by inserting
8 “and shall provide a summary of the facts
9 relied on by the State to determine that
10 such rates are sufficient to ensure such ac-
11 cess” before the period, and

12 (iii) by striking the last sentence, and

13 (E) by striking paragraph (5).

14 (e) LIMITATIONS ON STATE ALLOTMENTS—Section
15 658F(b)(2) of the Child Care and Development Block
16 Grant Act of 1990 (42 U.S.C. 9858d(b)(2)) is amended
17 by striking “referred to in section 658E(c)(2)(F)”.

18 (f) REPEAL OF EARMARKED REQUIRED EXPENDI-
19 TURES.—The Child Care and Development Block Grant
20 Act of 1990 (42 U.S.C. 9801 note) is amended by striking
21 sections 658G and 658H.

22 (g) ADMINISTRATION AND ENFORCEMENT.—Section
23 658I(a) of the Child Care and Development Block Grant
24 Act of 1990 (42 U.S.C. 9858g(a)) is amended—

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

3 (2) by striking paragraph (2), and

4 (3) by redesignating paragraph (3) as para-
5 graph (2).

6 (h) PAYMENTS.—Section 658J(c) of the Child Care
7 and Development Block Grant Act of 1990 (42 U.S.C.
8 9858h(c)) is amended—

9 (1) by striking “expended” and inserting “obli-
10 gated”, and

11 (2) by striking “3 fiscal years” and inserting
12 “fiscal year”.

13 (i) ANNUAL REPORT AND AUDITS.—Section 658K of
14 the Child Care and Development Block Grant Act of 1990
15 (42 U.S.C. 9858i) is amended—

16 (1) in the heading of such section by inserting
17 “, **EVALUATION PLANS,**” after “**REPORT**”,

18 (2) in subsection (a)—

19 (A) by striking “, 1992” and inserting
20 “following the end of the first fiscal year with
21 respect to which the amendments made by the
22 Personal Responsibility Act of 1995 apply”,

23 (B) by amending paragraph (2) to read as
24 follows:

1 “(2) containing data on the manner in which
2 the child care needs of families in the State are
3 being fulfilled, including information concerning—

4 “(A) the number and ages of children
5 being assisted with funds provided under this
6 subchapter;

7 “(B) with respect to the families of such
8 children—

9 “(i) the number of other children in
10 such families;

11 “(ii) the number of such families that
12 include only 1 parent;

13 “(iii) the number of such families that
14 include both parents;

15 “(iv) the ages of the mothers of such
16 children;

17 “(v) the ages of the fathers of such
18 children;

19 “(vi) the sources of the economic re-
20 sources of such families, including the
21 amount of such resources obtained from
22 (and separately identified as being from)—

23 “(I) employment, including self-
24 employment;

1 “(II) assistance received under
2 part A of title IV of the Social Secu-
3 rity Act (42 U.S.C. 601 et seq.);

4 “(III) part B of title IV of the
5 Social Security Act (42 U.S.C. 621 et
6 seq.);

7 “(IV) the Child Nutrition Act of
8 1966 (42 U.S.C. 1771 et seq.);

9 “(V) the National School Lunch
10 Act (42 U.S.C. 1751 et seq.);

11 “(VI) assistance received under
12 title XVI of the Social Security Act
13 (42 U.S.C. 1381 et seq.);

14 “(VII) assistance received under
15 title XIV of the Social Security Act
16 (42 U.S.C. 1351 et seq.);

17 “(VIII) assistance received under
18 title XIX of the Social Security Act
19 (42 U.S.C. 1396 et seq.);

20 “(IX) assistance received under
21 title XX of the Social Security Act
22 (42 U.S.C. 1397 et seq.); and

23 “(X) any other source of eco-
24 nomic resources the Secretary deter-
25 mines to be appropriate;

1 “(C) the number of such providers sepa-
2 rately identified with respect to each type of
3 child care provider specified in section 658P(5)
4 that provided child care services obtained with
5 assistance provided under this subchapter;

6 “(D) with respect to cost of such serv-
7 ices—

8 “(i) the cost imposed by such provid-
9 ers to provide such services; and

10 “(ii) the portion of such cost paid
11 with assistance provided under this sub-
12 chapter;

13 “(E) with respect to consumer education
14 information described in section 658E(c)(2)(D)
15 provided by such State—

16 “(i) the manner in which such infor-
17 mation was provided; and

18 “(ii) the number of parents to whom
19 such information was provided; and

20 “(F) with respect to complaints received by
21 such State regarding child care services ob-
22 tained with assistance provided under this sub-
23 chapter—

24 “(i) the number of such complaints
25 that were found to have merit; and

1 “(ii) a description of the actions taken
2 by the State to correct the circumstances
3 on which such complaints were based.”,

4 (C) by striking paragraphs (3), (4), (5),
5 and (6) and inserting the following:

6 “(3) containing evidence demonstrating that the
7 State satisfied the requirements of section
8 658E(c)(2)(F); and

9 “(4) identifying each State program operated
10 under a provision of law specified in section 658T to
11 which the State transferred funds under the author-
12 ity of such section, specifying the amount of funds
13 so transferred to such program, and containing a
14 justification for so transferring such amount;”, and
15 (3) in subsection (b)—

16 (A) in paragraph (1) by striking “a appli-
17 cation” and inserting “an application”,

18 (B) in paragraph (2) by striking “any
19 agency administering activities that receive”
20 and inserting “the State that receives”, and

21 (C) in paragraph (4) by striking “entitles”
22 and inserting “entitled”, and

23 (4) by redesignating subsection (b) as sub-
24 section (c), and

1 (5) by inserting after subsection (a) the follow-
2 ing:

3 “(b) STATE EVALUATION PLAN AND EVALUATION
4 RESULTS.—

5 “(1) EVALUATION PLAN.—In the first report
6 submitted under subsection (a) after the date of the
7 enactment of the Personal Responsibility Act of
8 1995, and in the report for each alternating 1-year
9 period thereafter, the State shall include a plan the
10 State intends to carry out in the 1-year period sub-
11 sequent to the period for which such report is sub-
12 mitted, to evaluate the extent to which the State has
13 realized each of the goals specified in paragraphs (2)
14 through (5) of section 658A(b). The State shall in-
15 clude in such plan a description of the types of data
16 and other information the State will collect to deter-
17 mine whether the State has realized such goals.

18 “(2) EVALUATION RESULTS.—In the second re-
19 port submitted under subsection (a) after the date
20 of the enactment of the Personal Responsibility Act
21 of 1995, and in the report for each alternating 1-
22 year period thereafter, the State shall include a sum-
23 mary of the results of an evaluation carried out
24 under the evaluation plan contained in the report

1 submitted under subsection (a) for the preceding 1-
2 year period.”.

3 (j) REPORT BY SECRETARY.—Section 658L of the
4 Child Care and Development Block Grant Act of 1990 (42
5 U.S.C. 9858j) is amended—

6 (1) by striking “, 1993, and annually” and in-
7 serting “following the end of the second fiscal year
8 with respect to which the amendments made by the
9 Personal Responsibility Act of 1995 apply, and bien-
10 nially”,

11 (2) by striking “Committee on Education and
12 Labor” and inserting “Speaker”,

13 (3) by striking “Committee on Labor and
14 Human Resources” and inserting “President pro
15 tempore”, and

16 (4) by striking the last sentence.

17 (k) REALLOTMENTS.—Section 658O of the Child
18 Care and Development Block Grant Act of 1990 (42
19 U.S.C. 9858m) is amended—

20 (1) in subsection (a)(1)—

21 (A) by striking “POSSESSIONS” and insert-
22 ing “POSSESSIONS”,

23 (B) by inserting “and” after “States,”,
24 and

1 (C) by striking “, and the Trust Territory
2 of the Pacific Islands”,

3 (2) by amending subsection (b) to read as fol-
4 lows:

5 “(b) STATE ALLOTMENT.—From the amount appro-
6 priated under section 658B for each fiscal year remaining
7 after reservations under subsection (a), the Secretary shall
8 allot to each State (excluding Guam, American Samoa, the
9 Virgin Islands of the United States, and the Common-
10 wealth of the Northern Mariana Islands) an amount that
11 bears the same ratio to the amount so appropriated for
12 such fiscal year as the aggregate of the amounts received
13 by the State under—

14 “(1) this subchapter for fiscal year 1994;

15 “(2) section 403 of the Social Security Act,
16 with respect to expenditures by the State for child
17 care under section 402(g)(1) of such Act during fis-
18 cal year 1994; and

19 “(3) section 403(n) of the Social Security Act
20 for fiscal year 1994;

21 bears to the aggregate of the amounts received by all the
22 States (excluding Guam, American Samoa, the Virgin Is-
23 lands of the United States, and the Commonwealth of the
24 Northern Mariana Islands) under paragraphs (1), (2), and
25 (3).”,

1 (3) in subsection (c)—

2 (A) in paragraph (2)(A) by striking “agen-
3 cy” and inserting “entity”, and

4 (B) in paragraph (5) by striking “our”
5 and inserting “out”,

6 (4) by striking subsection (e), and

7 (5) by redesignating subsection (f) as sub-
8 section (e).

9 (l) DEFINITIONS.—Section 658P of the Child Care
10 and Development Block Grant Act of 1990 (42 U.S.C.
11 9858n) is amended—

12 (1) in paragraph (5)(A)—

13 (A) in clause (i) by striking “and” at the
14 end and inserting “or”,

15 (B) by striking “that—” and all that fol-
16 lows through “(i)”, and inserting “that”, and

17 (C) by striking clause (ii),

18 (2) by amending paragraph (8) to read as fol-
19 lows:

20 “(8) LEAD ENTITY.—The term ‘lead entity’
21 means the State agency or other entity designated
22 under section 658B(a).”,

23 (3) by striking paragraphs (3), (10), and (12),

24 (4) by inserting after paragraph (2) the follow-
25 ing:

1 “(3) CHILD CARE SERVICES.—The term ‘child
2 care services’ means services that constitute physical
3 care of a child and may include services that are de-
4 signed to enhance the educational, social, cultural,
5 emotional, and recreational development of a child
6 but that are not intended to serve as a substitute for
7 compulsory educational services.”,

8 (5) in paragraph (13)—

9 (A) by inserting “or” after “Samoa,” and

10 (B) by striking “, and the Trust Territory
11 of the Pacific Islands”, and

12 (6) by redesignating paragraphs (11), (13), and
13 (14) as paragraphs (10), (11), and (12), respec-
14 tively.

15 (m) AUTHORITY TO TRANSFER FUNDS.—The Child
16 Care and Development Block Grant Act of 1990 (42
17 U.S.C. 9858 et seq.) is amended by inserting after section
18 658S the following:

19 “SEC. 658T. TRANSFER OF FUNDS.

20 “(a) AUTHORITY.—Of the aggregate amount of pay-
21 ments received under this subchapter by a State in each
22 fiscal year, the State may transfer not more than 20 per-
23 cent for use by the State to carry out State programs
24 under 1 or more of the following provisions of law:

1 “(1) Part A of title IV of the Social Security
2 Act (42 U.S.C. 601 et seq.).

3 “(2) Part B of title IV of the Social Security
4 Act (42 U.S.C. 621 et seq.).

5 “(3) The Child Nutrition Act of 1966 (42
6 U.S.C. 1771 et seq.).

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

9 “(5) Title XX of the Social Security Act (42
10 U.S.C. 1397 et seq.).

11 “(b) REQUIREMENTS APPLICABLE TO FUNDS
12 TRANSFERRED.—Funds transferred under subsection (a)
13 to carry out a State program operated under a provision
14 of law specified in such subsection shall not be subject to
15 the requirements of this subchapter, but shall be subject
16 to the same requirements that apply to Federal funds pro-
17 vided directly under such provision of law to carry out
18 such program.”.

19 **SEC. 302. REPEAL OF CHILD CARE ASSISTANCE AUTHOR-**
20 **IZED BY ACTS OTHER THAN THE SOCIAL SE-**
21 **CURITY ACT.**

22 (a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP
23 ASSISTANCE ACT OF 1985.—Title VI of the Human Serv-
24 ices Reauthorization Act of 1986 (42 U.S.C. 10901–
25 10905) is repealed.

1 (b) STATE DEPENDENT CARE DEVELOPMENT
 2 GRANTS ACT.—Subchapter E of chapter 8 of subtitle A
 3 of title VI of the Omnibus Budget Reconciliation Act of
 4 1981 (42 U.S.C. 9871–9877) is repealed.

5 (c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title
 6 X of the Elementary and Secondary Education Act of
 7 1965, as amended by Public Law 103–382 (108 Stat.
 8 3809 et seq.), is amended—

9 (1) in section 10413(a) by striking paragraph
 10 (4),

11 (2) in section 10963(b)(2) by striking subpara-
 12 graph (G), and

13 (3) in section 10974(a)(6) by striking subpara-
 14 graph (G).

15 (d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION
 16 CENTERS.—Section 9205 of the Native Hawaiian Edu-
 17 cation Act (Public Law 103–382; 108 Stat. 3794) is re-
 18 pealed.

19 **Subtitle B—Family and School-**
 20 **Based Nutrition Block Grants**
 21 **CHAPTER 1—FAMILY NUTRITION BLOCK**
 22 **GRANT PROGRAM**

23 **SEC. 321. AMENDMENT TO CHILD NUTRITION ACT OF 1966.**

24 The Child Nutrition Act of 1966 (42 U.S.C. 1771
 25 et seq.) is amended to read as follows:

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

2 “(a) SHORT TITLE.—This Act may be cited as the
3 ‘Child Nutrition Act of 1966’.

4 “(b) TABLE OF CONTENTS.—The table of contents
5 is as follows:

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

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

“Sec. 8. Model nutrition standards for food assistance for pregnant,
postpartum, and breastfeeding women, infants and children.

“Sec. 9. Authorization of appropriations.

“Sec. 10. Definitions.

6 **“SEC. 2. AUTHORIZATION.**

7 “(a) IN GENERAL.—In the case of each State that
8 in accordance with section 4 submits to the Secretary of
9 Agriculture an application for a fiscal year, the Secretary
10 shall provide a grant for the year to the State for the pur-
11 pose of achieving the goals described in subsection (b).
12 The grant shall consist of the allotment determined for
13 the State under section 3.

14 “(b) GOALS.—The goals of this Act are—

15 “(1) to provide nutritional risk assessment, food
16 assistance based on such risk assessment, and nutri-
17 tion education and counseling to economically dis-
18 advantaged pregnant women, postpartum women,
19 breastfeeding women, infants, and young children
20 who are determined to be at nutritional risk;

1 “(2) to provide nutritional risk assessments of
2 such women in order to provide food assistance and
3 nutrition education which meets their specific needs;

4 “(3) to provide nutrition education to such
5 women in order to increase their awareness of the
6 types of foods which should be consumed to main-
7 tain good health;

8 “(4) to provide food assistance, including nutri-
9 tious meal supplements, to such women in order to
10 reduce incidences of low-birthweight babies and ba-
11 bies born with birth defects as a result of nutritional
12 deficiencies;

13 “(5) to provide food assistance, including nutri-
14 tious meal supplements, to such women, infants, and
15 young children in order to ensure their future good
16 health;

17 “(6) to ensure that such women, infants, and
18 children are referred to other health services, includ-
19 ing routine pediatric and obstetric care, when nec-
20 essary;

21 “(7) to ensure that children from economically
22 disadvantaged families in day care facilities, family
23 day care homes, homeless shelters, settlement
24 houses, recreational centers, Head Start centers,
25 Even Start programs and child care facilities for

1 children with disabilities receive nutritious meals,
2 supplements, and low-cost milk; and

3 “(8) to provide summer food service programs
4 to meet the nutritional needs of children from eco-
5 nomically disadvantaged families during months
6 when school is not in session.

7 “(c) TIMING OF PAYMENTS.—The Secretary shall
8 provide payments under a grant under this Act to States
9 on a quarterly basis.

10 **“SEC. 3. ALLOTMENT.**

11 “The Secretary shall allot the amount appropriated
12 to carry out this Act for a fiscal year among the States
13 as follows:

14 “(1) FIRST FISCAL YEAR.—

15 “(A) IN GENERAL.—With respect to the
16 first fiscal year for which the Secretary provides
17 grants to States under this Act, the amount al-
18 lotted to each State shall bear the same propor-
19 tion to such amount appropriated as the aggre-
20 gate of the amounts described in subparagraph
21 (B) that were received by each such State
22 under the provisions of law described in such
23 subparagraph (as such provisions of law were in
24 effect on the day before the date of the enact-
25 ment of the Personal Responsibility Act of

1 1995) for the preceding fiscal year bears to the
2 aggregate of the amounts described in subpara-
3 graph (B) that were received by all such States
4 under such provisions of law for such preceding
5 fiscal year.

6 “(B) AMOUNTS DESCRIBED.—The
7 amounts described in this subparagraph are the
8 following:

9 “(i) The amount received under the
10 special supplemental nutrition program for
11 women, infants, and children under section
12 17 of this Act (42 U.S.C. 1786).

13 “(ii) The amount received under the
14 homeless children nutrition program estab-
15 lished under section 17B of the National
16 School Lunch Act (42 U.S.C. 1766b).

17 “(iii) 87.5 percent of the sum of the
18 amounts received under the following pro-
19 grams:

20 “(I) The child and adult care
21 food program under section 17 of the
22 National School Lunch Act (42
23 U.S.C. 1766), except for subsection
24 (o) of such section.

1 “(II) The summer food service
2 program for children established
3 under section 13 of the National
4 School Lunch Act (42 U.S.C. 1761).

5 “(III) The special milk program
6 established under section 3 of this Act
7 (42 U.S.C. 1772).

8 “(2) SECOND FISCAL YEAR.—With respect to
9 the second fiscal year for which the Secretary pro-
10 vides grants to States under this Act—

11 “(A) 95 percent of such amount appro-
12 priated shall be allotted among the States by al-
13 lotting to each State an amount that bears the
14 same proportion to such amount appropriated
15 as the amount allotted to each such State from
16 a grant under this Act for the preceding fiscal
17 year bears to the aggregate of the amounts al-
18 lotted to all such States from grants under this
19 Act for such preceding fiscal year; and

20 “(B) 5 percent of such amount appro-
21 priated shall be allotted among the States by al-
22 lotting to each State an amount that bears the
23 same proportion to such amount appropriated
24 as the relative number of individuals receiving
25 assistance during the 1-year period ending on

1 June 30 of the preceding fiscal year in such
2 State from amounts received from a grant
3 under this Act for such preceding fiscal year
4 bears to the total number of individuals receiv-
5 ing assistance in all States from amounts re-
6 ceived from grants under this Act for the pre-
7 ceding fiscal year.

8 “(3) THIRD AND FOURTH FISCAL YEARS.—

9 With respect to each of the third and fourth fiscal
10 years for which the Secretary provides grants to
11 States under this Act—

12 “(A) 90 percent of such amount appro-
13 priated shall be allotted among the States by al-
14 lotting to each State an amount determined in
15 accordance with the formula described in para-
16 graph (2)(A); and

17 “(B) 10 percent of such amount appro-
18 priated shall be allotted among the States by al-
19 lotting to each State an amount determined in
20 accordance with the formula described in para-
21 graph (2)(B).

22 “(4) FIFTH FISCAL YEAR.—With respect to the
23 fifth fiscal year for which the Secretary provides
24 grants to States under this Act—

1 “(A) 85 percent of such amount appro-
2 priated shall be allotted among the States by al-
3 lotting to each State an amount determined in
4 accordance with the formula described in para-
5 graph (2)(A); and

6 “(B) 15 percent of such amount appro-
7 priated shall be allotted among the States by al-
8 lotting to each State an amount determined in
9 accordance with the formula described in para-
10 graph (2)(B).

11 **“SEC. 4. APPLICATION.**

12 “The Secretary may provide a grant under this Act
13 to a State for a fiscal year only if the State submits to
14 the Secretary an application containing only—

15 “(1) an agreement that the State will use
16 amounts received from such grant in accordance
17 with section 5;

18 “(2) except as provided in paragraph (3), an
19 agreement that the State will set minimum nutri-
20 tional requirements for food assistance provided
21 under this Act based on the most recent tested nu-
22 tritional research available, except that—

23 “(A) such requirements shall not be con-
24 strued to prohibit the substitution of foods to

1 accommodate the medical or other special die-
2 tary needs of individual students; and

3 “(B) such requirements shall, at a mini-
4 mum, be based on—

5 “(i) the weekly average of the nutrient
6 content of school lunches; or

7 “(ii) such other standards as the
8 State may prescribe;

9 “(3) an agreement that the State, with respect
10 to the provision of food assistance to economically
11 disadvantaged pregnant women, postpartum women,
12 breastfeeding women, infants, and young children,
13 shall—

14 “(A) implement the minimum nutritional
15 requirements described in paragraph (2) for
16 such food assistance; or

17 “(B) implement the model nutrition stand-
18 ards developed under section 8 for such food as-
19 sistance;

20 “(4) an agreement that the State will take such
21 reasonable steps as the State deems necessary to re-
22 strict the use and disclosure of information about in-
23 dividuals and families receiving assistance under this
24 Act;

1 “(5) an agreement that the State will use not
2 more than 5 percent of the amount of such grant for
3 administrative costs incurred to provide assistance
4 under this Act, except that costs associated with the
5 nutritional risk assessment of individuals described
6 in section 5(a)(1) and costs associated with nutrition
7 education and counseling provided to such individ-
8 uals shall not be considered to be administrative
9 costs; and

10 “(6) an agreement that the State will submit to
11 the Secretary a report in accordance with section 6.

12 **“SEC. 5. USE OF AMOUNTS.**

13 “(a) IN GENERAL.—The Secretary may provide a
14 grant under this Act to a State only if the State agrees
15 that it will use all amounts received from such grant—

16 “(1) subject to subsection (b), to provide nutri-
17 tional risk assessment, food assistance based on such
18 risk assessment, and nutrition education and coun-
19 seling to economically disadvantaged pregnant
20 women, postpartum women, breastfeeding women,
21 infants, and young children who are determined to
22 be at nutritional risk;

23 “(2) to provide milk in nonprofit nursery
24 schools, child care centers, settlement houses, sum-
25 mer camps, and similar institutions devoted to the

1 care and training of children, to children from eco-
2 nomically disadvantaged families;

3 “(3) to provide food service programs in institu-
4 tions and family day care homes providing child care
5 to children from economically disadvantaged fami-
6 lies;

7 “(4) to provide summer food service programs
8 carried out by nonprofit food authorities, local gov-
9 ernments, nonprofit higher education institutions
10 participating in the National Youth Sports Program,
11 and residential nonprofit summer camps to children
12 from economically disadvantaged families; and

13 “(5) to provide nutritious meals to pre-school
14 age homeless children in shelters and other facilities
15 serving the homeless population.

16 “(b) ADDITIONAL REQUIREMENTS WITH RESPECT
17 TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND
18 BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

19 “(1) MINIMUM AMOUNT OF ASSISTANCE.—The
20 State shall ensure that not less than 80 percent of
21 the amount of the grant is used to provide nutri-
22 tional risk assessment, food assistance based on such
23 nutritional risk assessment, and nutrition education
24 and counseling to economically disadvantaged preg-
25 nant women, postpartum women, breastfeeding

1 women, infants, and young children under sub-
2 section (a)(1).

3 “(2) COST CONTAINMENT MEASURES REGARD-
4 ING PROCUREMENT OF INFANT FORMULA.—

5 “(A) IN GENERAL.—The State shall, with
6 respect to the provision of food assistance to
7 economically disadvantaged pregnant women,
8 postpartum women, breastfeeding women, in-
9 fants, and young children under subsection
10 (a)(1), establish and carry out a cost contain-
11 ment system for the procurement of infant for-
12 mula.

13 “(B) USE OF AMOUNTS RESULTING FROM
14 SAVINGS.—The State shall use amounts avail-
15 able to the State as result of savings in costs
16 to the State from the implementation of the
17 cost containment system described in subpara-
18 graph (A) for the purpose of providing the as-
19 sistance described in paragraphs (1) through
20 (5) of subsection (a).

21 “(C) ANNUAL REPORTS.—The State shall
22 submit to the Secretary for each fiscal year a
23 report containing—

24 “(i) a description of the cost contain-
25 ment system for infant formula imple-

1 mented by the State in accordance with
2 subparagraph (A) for such fiscal year; and
3 “(ii) the estimated amount of savings
4 in costs derived by the State in providing
5 food assistance described in such subpara-
6 graph under such cost containment system
7 for such fiscal year as compared to the
8 amount of such savings derived by the
9 State under the cost containment system
10 for the preceding fiscal year, where appro-
11 priate.

12 “(3) ASSISTANCE FOR MEMBERS OF THE
13 ARMED FORCES AND THEIR DEPENDENTS.—The
14 State shall ensure that assistance described in sub-
15 section (a)(1) is provided to members of the Armed
16 Forces and dependents of such members (regardless
17 of the State of residence of such members or de-
18 pendents) who meet the requirements of such sub-
19 section on an equitable basis with assistance pro-
20 vided to all other individuals under such subsection
21 in such State.

22 “(c) ADDITIONAL REQUIREMENT WITH RESPECT TO
23 CHILD CARE ASSISTANCE ON MILITARY INSTALLA-
24 TIONS.—

1 “(1) IN GENERAL.—To the extent consistent
2 with the number of children who are receiving assist-
3 ance under child care programs established and car-
4 ried out on military installations in such State by
5 the Department of Defense, the State, after timely
6 and appropriate consultation with representatives of
7 such programs, shall provide assistance to such pro-
8 grams for such children (regardless of the State of
9 residence of such children) in accordance with sub-
10 section (a)(3) on an equitable basis with assistance
11 provided in accordance with such subsection to all
12 other child care programs carried out in such State.

13 “(2) LIMITATION.—In providing assistance to a
14 child care program established and carried out on a
15 military installation under paragraph (1), a State
16 shall not require that such program be licensed
17 under State law if such program is licensed by the
18 Department of Defense.

19 “(d) AUTHORITY TO USE AMOUNTS FOR OTHER
20 PURPOSES.—

21 “(1) IN GENERAL.—Subject to paragraphs (2)
22 and (3), a State may use not more than 20 percent
23 of amounts received from a grant under this Act for
24 a fiscal year to carry out a State program pursuant
25 to any or all of the following provisions of law:

1 “(A) Part A of title IV of the Social Secu-
2 rity Act (42 U.S.C. 601 et seq.).

3 “(B) Part B of title IV of the Social Secu-
4 rity Act (42 U.S.C. 621 et seq.).

5 “(C) Title XX of the Social Security Act
6 (42 U.S.C. 1397 et seq.).

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

9 “(E) The Child Care and Development
10 Block Grant Act of 1990 (42 U.S.C. 9858 et
11 seq.).

12 “(2) SUFFICIENT FUNDING DETERMINATION.—
13 Prior to using any amounts received from a grant
14 under this Act for a fiscal year to carry out a State
15 program pursuant to any or all of the provisions of
16 law described in paragraph (1), the appropriate
17 State agency shall make a determination that suffi-
18 cient amounts will remain available for such fiscal
19 year to carry out this Act.

20 “(3) RULES GOVERNING USE OF AMOUNTS FOR
21 OTHER PURPOSES.—Amounts paid to the State
22 under a grant under this Act that are used to carry
23 out a State program pursuant to a provision of law
24 specified in paragraph (1) shall not be subject to the
25 requirements of this Act, but shall be subject to the

1 same requirements that apply to Federal funds pro-
2 vided directly under the provision of law to carry out
3 the program.

4 **“SEC. 6. REPORTS.**

5 “The Secretary may provide a grant under this Act
6 to a State for a fiscal year only if the State agrees that
7 it will submit, for such fiscal year, a report to the Sec-
8 retary describing—

9 “(1) the number of individuals receiving assist-
10 ance under the grant in accordance with each of
11 paragraphs (1) through (5) of section 5(a);

12 “(2) the different types of assistance provided
13 to such individuals in accordance with such para-
14 graphs;

15 “(3) the extent to which such assistance was ef-
16 fective in achieving the goals described in section
17 2(b);

18 “(4) the standards and methods the State is
19 using to ensure the nutritional quality of such assist-
20 ance, including meals and supplements;

21 “(5) the number of low birthweight births in
22 the State in such fiscal year compared to the num-
23 ber of such births in the State in the previous fiscal
24 year; and

1 “(6) any other information which can be rea-
2 sonably required by the Secretary.

3 **“SEC. 7. PENALTIES.**

4 “(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION
5 OF THIS ACT.—

6 “(1) IN GENERAL.—The Secretary shall reduce
7 the amounts otherwise payable to a State under a
8 grant under this Act by any amount paid to the
9 State under this Act which an audit conducted pur-
10 suant to chapter 75 of title 31, United States Code,
11 finds has been used in violation of this Act.

12 “(2) LIMITATION.—In carrying out paragraph
13 (1), the Secretary shall not reduce any quarterly
14 payment by more than 25 percent.

15 “(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED
16 REPORT.—The Secretary shall reduce by 3 percent the
17 amount otherwise payable to a State under a grant under
18 this Act for a fiscal year if the Secretary determines that
19 the State has not submitted the report required by section
20 6 for the immediately preceding fiscal year, within 6
21 months after the end of the immediately preceding fiscal
22 year.

1 **“SEC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSIST-**
2 **ANCE FOR PREGNANT, POSTPARTUM, AND**
3 **BREASTFEEDING WOMEN, INFANTS AND**
4 **CHILDREN.**

5 “(a) IN GENERAL.—Not later than April 1, 1996, the
6 Food and Nutrition Board of the Institute of Medicine of
7 the National Academy of Sciences, in cooperation with pe-
8 diatricians, obstetricians, nutritionists, and directors of
9 programs providing nutritional risk assessment, food as-
10 sistance, and nutrition education and counseling to eco-
11 nomically disadvantaged pregnant women, postpartum
12 women, breastfeeding women, infants, and young children,
13 shall develop model nutrition standards for food assistance
14 provided to such women, infants, and children under this
15 Act.

16 “(b) REQUIREMENT.—Such model nutrition stand-
17 ards shall require that food assistance provided to such
18 women, infants, and children contain nutrients that are
19 lacking in the diets of such women, infants, and children,
20 as determined by nutritional research.

21 “(c) REPORT TO CONGRESS.—Not later than 1 year
22 after the date on which the model nutrition standards are
23 developed under subsection (a), the Food and Nutrition
24 Board of the Institute of Medicine of the National Acad-
25 emy of Sciences shall prepare and submit to the Congress

1 a report regarding the efforts of States to implement such
2 model nutrition standards.

3 **“SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

4 “(a) IN GENERAL.—There are authorized to be ap-
5 propriated to carry out this Act \$4,606,000,000 for fiscal
6 year 1996, \$4,777,000,000 for fiscal year 1997,
7 \$4,936,000,000 for fiscal year 1998, \$5,120,000,000 for
8 fiscal year 1999, and \$5,308,000,000 for fiscal year 2000.

9 “(b) AVAILABILITY.—Amounts authorized to be ap-
10 propriated under subsection (a) are authorized to remain
11 available until the end of the fiscal year subsequent to the
12 fiscal year for which such amounts are appropriated.

13 **“SEC. 10. DEFINITIONS.**

14 “For purposes of this Act:

15 “(1) BREASTFEEDING WOMEN.—The term
16 ‘breastfeeding women’ means women up to 1 year
17 postpartum who are breastfeeding their infants.

18 “(2) ECONOMICALLY DISADVANTAGED.—The
19 term ‘economically disadvantaged’ means an individ-
20 ual or a family, as the case may be, whose annual
21 income does not exceed 185 percent of the applicable
22 family size income levels contained in the most re-
23 cent income poverty guidelines prescribed by the Of-
24 fice of Management and Budget and based on data
25 from the Bureau of the Census.

1 “(3) INFANTS.—The term ‘infants’ means indi-
2 viduals under 1 year of age.

3 “(4) POSTPARTUM WOMEN.—The term
4 ‘postpartum women’ means women who are in the
5 180-day period beginning on the termination of
6 pregnancy.

7 “(5) PREGNANT WOMEN.—The term ‘pregnant
8 women’ means women who have 1 or more fetuses
9 in utero.

10 “(6) SCHOOL.—The term ‘school’ means a pub-
11 lic or private nonprofit elementary, intermediate, or
12 secondary school.

13 “(7) SECRETARY.—The term ‘Secretary’ means
14 the Secretary of Agriculture.

15 “(8) STATE.—The term ‘State’ means any of
16 the several States, the District of Columbia, the
17 Commonwealth of Puerto Rico, the Commonwealth
18 of the Northern Mariana Islands, American Samoa,
19 Guam, the Virgin Islands, or a tribal organization
20 (as defined in section 4(l) of the Indian Self-Deter-
21 mination and Education Assistance Act (25 U.S.C.
22 450b(1))).

23 “(9) YOUNG CHILDREN.—The term ‘young chil-
24 dren’ means individuals who have attained the age
25 of 1 but have not attained the age of 5.”.

1 **CHAPTER 2—SCHOOL-BASED NUTRITION**
 2 **BLOCK GRANT PROGRAM**

3 **SEC. 341. AMENDMENT TO NATIONAL SCHOOL LUNCH ACT.**

4 The National School Lunch Act (42 U.S.C. 1751 et
 5 seq.) is amended to read as follows:

6 **“SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

7 “(a) **SHORT TITLE.**—This Act may be cited as the
 8 ‘National School Lunch Act’.

9 “(b) **TABLE OF CONTENTS.**—The table of contents
 10 is as follows:

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

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

“Sec. 8. Assistance to children enrolled in private nonprofit schools and Department of Defense domestic dependents’ schools in case of restrictions on State or failure by State to provide assistance.

“Sec. 9. Food service programs for department of defense overseas dependents’ schools.

“Sec. 10. Model nutrition standards for meals for students.

“Sec. 11. Definitions.

11 **“SEC. 2. AUTHORIZATION.**

12 “(a) **ENTITLEMENT.**—

13 “(1) **IN GENERAL.**—In the case of each State
 14 that in accordance with section 4 submits to the
 15 Secretary of Agriculture an application for a fiscal
 16 year, each such State shall be entitled to receive
 17 from the Secretary for such fiscal year a grant for
 18 the purpose of achieving the goals described in sub-
 19 section (b). Subject to paragraph (2), the grant shall

1 consist of the allotment for such State determined
2 under section 3 of the school-based nutrition amount
3 for the fiscal year.

4 “(2) REQUIREMENT TO PROVIDE COMMOD-
5 ITIES.—9 percent of the amount of the assistance
6 available under this Act for each State shall be in
7 the form of commodities.

8 “(3) SCHOOL-BASED NUTRITION AMOUNT.—

9 “(A) IN GENERAL.—For purposes of this
10 Act, the term ‘school-based nutrition amount’
11 means, subject to the reservation contained in
12 subparagraph (B), \$6,681,000,000 for fiscal
13 year 1996, \$6,956,000,000 for fiscal year 1997,
14 \$7,237,000,000 for fiscal year 1998,
15 \$7,538,000,000 for fiscal year 1999, and
16 \$7,849,000,000 for fiscal year 2000.

17 “(B) RESERVATION.—For each fiscal year
18 described in subparagraph (A), the Secretary
19 shall reserve an amount equal to the amount
20 determined under subsection (c) of section 9 for
21 such fiscal year from the school-based nutrition
22 amount for the purpose of establishing and car-
23 rying out nutritious food service programs at
24 Department of Defense overseas dependents’
25 schools in accordance with such section.

1 “(4) AVAILABILITY.—Payments under a grant
2 to a State from the allotment determined under sec-
3 tion 3 for any fiscal year may be obligated by the
4 State in that fiscal year or in the succeeding fiscal
5 year.

6 “(b) GOALS.—The goals of this Act are—

7 “(1) to safeguard the health and well-being of
8 children through the provision of nutritious, well-bal-
9 anced meals and food supplements;

10 “(2) to provide economically disadvantaged chil-
11 dren access to nutritious free or low cost meals, food
12 supplements, and low-cost milk;

13 “(3) to ensure that children served under this
14 Act are receiving the nutrition they require to take
15 advantage of the educational opportunities provided
16 to them;

17 “(4) to emphasize foods which are naturally
18 good sources of vitamins and minerals over foods
19 which have been enriched with vitamins and min-
20 erals and are high in fat or sodium content;

21 “(5) to provide a comprehensive school nutri-
22 tion program for children; and

23 “(6) to minimize paperwork burdens and ad-
24 ministrative expenses for participating schools.

1 “(c) TIMING OF PAYMENTS.—The Secretary shall
2 provide payments under a grant under this Act to States
3 on a quarterly basis.

4 **“SEC. 3. ALLOTMENT.**

5 “The Secretary shall allot the school-based nutrition
6 amount to carry out this Act for a fiscal year among the
7 States as follows:

8 “(1) FIRST FISCAL YEAR.—

9 “(A) IN GENERAL.—With respect to the
10 first fiscal year for which the Secretary provides
11 grants to States under this Act, the amount al-
12 lotted to each State shall bear the same propor-
13 tion to such school-based nutrition amount as
14 the aggregate of the amounts described in sub-
15 paragraph (B) that were received by each such
16 State under the provisions of law described in
17 such subparagraph (as such provisions of law
18 were in effect on the day before the date of the
19 enactment of the Personal Responsibility Act of
20 1995) for the preceding fiscal year bears to the
21 aggregate of the amounts described in subpara-
22 graph (B) that were received by all such States
23 under such provisions of law for such preceding
24 fiscal year.

1 “(B) AMOUNTS DESCRIBED.—The
2 amounts described in this subparagraph are the
3 following:

4 “(i) The amount received under the
5 school breakfast program established under
6 section 4 of the Child Nutrition Act of
7 1966 (42 U.S.C. 1773).

8 “(ii) The amount received under the
9 school lunch program established under
10 this Act (42 U.S.C. 1751 et seq.).

11 “(iii) 12.5 percent of the sum of the
12 amounts received under the following pro-
13 grams:

14 “(I) The child and adult care
15 food program under section 17 of this
16 Act (42 U.S.C. 1766), except for sub-
17 section (o) of such section.

18 “(II) The summer food service
19 program for children established
20 under section 13 of this Act (42
21 U.S.C. 1761).

22 “(III) The special milk program
23 established under section 3 of the
24 Child Nutrition Act of 1966 (42
25 U.S.C. 1772).

1 “(2) SECOND FISCAL YEAR.—With respect to
2 the second fiscal year for which the Secretary pro-
3 vides grants to States under this Act—

4 “(A) 95 percent of such school-based nu-
5 trition amount shall be allotted among the
6 States by allotting to each State an amount
7 that bears the same proportion to such school-
8 based nutrition amount as the amount allotted
9 to each such State from a grant under this Act
10 for the preceding fiscal year bears to the aggre-
11 gate of the amounts allotted to all such States
12 from grants under this Act for such preceding
13 fiscal year; and

14 “(B) 5 percent of such school-based nutri-
15 tion amount shall be allotted among the States
16 by allotting to each State an amount that bears
17 the same proportion to such school-based nutri-
18 tion amount as the relative number of meals
19 served during the 1-year period ending on June
20 30 of the preceding fiscal year in a State from
21 amounts received from a grant under this Act
22 for such preceding fiscal year bears to the total
23 number of meals served in all States from
24 amounts received from grants under this Act
25 for the preceding fiscal year.

1 “(3) THIRD AND FOURTH FISCAL YEARS.—

2 With respect to each of the third and fourth fiscal
3 years for which the Secretary provides grants to
4 States under this Act—

5 “(A) 90 percent of such school-based nu-
6 trition amount shall be allotted among the
7 States by allotting to each State an amount de-
8 termined in accordance with the formula de-
9 scribed in paragraph (2)(A); and

10 “(B) 10 percent of such school-based nu-
11 trition amount shall be allotted among the
12 States by allotting to each State an amount de-
13 termined in accordance with the formula de-
14 scribed in paragraph (2)(B).

15 “(4) FIFTH FISCAL YEAR.—With respect to the
16 fifth fiscal year for which the Secretary provides
17 grants to States under this Act—

18 “(A) 85 percent of such school-based nu-
19 trition amount shall be allotted among the
20 States by allotting to each State an amount de-
21 termined in accordance with the formula de-
22 scribed in paragraph (2)(A); and

23 “(B) 15 percent of such school-based nu-
24 trition amount shall be allotted among the
25 States by allotting to each State an amount de-

1 terminated in accordance with the formula de-
2 scribed in paragraph (2)(B).

3 **“SEC. 4. APPLICATION.**

4 “The Secretary may provide a grant under this Act
5 to a State for a fiscal year only if the State submits to
6 the Secretary an application containing only—

7 “(1) an agreement that the State will use
8 amounts received from such grant in accordance
9 with section 5;

10 “(2) except as provided in paragraph (3), an
11 agreement that the State will set minimum nutri-
12 tional requirements for meals provided under this
13 Act based on the most recent tested nutritional re-
14 search available, except that—

15 “(A) such requirements shall not be con-
16 strued to prohibit the substitution of foods to
17 accommodate the medical or other special die-
18 tary needs of individual students; and

19 “(B) such requirements shall, at a mini-
20 mum, be based on—

21 “(i) the weekly average of the nutrient
22 content of school lunches; or

23 “(ii) such other standards as the
24 State may prescribe;

1 “(3) an agreement that the State, with respect
2 to the provision of meals to students, shall—

3 “(A) implement the minimum nutritional
4 requirements described in paragraph (2) for
5 such meals; or

6 “(B) implement the model nutrition stand-
7 ards developed under section 10 for such meals;

8 “(4) an agreement that the State will take such
9 reasonable steps as the State deems necessary to re-
10 strict the use and disclosure of information about in-
11 dividuals and families receiving assistance under this
12 Act;

13 “(5) an agreement that the State will use not
14 more than 2 percent of the amount of such grant for
15 administrative costs incurred to provide assistance
16 under this Act; and

17 “(6) an agreement that the State will submit to
18 the Secretary a report in accordance with section 6.

19 **“SEC. 5. USE OF AMOUNTS.**

20 “(a) IN GENERAL.—The Secretary may provide a
21 grant under this Act to a State only if the State agrees
22 that it will use all amounts received from such grant to
23 provide assistance to schools to establish and carry out
24 nutritious food service programs that provide affordable
25 meals and supplements to students, which may include—

- 1 “(1) nonprofit school breakfast programs;
2 “(2) nonprofit school lunch programs;
3 “(3) nonprofit before and after school supple-
4 ment programs;
5 “(4) nonprofit low-cost milk services; and
6 “(5) nonprofit summer meals programs.

7 “(b) ADDITIONAL REQUIREMENTS.—

8 “(1) MINIMUM AMOUNT OF GRANT FOR FREE
9 OR LOW COST MEALS OR SUPPLEMENTS.—In provid-
10 ing assistance to schools to establish and carry out
11 nutritious food service programs in accordance with
12 subsection (a), the State shall ensure that not less
13 than 80 percent of the amount of the grant is used
14 to provide free or low cost meals or supplements to
15 economically disadvantaged children.

16 “(2) PROVISION OF FOOD SERVICE PROGRAMS
17 IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT
18 OF DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS.—
19 To the extent consistent with the number of children
20 in the State who are enrolled in private nonprofit
21 schools and Department of Defense domestic de-
22 pendents’ schools, the State, after timely and appro-
23 priate consultation with representatives of such
24 schools, as the case may be, shall ensure that nutri-
25 tious food service programs are established and car-

1 ried out in such schools in accordance with sub-
2 section (a) on an equitable basis with nutritious food
3 service programs established and carried out in pub-
4 lic nonprofit schools in the State.

5 “(C) AUTHORITY TO USE AMOUNTS FOR OTHER
6 PURPOSES.—

7 “(1) IN GENERAL.—Subject to paragraphs (2)
8 and (3), a State may use not more than 20 percent
9 of amounts received from a grant under this Act for
10 a fiscal year to carry out a State program pursuant
11 to any or all of the following provisions of law:

12 “(A) Part A of title IV of the Social Secu-
13 rity Act (42 U.S.C. 601 et seq.).

14 “(B) Part B of title IV of the Social Secu-
15 rity Act (42 U.S.C. 621 et seq.).

16 “(C) Title XX of the Social Security Act
17 (42 U.S.C. 1397 et seq.).

18 “(D) The Child Nutrition Act of 1966 (42
19 U.S.C. 1771 et seq.).

20 “(E) The Child Care and Development
21 Block Grant Act of 1990 (42 U.S.C. 9858 et
22 seq.).

23 “(2) SUFFICIENT FUNDING DETERMINATION.—
24 Prior to using any amounts received from a grant
25 under this Act for a fiscal year to carry out a State

1 program pursuant to any or all of the provisions of
2 law described in paragraph (1), the appropriate
3 State agency shall make a determination that suffi-
4 cient amounts will remain available for such fiscal
5 year to carry out this Act.

6 “(3) RULES GOVERNING USE OF AMOUNTS FOR
7 OTHER PURPOSES.—Amounts paid to the State
8 under a grant under this Act that are used to carry
9 out a State program pursuant to a provision of law
10 specified in paragraph (1) shall not be subject to the
11 requirements of this Act, but shall be subject to the
12 same requirements that apply to Federal funds pro-
13 vided directly under the provision of law to carry out
14 the program.

15 “(d) LIMITATION ON PROVISION OF COMMODITIES
16 TO CERTAIN SCHOOL DISTRICTS, PRIVATE NONPROFIT
17 SCHOOLS, AND DEPARTMENT OF DEFENSE DOMESTIC
18 DEPENDENTS’ SCHOOLS.—

19 “(1) IN GENERAL.—A State may not require a
20 school district, private nonprofit school, or Depart-
21 ment of Defense domestic dependents’ school de-
22 scribed in paragraph (2), except upon the request of
23 such school district, private school, or domestic de-
24 pendants’ school, as the case may be, to accept com-
25 modities for use in the food service program of such

1 school district, private school, or domestic depend-
2 ents' school in accordance with this section. Such
3 school district, private school, or domestic depend-
4 ents' school may continue to receive commodity as-
5 sistance in the form that it received such assistance
6 as of January 1, 1987.

7 “(2) SCHOOL DISTRICT, PRIVATE NONPROFIT
8 SCHOOL, AND DEPARTMENT OF DEFENSE DOMESTIC
9 DEPENDENTS' SCHOOL DESCRIBED.—A school dis-
10 trict, private nonprofit school, or Department of De-
11 fense domestic dependents' school described in this
12 paragraph is a school district, private nonprofit
13 school, or Department of Defense domestic depend-
14 ents' school, as the case may be, that as of January
15 1, 1987, was receiving all cash payments or all com-
16 modity letters of credit in lieu of entitlement com-
17 modities for the school lunch program of such school
18 district, private school, or domestic dependents'
19 school under section 18(b) of the National School
20 Lunch Act (42 U.S.C. 1751 et seq.), as such section
21 was in effect on the day before the date of the enact-
22 ment of the Personal Responsibility Act of 1995.

23 “(e) PROHIBITION ON PHYSICAL SEGREGATION,
24 OVERT IDENTIFICATION, OR OTHER DISCRIMINATION
25 WITH RESPECT TO CHILDREN ELIGIBLE FOR FREE OR

1 LOW COST MEALS OR SUPPLEMENTS.—In providing as-
2 sistance to schools to establish and carry out nutritious
3 food service programs in accordance with subsection (a),
4 the State shall ensure that such schools do not—

5 “(1) physically segregate children eligible to re-
6 ceive free or low cost meals or supplements on the
7 basis of such eligibility;

8 “(2) provide for the overt identification of such
9 children by special tokens or tickets, announced or
10 published list of names, or other means; or

11 “(3) otherwise discriminate against such chil-
12 dren.

13 **“SEC. 6. REPORTS.**

14 “The Secretary may provide a grant under this Act
15 to a State for a fiscal year only if the State agrees that
16 it will submit, for such fiscal year, a report to the Sec-
17 retary describing—

18 “(1) the number of individuals receiving assist-
19 ance under the grant;

20 “(2) the different types of assistance provided
21 to such individuals;

22 “(3) the total number of meals served to stu-
23 dents under the grant, including the percentage of
24 such meals served to economically disadvantaged
25 students;

1 “(4) the extent to which such assistance was ef-
2 fective in achieving the goals described in section
3 2(b);

4 “(5) the standards and methods the State is
5 using to ensure the nutritional quality of such assist-
6 ance, including meals and supplements; and

7 “(6) any other information which can be rea-
8 sonably required by the Secretary.

9 **“SEC. 7. PENALTIES.**

10 “(a) **PENALTY FOR USE OF AMOUNTS IN VIOLATION**
11 **OF THIS ACT.—**

12 “(1) **IN GENERAL.—**The Secretary shall reduce
13 the amounts otherwise payable to a State under a
14 grant under this Act by any amount paid to the
15 State under this Act which an audit conducted pur-
16 suant to chapter 75 of title 31, United States Code,
17 finds has been used in violation of this Act.

18 “(2) **LIMITATION.—**In carrying out paragraph
19 (1), the Secretary shall not reduce any quarterly
20 payment by more than 25 percent.

21 “(b) **PENALTY FOR FAILURE TO SUBMIT REQUIRED**
22 **REPORT.—**The Secretary shall reduce by 3 percent the
23 amount otherwise payable to a State under a grant under
24 this Act for a fiscal year if the Secretary determines that
25 the State has not submitted the report required by section

1 6 for the immediately preceding fiscal year, within 6
2 months after the end of the immediately preceding fiscal
3 year.

4 **“SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE**
5 **NONPROFIT SCHOOLS AND DEPARTMENT OF**
6 **DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS**
7 **IN CASE OF RESTRICTIONS ON STATE OR**
8 **FAILURE BY STATE TO PROVIDE ASSISTANCE.**

9 “(a) IN GENERAL.—If, by reason of any other provi-
10 sion of law, a State is prohibited from providing assistance
11 from amounts received from a grant under this Act to pri-
12 vate nonprofit schools or Department of Defense domestic
13 dependents’ schools for a fiscal year to establish and carry
14 out nutritious food service programs in such schools in ac-
15 cordance with section 5(a), or the Secretary determines
16 that a State has substantially failed or is unwilling to pro-
17 vide such assistance to such private nonprofit schools or
18 domestic dependents’ schools for such fiscal year, the Sec-
19 retary shall, after consultation with appropriate represent-
20 atives of the State and private nonprofit schools or domes-
21 tic dependents’ schools, as the case may be, arrange for
22 the provision of such assistance to private nonprofit
23 schools or domestic dependents’ schools in the State for
24 such fiscal year in accordance with the requirements this
25 Act.

1 “(b) REDUCTION IN AMOUNT OF STATE GRANT.—
2 If the Secretary arranges for the provision of assistance
3 to private nonprofit schools or Department of Defense do-
4 mestic dependents’ schools in a State for a fiscal year
5 under subsection (a), the amount of the grant for such
6 State for such fiscal year shall be reduced by the amount
7 of such assistance provided to such private nonprofit
8 schools or domestic dependents’ schools, as the case may
9 be.

10 **“SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF**
11 **DEFENSE OVERSEAS DEPENDENTS’ SCHOOLS.**

12 “(a) IN GENERAL.—The Secretary shall make avail-
13 able to the Secretary of Defense for each fiscal year funds
14 and commodities in an amount determined in accordance
15 with subsection (c) for the purpose of establishing and car-
16 rying out nutritious food service programs that provide af-
17 fordable meals and supplements to students attending De-
18 partment of Defense overseas dependents’ schools.

19 “(b) REQUIREMENTS.—In carrying out nutritious
20 food service programs under subsection (a), the Secretary
21 of Defense—

22 “(1) shall ensure that not less than 80 percent
23 of the amount of assistance provided to each school
24 for a fiscal year is used to provide free or low cost

1 meals or supplements to economically disadvantaged
2 children; and

3 “(2) shall ensure that, with respect to the pro-
4 vision of meals to students, each such school will—

5 “(A) implement minimum nutritional re-
6 quirements for meals provided under this sec-
7 tion based on the most recent tested nutritional
8 research available, except that—

9 “(i) such requirements shall not be
10 construed to prohibit the substitution of
11 foods to accommodate the medical or other
12 special dietary needs of individual stu-
13 dents; and

14 “(ii) such requirements shall, at a
15 minimum, be based on—

16 “(I) the weekly average of the
17 nutrient content of school lunches; or

18 “(II) such other standards as the
19 Secretary of Agriculture may pre-
20 scribe; or

21 “(B) implement the model nutrition stand-
22 ards developed under section 10 for such meals.

23 “(C) AMOUNT AND SOURCE OF FUNDS AND COMMOD-
24 ITIES.—

1 “(1) AMOUNT.—The Secretary, in consultation
2 with the Secretary of Defense, shall determine the
3 amount of funds and commodities necessary for each
4 fiscal year to establish and carry out nutritious food
5 service programs described in subsection (a).

6 “(2) SOURCE.—Such amount of funds and com-
7 modities shall consist of the reservation of the
8 school-based nutrition amount in accordance with
9 section 2(a)(3)(B).

10 **“SEC. 10. MODEL NUTRITION STANDARDS FOR MEALS FOR**
11 **STUDENTS.**

12 “(a) MODEL NUTRITION STANDARDS.—Not later
13 than April 1, 1996, the Food and Nutrition Board of the
14 Institute of Medicine of the National Academy of Sciences,
15 in cooperation with nutritionists and directors of programs
16 providing meals to students under this Act, shall develop
17 model nutrition standards for meals provided to such stu-
18 dents under this Act.

19 “(b) REPORT TO CONGRESS.—Not later than 1 year
20 after the date on which the model nutrition standards are
21 developed under subsection (a), the Food and Nutrition
22 Board of the Institute of Medicine of the National Acad-
23 emy of Sciences shall prepare and submit to the Congress
24 a report regarding the efforts of States to implement such
25 model nutrition standards.

1 **“SEC. 11. DEFINITIONS.**

2 “For purposes of this Act:

3 “(1) DEPARTMENT OF DEFENSE DOMESTIC DE-
4 PENDENTS’ SCHOOL.—The term ‘Department of De-
5 fense domestic dependents’ school’ means an elemen-
6 tary or secondary school established pursuant to sec-
7 tion 2164 of title 10, United States Code.

8 “(2) DEPARTMENT OF DEFENSE OVERSEAS DE-
9 PENDENTS’ SCHOOL.—The term ‘Department of De-
10 fense overseas dependents’ school’ means a Depart-
11 ment of Defense dependents’ school which is located
12 outside the United States and the territories or pos-
13 sessions of the United States.

14 “(3) ECONOMICALLY DISADVANTAGED.—The
15 term ‘economically disadvantaged’ means an individ-
16 ual or a family, as the case may be, whose annual
17 income does not exceed 185 percent of the applicable
18 family size income levels contained in the most re-
19 cent income poverty guidelines prescribed by the Of-
20 fice of Management and Budget and based on data
21 from the Bureau of the Census.

22 “(4) SCHOOL.—The term ‘school’ means a pub-
23 lic or private nonprofit elementary, intermediate, or
24 secondary school.

25 “(5) SECRETARY.—The term ‘Secretary’ means
26 the Secretary of Agriculture.

1 “(6) STATE.—The term ‘State’ means any of
 2 the several States, the District of Columbia, the
 3 Commonwealth of Puerto Rico, the Commonwealth
 4 of the Northern Mariana Islands, American Samoa,
 5 Guam, the Virgin Islands, or a tribal organization
 6 (as defined in section 4(l) of the Indian Self-Deter-
 7 mination and Education Assistance Act (25 U.S.C.
 8 450b(1))).”.

9 **CHAPTER 3—MISCELLANEOUS**

10 **PROVISIONS**

11 **SEC. 361. REPEALERS.**

12 The following Acts are repealed:

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

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

19 **Subtitle C—Other Repealers and** 20 **Conforming Amendments**

21 **SEC. 371. AMENDMENTS TO LAWS RELATING TO CHILD**

22 **PROTECTION BLOCK GRANT.**

23 (a) ABANDONED INFANTS ASSISTANCE.—

1 (1) REPEALER.—The Abandoned Infants As-
2 sistance Act of 1988 (42 U.S.C. 670 note) is re-
3 pealed.

4 (2) CONFORMING AMENDMENT.—Section
5 421(7) of the Domestic Volunteer Service Act of
6 1973 (42 U.S.C. 5061(7)) is amended to read as fol-
7 lows:

8 “(7) the term ‘boarder baby’ means an infant
9 who is medically cleared for discharge from an
10 acute-care hospital setting, but remains hospitalized
11 because of a lack of appropriate out-of-hospital
12 placement alternatives;”.

13 (b) CHILD ABUSE PREVENTION AND TREATMENT.—

14 (1) REPEALER.—The Child Abuse Prevention
15 and Treatment Act (42 U.S.C. 5101 et seq.) is re-
16 pealed.

17 (2) CONFORMING AMENDMENTS.—The Victims
18 of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is
19 amended—

20 (A) in section 1402—

21 (i) in subsection (d)—

22 (I) by striking paragraph (2);

23 (II) by redesignating paragraphs

24 (3) and (4) as paragraphs (2) and

25 (3), respectively; and

1 (III) in paragraph (2) (as reded-
2 ignated by subclause (II))—

3 (aa) in subparagraph (A),
4 by striking the semicolon at the
5 end and inserting “; and”;

6 (bb) by striking subpara-
7 graph (B); and

8 (cc) by redesignating sub-
9 paragraph (C) as subparagraph
10 (B); and

11 (ii) by striking subsection (g); and
12 (B) by striking section 1404A.

13 (c) ADOPTION OPPORTUNITIES.—The Child Abuse
14 Prevention and Treatment and Adoption Reform Act of
15 1978 (42 U.S.C. 5111 et seq.) is repealed.

16 (d) CRISIS NURSERIES.—The Temporary Child Care
17 for Children with Disabilities and Crisis Nurseries Act of
18 1986 (42 U.S.C. 5117 et seq.) is amended—

19 (1) in the title heading by striking “AND CRI-
20 SIS NURSERIES”;

21 (2) in section 201 by striking “and Crisis Nurs-
22 eries”;

23 (3) in section 202—

24 (A) by striking “provide: (A) temporary”
25 and inserting “to provide temporary”; and

1 (B) by striking “children, and (B)” and all
2 that follows through the period and inserting
3 “children.”;

4 (4) by striking section 204; and
5 (5) in section 205—

6 (A) in subsection (a)—

7 (i) in paragraph (1)(A) by striking
8 “or 204”; and

9 (ii) in paragraph (2)—

10 (I) by striking subparagraph (D);

11 and

12 (II) by redesignating subpara-
13 graph (E) as subparagraph (D);

14 (B) by striking subsection (b)(3); and

15 (C) in subsection (d)—

16 (i) by striking paragraph (3); and

17 (ii) by redesignating paragraphs (4)

18 and (5) as paragraph (3) and (4), respec-

19 tively.

20 (e) MISSING CHILDREN’S ASSISTANCE ACT.—The
21 Missing Children’s Assistance Act (42 U.S.C. 5771-5779)
22 is repealed.

23 (f) FAMILY SUPPORT CENTERS.—Subtitle F of title
24 VII of the Stewart B. McKinney Homeless Assistance Act
25 (42 U.S.C. 11481–11489) is repealed.

1 (g) INVESTIGATION AND PROSECUTION OF CHILD
2 ABUSE CASES.—Subtitle A of title II of the Victims of
3 Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is re-
4 pealed.

5 (h) REPEAL OF FAMILY UNIFICATION PROGRAM.—
6 Subsection (x) of section 8 of the United States Housing
7 Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

8 **Subtitle D—Related Provisions**

9 **SEC. 381. REQUIREMENT THAT DATA RELATING TO THE IN-**
10 **CIDENCE OF POVERTY IN THE UNITED**
11 **STATES BE PUBLISHED AT LEAST EVERY 2**
12 **YEARS.**

13 (a) IN GENERAL.—The Secretary shall, to the extent
14 feasible, produce and publish for each State, county, and
15 local unit of general purpose government for which data
16 have been compiled in the then most recent census of pop-
17 ulation under section 141(a) of title 13, United States
18 Code, and for each school district, data relating to the in-
19 cidence of poverty. Such data may be produced by means
20 of sampling, estimation, or any other method that the Sec-
21 retary determines will produce current, comprehensive,
22 and reliable data.

23 (b) CONTENT; FREQUENCY.—Data under this sec-
24 tion—

25 (1) shall include—

1 (A) for each school district, the number of
2 children age 5 to 17, inclusive, in families below
3 the poverty level; and

4 (B) for each State and county referred to
5 in subsection (a), the number of individuals age
6 65 or older below the poverty level; and

7 (2) shall be published—

8 (A) for each State, county, and local unit
9 of general purpose government referred to in
10 subsection (a), in 1996 and at least every sec-
11 ond year thereafter; and

12 (B) for each school district, in 1998 and at
13 least every second year thereafter.

14 (c) AUTHORITY TO AGGREGATE.—

15 (1) IN GENERAL.—If reliable data could not
16 otherwise be produced, the Secretary may, for pur-
17 poses of subsection (b)(1)(A), aggregate school dis-
18 tricts, but only to the extent necessary to achieve re-
19 liability.

20 (2) INFORMATION RELATING TO USE OF AU-
21 THORITY.—Any data produced under this subsection
22 shall be appropriately identified and shall be accom-
23 panied by a detailed explanation as to how and why
24 aggregation was used (including the measures taken
25 to minimize any such aggregation).

1 (d) REPORT TO BE SUBMITTED WHENEVER DATA
2 IS NOT TIMELY PUBLISHED.—If the Secretary is unable
3 to produce and publish the data required under this sec-
4 tion for any State, county, local unit of general purpose
5 government, or school district in any year specified in sub-
6 section (b)(2), a report shall be submitted by the Secretary
7 to the President of the Senate and the Speaker of the
8 House of Representatives, not later than 90 days before
9 the start of the following year, enumerating each govern-
10 ment or school district excluded and giving the reasons
11 for the exclusion.

12 (e) CRITERIA RELATING TO POVERTY.—In carrying
13 out this section, the Secretary shall use the same criteria
14 relating to poverty as were used in the then most recent
15 census of population under section 141(a) of title 13,
16 United States Code (subject to such periodic adjustments
17 as may be necessary to compensate for inflation and other
18 similar factors).

19 (f) CONSULTATION.—The Secretary shall consult
20 with the Secretary of Education in carrying out the re-
21 quirements of this section relating to school districts.

22 (g) DEFINITION.—For the purpose of this section,
23 the term “Secretary” means the Secretary of Health and
24 Human Services.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 \$1,500,000 for each of fiscal years 1996 through 2000.

4 **SEC. 382. DATA ON PROGRAM PARTICIPATION AND OUT-**
5 **COMES.**

6 (a) IN GENERAL.—The Secretary shall produce data
7 relating to participation in programs authorized by this
8 Act by families and children. Such data may be produced
9 by means of sampling, estimation, or any other method
10 that the Secretary determines will produce comprehensive
11 and reliable data.

12 (b) CONTENT.—Data under this section shall include,
13 but not be limited to—

14 (1) changes in participation in welfare, health,
15 education, and employment and training programs,
16 for families and children, the duration of such par-
17 ticipation, and the causes and consequences of any
18 changes in program participation;

19 (2) changes in employment status, income and
20 poverty status, family structure and process, and
21 children's well-being, over time, for families and chil-
22 dren participating in Federal programs and, if ap-
23 propriate, other low-income families and children,
24 and the causes and consequences of such changes;
25 and

1 (3) demographic data, including household com-
2 position, marital status, relationship of householders,
3 racial and ethnic designation, age, and educational
4 attainment.

5 (c) FREQUENCY.—Data under this section shall re-
6 flect the period 1993 through 2002, and shall be published
7 as often as practicable during that time, but in any event
8 no later than December 31, 2003.

9 (d) DEFINITION.—For the purpose of this section,
10 the term “Secretary” means the Secretary of Health and
11 Human Services.

12 (e) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out this section
14 \$2,500,000 in fiscal year 1996, \$10,000,000 for each of
15 fiscal years 1997 through 2002, and \$2,000,000 for fiscal
16 year 2003.

17 **Subtitle E—General Effective Date;**
18 **Preservation of Actions, Obliga-**
19 **tions, and Rights**

20 **SEC. 391. EFFECTIVE DATE.**

21 Except as otherwise provided in this title, this title
22 and the amendments made by this title shall take effect
23 on October 1, 1995.

1 **SEC. 392. APPLICATION OF AMENDMENTS AND REPEALERS.**

2 An amendment or repeal made by this title shall not
3 apply with respect to—

4 (1) powers, duties, functions, rights, claims,
5 penalties, or obligations applicable to financial as-
6 sistance provided before the effective date of amend-
7 ment or repeal, as the case may be, under the Act
8 so amended or so repealed; and

9 (2) administrative actions and proceedings com-
10 menced before such date, or authorized before such
11 date to be commenced, under such Act.

12 **TITLE IV—RESTRICTING WEL-**
13 **FARE AND PUBLIC BENEFITS**
14 **FOR ALIENS**

15 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING**
16 **WELFARE AND IMMIGRATION.**

17 The Congress makes the following statements con-
18 cerning national policy with respect to welfare and immi-
19 gration:

20 (1) Self-sufficiency has been a basic principle of
21 United States immigration law since this country's
22 earliest immigration statutes.

23 (2) It continues to be the immigration policy of
24 the United States that—

25 (A) aliens within the nation's borders not
26 depend on public resources to meet their needs,

1 but rather rely on their own capabilities and the
2 resources of their families, their sponsors, and
3 private organizations, and

4 (B) the availability of public benefits not
5 constitute an incentive for immigration to the
6 United States.

7 (3) Despite the principle of self-sufficiency,
8 aliens have been applying for and receiving public
9 benefits from Federal, State, and local governments
10 at increasing rates.

11 (4) Current eligibility rules for public assistance
12 and unenforceable financial support agreements have
13 proved wholly incapable of assuring that individual
14 aliens not burden the public benefits system.

15 (5) It is a compelling government interest to
16 enact new rules for eligibility and sponsorship agree-
17 ments in order to assure that aliens be self-reliant
18 in accordance with national immigration policy.

19 (6) It is a compelling government interest to re-
20 move the incentive for illegal immigration provided
21 by the availability of public benefits.

1 **Subtitle A—Eligibility for Federal**
2 **Benefits Programs**

3 **SEC. 401. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN**
4 **PUBLIC BENEFITS PROGRAMS.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law and except as provided in subsections (b) and
7 (c), any alien who is not lawfully present in the United
8 States shall not be eligible for any Federal means-tested
9 public benefits program (as defined in section 431(d)(2)).

10 (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—
11 Subsection (a) shall not apply to the provision of non-cash,
12 in-kind emergency assistance (including emergency medi-
13 cal services).

14 (c) TREATMENT OF HOUSING-RELATED ASSIST-
15 ANCE.—Subsection (a) shall not apply to any program for
16 housing or community development assistance adminis-
17 tered by the Secretary of Housing and Urban Develop-
18 ment, any program under title V of the Housing Act of
19 1949, or any assistance under section 306C of the Consoli-
20 dated Farm and Rural Development Act, except that in
21 the case of financial assistance (as defined in section
22 214(b) of the Housing and Community Development Act
23 of 1980), the provisions of section 214 of such Act shall
24 apply instead of subsection (a).

1 **SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CER-**
2 **TAIN PUBLIC BENEFITS PROGRAMS.**

3 (a) IN GENERAL.—Notwithstanding any other provi-
4 sion of law and except as provided in subsections (b) and
5 (c), any alien who is lawfully present in the United States
6 as a nonimmigrant shall not be eligible for any Federal
7 means-tested public benefits program.

8 (b) EXCEPTIONS.—

9 (1) EMERGENCY ASSISTANCE.—Subsection (a)
10 shall not apply to the provision of non-cash, in-kind
11 emergency assistance (including emergency medical
12 services).

13 (2) ALIENS GRANTED ASYLUM.—Subsection (a)
14 shall not apply to an alien who is granted asylum
15 under section 208 of the Immigration and National-
16 ity Act or whose deportation has been withheld
17 under section 243(h) of such Act.

18 (3) TREATMENT OF TEMPORARY AGRICUL-
19 TURAL WORKERS.—Subsection (a) shall not apply to
20 a nonimmigrant admitted as a temporary agricul-
21 tural worker under section 101(a)(15)(H)(ii)(a) of
22 the Immigration and Nationality Act or as the
23 spouse or minor child of such a worker under section
24 101(a)(15)(H)(iii) of such Act.

25 (c) TREATMENT OF HOUSING-RELATED ASSIST-
26 ANCE.—Subsection (a) shall not apply to any program for

1 housing or community development assistance adminis-
2 tered by the Secretary of Housing and Urban Develop-
3 ment, any program under title V of the Housing Act of
4 1949, or any assistance under section 306C of the Consoli-
5 dated Farm and Rural Development Act, except that in
6 the case of financial assistance (as defined in section
7 214(b) of the Housing and Community Development Act
8 of 1980), the provisions of section 214 of such Act shall
9 apply instead of subsection (a).

10 (d) TREATMENT OF ALIENS PAROLED INTO THE
11 UNITED STATES.—An alien who is paroled into the
12 United States under section 212(d)(5) of the Immigration
13 and Nationality Act for a period of less than 1 year shall
14 be considered, for purposes of this subtitle, to be lawfully
15 present in the United States as a nonimmigrant.

16 **SEC. 403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5**
17 **SPECIFIED FEDERAL PUBLIC BENEFITS PRO-**
18 **GRAMS.**

19 (a) IN GENERAL.—Notwithstanding any other provi-
20 sion of law and except as provided in subsection (b), any
21 alien who is lawfully present in the United States shall
22 not be eligible for any of the following Federal means-test-
23 ed public benefits programs:

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

1 (2) TEMPORARY ASSISTANCE FOR NEEDY FAMI-
2 LIES.—The program of block grants to States for
3 temporary assistance for needy families under part
4 A of title IV of the Social Security Act.

5 (3) SOCIAL SERVICES BLOCK GRANT.—The pro-
6 gram of block grants to States for social services
7 under title XX of the Social Security Act.

8 (4) MEDICAID.—The program of medical assist-
9 ance under title XIX of the Social Security Act.

10 (5) FOOD STAMPS.—The program under the
11 Food Stamp Act of 1977.

12 (b) EXCEPTIONS.—

13 (1) TIME-LIMITED EXCEPTION FOR REFUG-
14 GEES.—Subsection (a) shall not apply to an alien
15 admitted to the United States as a refugee under
16 section 207 of the Immigration and Nationality Act
17 until 5 years after the date of such alien's arrival
18 into the United States.

19 (2) CERTAIN LONG-TERM, PERMANENT RESI-
20 DENT, AGED ALIENS.—Subsection (a) shall not
21 apply to an alien who—

22 (A) has been lawfully admitted to the
23 United States for permanent residence;

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

1 (C) has resided in the United States for at
2 least 5 years.

3 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—
4 Subsection (a) shall not apply to an alien who is
5 lawfully residing in any State (or any territory or
6 possession of the United States) and is—

7 (A) a veteran (as defined in section 101 of
8 title 38, United States Code) with a discharge
9 characterized as an honorable discharge,

10 (B) on active duty (other than active duty
11 for training) in the Armed Forces of the United
12 States, or

13 (C) the spouse or unmarried dependent
14 child of an individual described in subparagraph
15 (A) or (B).

16 Subparagraph (A) shall not apply in the case of a
17 veteran who has been separated from military serv-
18 ice on account of alienage.

19 (4) EMERGENCY ASSISTANCE.—Subsection (a)
20 shall not apply to the provision of non-cash, in-kind
21 emergency assistance (including emergency medical
22 services).

23 (5) TRANSITION FOR CURRENT BENE-
24 FICIARIES.—Subsection (a) shall not apply to the eli-
25 gibility of an alien for a program until 1 year after

1 the date of the enactment of this Act if, on such
2 date of enactment, the alien is lawfully residing in
3 any State or any territory or possession of the
4 United States and is eligible for the program.

5 (6) CERTAIN PERMANENT RESIDENT AND DIS-
6 ABLED ALIENS.—Subsection (a) shall not apply to
7 an alien who—

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

10 (B) is unable because of physical or devel-
11 opmental disability or mental impairment (in-
12 cluding Alzheimer’s disease) to comply with the
13 naturalization requirements of section 312(a) of
14 the Immigration and Naturalization Act.

15 **SEC. 404. NOTIFICATION.**

16 Each Federal agency that administers a program to
17 which section 401, 402, or 403 applies shall, directly or
18 through the States, post information and provide general
19 notification to the public and to program recipients of the
20 changes regarding eligibility for any such program pursu-
21 ant to this subtitle.

1 **Subtitle B—Eligibility for State**
2 **and Local Public Benefits Pro-**
3 **grams**

4 **SEC. 411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE**
5 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of law and except as otherwise provided in this sec-
8 tion, no alien who is not lawfully present in the United
9 States (as determined in accordance with regulations of
10 the Attorney General) shall be eligible for any State
11 means-tested public benefits program (as defined in sec-
12 tion 431(d)(3)).

13 (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—
14 Subsection (a) shall not apply to the provision of non-cash,
15 in-kind emergency assistance (including emergency medi-
16 cal services).

17 **SEC. 412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE**
18 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

19 (a) IN GENERAL.—Notwithstanding any other provi-
20 sion of law and except as otherwise provided in this sec-
21 tion, no alien who is lawfully present in the United States
22 as a nonimmigrant shall be eligible for any State means-
23 tested public benefits program (as defined in section
24 431(d)(3)).

25 (b) EXCEPTIONS.—

1 (1) EMERGENCY ASSISTANCE.—The limitations
2 under subsection (a) shall not apply to the provision
3 of non-cash, in-kind emergency assistance (including
4 emergency medical services).

5 (2) ALIENS GRANTED ASYLUM.—Subsection (a)
6 shall not apply to an alien who is granted asylum
7 under section 208 of the Immigration and National-
8 ity Act or whose deportation has been withheld
9 under section 243(h) of such Act.

10 (3) TREATMENT OF TEMPORARY AGRICUL-
11 TURAL WORKERS.—Subsection (a) shall not apply to
12 a nonimmigrant admitted as a temporary agricul-
13 tural worker under section 101(a)(15)(H)(ii)(a) of
14 the Immigration and Nationality Act or as the
15 spouse or minor child of such a worker under section
16 101(a)(15)(H)(iii) of such Act.

17 (c) TREATMENT OF ALIENS PAROLED INTO THE
18 UNITED STATES.—An alien who is paroled into the
19 United States under section 212(d)(5) of the Immigration
20 and Nationality Act for a period of less than 1 year shall
21 be considered, for purposes of this subtitle, to be lawfully
22 present in the United States as a nonimmigrant.

1 **SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IM-**
2 **MIGRANTS FOR STATE AND LOCAL MEANS-**
3 **TESTED PUBLIC BENEFITS PROGRAMS.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law and except as otherwise provided in this section
6 or section 412, a State is authorized to determine eligi-
7 bility requirements for aliens who are lawfully present in
8 the United States for any State means-tested public bene-
9 fits program.

10 (b) EXCEPTIONS.—

11 (1) TIME-LIMITED EXCEPTION FOR REFU-
12 GEES.—The authority under subsection (a) shall not
13 apply to an alien admitted to the United States as
14 a refugee under section 207 of the Immigration and
15 Nationality Act until 5 years after the date of such
16 alien's arrival into the United States.

17 (2) CERTAIN LONG-TERM, PERMANENT RESI-
18 DENT, AGED ALIENS.—The authority under sub-
19 section (a) shall not apply to an alien who—

20 (A) has been lawfully admitted to the
21 United States for permanent residence;

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

23 (C) has resided in the United States for at
24 least 5 years.

25 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

26 The authority under subsection (a) shall not apply

1 to an alien who is lawfully residing in any State (or
2 any territory or possession of the United States) and
3 is—

4 (A) a veteran (as defined in section 101 of
5 title 38, United States Code) with a discharge
6 characterized as an honorable discharge,

7 (B) on active duty (other than active duty
8 for training) in the Armed Forces of the United
9 States, or

10 (C) the spouse or unmarried dependent
11 child of an individual described in subparagraph
12 (A) or (B).

13 Subparagraph (A) shall not apply in the case of a
14 veteran who has been separated from military serv-
15 ice on account of alienage.

16 (4) EMERGENCY ASSISTANCE.—The authority
17 under subsection (a) shall not apply to the provision
18 of non-cash, in-kind emergency assistance (including
19 emergency medical services).

20 (5) TRANSITION.—The authority under sub-
21 section (a) shall not apply to eligibility of an alien
22 for a State means-tested public benefits program
23 until 1 year after the date of the enactment of this
24 Act if, on such date of enactment, the alien is law-
25 fully present in the United States and is eligible for

1 benefits under the program. Nothing in the previous
2 sentence is intended to address alien eligibility for
3 such a program before the date of the enactment of
4 this Act.

5 **Subtitle C—Attribution of Income**
6 **and Affidavits of Support**

7 **SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RE-**
8 **SOURCES TO FAMILY-SPONSORED IMMI-**
9 **GRANTS.**

10 (a) IN GENERAL.—Notwithstanding any other provi-
11 sion of law and except as provided in subsection (c), in
12 determining the eligibility and the amount of benefits of
13 an alien for any means-tested public benefits program (as
14 defined in section 431(d)) the income and resources of the
15 alien shall be deemed to include—

16 (1) the income and resources of any person who
17 executed an affidavit of support pursuant to section
18 213A of the Immigration and Nationality Act (as
19 added by section 422) in behalf of such alien, and

20 (2) the income and resources of the spouse (if
21 any) of the person.

22 (b) APPLICATION.—Subsection (a) shall apply with
23 respect to an alien until such time as the alien achieves
24 United States citizenship through naturalization pursuant

1 to chapter 2 of title III of the Immigration and National-
2 ity Act.

3 (c) EXCEPTION FOR HOUSING-RELATED ASSIST-
4 ANCE.—Subsection (a) shall not apply to any program for
5 housing or community development assistance adminis-
6 tered by the Secretary of Housing and Urban Develop-
7 ment, any program under title V of the Housing Act of
8 1949, or any assistance under section 306C of the Consoli-
9 dated Farm and Rural Development Act.

10 **SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**
11 **SUPPORT.**

12 (a) IN GENERAL.—Title II of the Immigration and
13 Nationality Act is amended by inserting after section 213
14 the following new section:

15 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

16 “SEC. 213A. (a) ENFORCEABILITY.—No affidavit of
17 support may be accepted by the Attorney General or by
18 any consular officer to establish that an alien is not ex-
19 cludable as a public charge under section 212(a)(4) unless
20 such affidavit is executed as a contract—

21 “(1) which is legally enforceable against the
22 sponsor by the Federal Government and by any
23 State (or any political subdivision of such State)
24 which provides any means-tested public benefits pro-
25 gram, but not later than 10 years after the alien last
26 receives any such benefit; and

1 “(2) in which the sponsor agrees to submit to
2 the jurisdiction of any Federal or State court for the
3 purpose of actions brought under subsection (e)(2).
4 Such contract shall be enforceable with respect to benefits
5 provided to the alien until such time as the alien achieves
6 United States citizenship through naturalization pursuant
7 to chapter 2 of title III.

8 “(b) FORMS.—Not later than 90 days after the date
9 of enactment of this section, the Attorney General, in con-
10 sultation with the Secretary of State and the Secretary
11 of Health and Human Services, shall formulate an affida-
12 vit of support consistent with the provisions of this sec-
13 tion.

14 “(c) STATUTORY CONSTRUCTION.—Nothing in this
15 section shall be construed to grant third party beneficiary
16 rights to any sponsored alien under an affidavit of
17 support.

18 “(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1)
19 The sponsor shall notify the Federal Government and the
20 State in which the sponsored alien is currently resident
21 within 30 days of any change of address of the sponsor
22 during the period specified in subsection (a)(1).

23 “(2) Any person subject to the requirement of para-
24 graph (1) who fails to satisfy such requirement shall be
25 subject to a civil penalty of—

1 “(A) not less than \$250 or more than \$2,000,
2 or

3 “(B) if such failure occurs with knowledge that
4 the sponsored alien has received any benefit under
5 any means-tested public benefits program, not less
6 than \$2,000 or more than \$5,000.

7 “(e) REIMBURSEMENT OF GOVERNMENT EX-
8 PENSES.—(1)(A) Upon notification that a sponsored alien
9 has received any benefit under any means-tested public
10 benefits program, the appropriate Federal, State, or local
11 official shall request reimbursement by the sponsor in the
12 amount of such assistance.

13 “(B) The Attorney General, in consultation with the
14 Secretary of Health and Human Services, shall prescribe
15 such regulations as may be necessary to carry out sub-
16 paragraph (A).

17 “(2) If within 45 days after requesting reimburse-
18 ment, the appropriate Federal, State, or local agency has
19 not received a response from the sponsor indicating a will-
20 ingness to commence payments, an action may be brought
21 against the sponsor pursuant to the affidavit of support.

22 “(3) If the sponsor fails to abide by the repayment
23 terms established by such agency, the agency may, within
24 60 days of such failure, bring an action against the spon-
25 sor pursuant to the affidavit of support.

1 “(4) No cause of action may be brought under this
2 subsection later than 10 years after the alien last received
3 any benefit under any means-tested public benefits pro-
4 gram.

5 “(f) DEFINITIONS.—For the purposes of this sec-
6 tion—

7 “(1) SPONSOR.—The term ‘sponsor’ means an
8 individual who—

9 “(A) is a citizen or national of the United
10 States or an alien who is lawfully admitted to
11 the United States for permanent residence;

12 “(B) is 18 years of age or over; and

13 “(C) is domiciled in any State.

14 “(2) MEANS-TESTED PUBLIC BENEFITS PRO-
15 GRAM.—The term ‘means-tested public benefits pro-
16 gram’ means a program of public benefits (including
17 cash, medical, housing, and food assistance and so-
18 cial services) of the Federal Government or of a
19 State or political subdivision of a State in which the
20 eligibility of an individual, household, or family eligi-
21 bility unit for benefits under the program, or the
22 amount of such benefits, or both are determined on
23 the basis of income, resources, or financial need of
24 the individual, household, or unit.”.

1 (b) CLERICAL AMENDMENT.—The table of contents
2 of such Act is amended by inserting after the item relating
3 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

4 (c) EFFECTIVE DATE.—Subsection (a) of section
5 213A of the Immigration and Nationality Act, as inserted
6 by subsection (a) of this section, shall apply to affidavits
7 of support executed on or after a date specified by the
8 Attorney General, which date shall be not earlier than 60
9 days (and not later than 90 days) after the date the Attor-
10 ney General formulates the form for such affidavits under
11 subsection (b) of such section.

12 **Subtitle D—General Provisions**

13 **SEC. 431. DEFINITIONS.**

14 (a) IN GENERAL.—Except as otherwise provided in
15 this section, the terms used in this title have the same
16 meaning given such terms in section 101(a) of the Immi-
17 gration and Nationality Act.

18 (b) LAWFUL PRESENCE.—For purposes of this title,
19 the determination of whether an alien is lawfully present
20 in the United States shall be made in accordance with reg-
21 ulations of the Attorney General. An alien shall not be
22 considered to be lawfully present in the United States for
23 purposes of this title merely because the alien may be con-
24 sidered to be permanently residing in the United States
25 under color of law for purposes of any particular program.

1 (c) STATE.—As used in this title, the term “State”
2 includes the District of Columbia, Puerto Rico, the Virgin
3 Islands, Guam, the Northern Mariana Islands, and Amer-
4 ican Samoa.

5 (d) PUBLIC BENEFITS PROGRAMS.—As used in this
6 title—

7 (1) MEANS-TESTED PROGRAM.—The term
8 “means-tested public benefits program” means a
9 program of public benefits (including cash, medical,
10 housing, and food assistance and social services) of
11 the Federal Government or of a State or political
12 subdivision of a State in which the eligibility of an
13 individual, household, or family eligibility unit for
14 benefits under the program, or the amount of such
15 benefits, or both are determined on the basis of in-
16 come, resources, or financial need of the individual,
17 household, or unit.

18 (2) FEDERAL MEANS-TESTED PUBLIC BENE-
19 FITS PROGRAM.—The term “Federal means-tested
20 public benefits program” means a means-tested pub-
21 lic benefits program of (or contributed to by) the
22 Federal Government and under which the Federal
23 Government has specified standards for eligibility
24 and includes the programs specified in section
25 403(a).

1 (3) STATE MEANS-TESTED PUBLIC BENEFITS
2 PROGRAM.—The term “State means-tested public
3 benefits program” means a means-tested public ben-
4 efits program of a State or political subdivision of a
5 State under which the State or political subdivision
6 specifies the standards for eligibility, and does not
7 include any Federal means-tested public benefits
8 program.

9 **SEC. 432. CONSTRUCTION.**

10 Nothing in this title shall be construed as addressing
11 alien eligibility for governmental programs that are not
12 means-tested public benefits programs.

13 **Subtitle E—Conforming**
14 **Amendments**

15 **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**
16 **SISTED HOUSING.**

17 (a) LIMITATIONS ON ASSISTANCE.—Section 214 of
18 the Housing and Community Development Act of 1980
19 (42 U.S.C. 1436a) is amended—

20 (1) by striking “Secretary of Housing and
21 Urban Development” each place it appears and in-
22 serting “applicable Secretary”;

23 (2) in subsection (b), by inserting after “Na-
24 tional Housing Act,” the following: “the direct loan
25 program under section 502 of the Housing Act of

1 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or
2 542 of such Act, subtitle A of title III of the Cran-
3 ston-Gonzalez National Affordable Housing Act,”;

4 (3) in paragraphs (2) through (6) of subsection
5 (d), by striking “Secretary” each place it appears
6 and inserting “applicable Secretary”;

7 (4) in subsection (d), in the matter following
8 paragraph (6), by striking “the term ‘Secretary’”
9 and inserting “the term ‘applicable Secretary’”; and
10 (5) by adding at the end the following new sub-
11 section:

12 “(h) For purposes of this section, the term ‘applicable
13 Secretary’ means—

14 “(1) the Secretary of Housing and Urban De-
15 velopment, with respect to financial assistance ad-
16 ministered by such Secretary and financial assist-
17 ance under subtitle A of title III of the Cranston-
18 Gonzalez National Affordable Housing Act; and

19 “(2) the Secretary of Agriculture, with respect
20 to financial assistance administered by such Sec-
21 retary.”.

22 (b) CONFORMING AMENDMENTS.—Section 501(h) of
23 the Housing Act of 1949 (42 U.S.C. 1471(h)) is
24 amended—

25 (1) by striking “(1)”;

1 (2) by striking “by the Secretary of Housing
2 and Urban Development”; and
3 (3) by striking paragraph (2).

4 **TITLE V—FOOD STAMP REFORM**
5 **AND COMMODITY DISTRIBUTION**

6 **SEC. 501. SHORT TITLE.**

7 This title may be cited as the “Food Stamp Reform
8 and Commodity Distribution Act”.

9 **Subtitle A—Commodity**
10 **Distribution Provisions**

11 **SEC. 511. SHORT TITLE.**

12 This subtitle may be cited as the “Commodity Dis-
13 tribution Act of 1995”.

14 **SEC. 512. AVAILABILITY OF COMMODITIES.**

15 (a) Notwithstanding any other provision of law, the
16 Secretary of Agriculture (hereinafter in this subtitle re-
17 ferred to as the “Secretary”) is authorized during fiscal
18 years 1996 through 2000 to purchase a variety of nutri-
19 tious and useful commodities and distribute such commod-
20 ities to the States for distribution in accordance with this
21 subtitle.

22 (b) In addition to the commodities described in sub-
23 section (a), the Secretary may expend funds made avail-
24 able to carry out section 32 of the Act of August 24, 1935
25 (7 U.S.C. 612c), which are not expended or needed to

1 carry out such sections, to purchase, process, and distrib-
2 ute commodities of the types customarily purchased under
3 such section to the States for distribution in accordance
4 with this subtitle.

5 (c) In addition to the commodities described in sub-
6 sections (a) and (b), agricultural commodities and the
7 products thereof made available under clause (2) of the
8 second sentence of section 32 of the Act of August 24,
9 1935 (7 U.S.C. 612c), may be made available by the Sec-
10 retary to the States for distribution in accordance with
11 this subtitle.

12 (d) In addition to the commodities described in sub-
13 sections (a), (b), and (c), commodities acquired by the
14 Commodity Credit Corporation that the Secretary deter-
15 mines, in the discretion of the Secretary, are in excess of
16 quantities need to—

17 (1) carry out other domestic donation pro-
18 grams;

19 (2) meet other domestic obligations;

20 (3) meet international market development and
21 food aid commitments; and

22 (4) carry out the farm price and income sta-
23 bilization purposes of the Agricultural Adjustment
24 Act of 1938, the Agricultural Act of 1949, and the
25 Commodity Credit Corporation Charter Act;

1 shall be made available by the Secretary, without charge
2 or credit for such commodities, to the States for distribu-
3 tion in accordance with this subtitle.

4 (e) During each fiscal year, the types, varieties, and
5 amounts of commodities to be purchased under this sub-
6 title shall be determined by the Secretary. In purchasing
7 such commodities, except those commodities purchased
8 pursuant to section 520, the Secretary shall, to the extent
9 practicable and appropriate, make purchases based on—

10 (1) agricultural market conditions;

11 (2) the preferences and needs of States and dis-
12 tributing agencies; and

13 (3) the preferences of the recipients.

14 **SEC. 513. STATE, LOCAL AND PRIVATE SUPPLEMENTATION**
15 **OF COMMODITIES.**

16 (a) The Secretary shall establish procedures under
17 which State and local agencies, recipient agencies, or any
18 other entity or person may supplement the commodities
19 distributed under this subtitle for use by recipient agencies
20 with nutritious and wholesome commodities that such en-
21 tities or persons donate for distribution, in all or part of
22 the State, in addition to the commodities otherwise made
23 available under this subtitle.

24 (b) States and eligible recipient agencies may use—

1 (1) the funds appropriated for administrative
2 cost under section 519(b);

3 (2) equipment, structures, vehicles, and all
4 other facilities involved in the storage, handling, or
5 distribution of commodities made available under
6 this subtitle; and

7 (3) the personnel, both paid or volunteer, in-
8 volved in such storage, handling, or distribution;
9 to store, handle or distribute commodities donated for use
10 under subsection (a).

11 (c) States and recipient agencies shall continue, to
12 the maximum extent practical, to use volunteer workers,
13 and commodities and other foodstuffs donated by chari-
14 table and other organizations, in the distribution of com-
15 modities under this subtitle.

16 **SEC. 514. STATE PLAN.**

17 (a) A State seeking to receive commodities under this
18 subtitle shall submit a plan of operation and administra-
19 tion every four years to the Secretary for approval. The
20 plan may be amended at any time, with the approval of
21 the Secretary.

22 (b) The State plan, at a minimum, shall—

23 (1) designate the State agency responsible for
24 distributing the commodities received under this sub-
25 title;

1 (2) set forth a plan of operation and adminis-
2 tration to expeditiously distribute commodities under
3 this subtitle in quantities requested to eligible recipi-
4 ent agencies in accordance with sections 516 and
5 520;

6 (3) set forth the standards of eligibility for re-
7 cipient agencies; and

8 (4) set forth the standards of eligibility for indi-
9 vidual or household recipients of commodities, which
10 at minimum shall require—

11 (A) individuals or households to be com-
12 prised of needy persons; and

13 (B) individual or household members to be
14 residing in the geographic location served by
15 the distributing agency at the time of applica-
16 tion for assistance.

17 (c) The Secretary shall encourage each State receiv-
18 ing commodities under this subtitle to establish a State
19 advisory board consisting of representatives of all inter-
20 ested entities, both public and private, in the distribution
21 of commodities received under this subtitle in the State.

22 (d) A State agency receiving commodities under this
23 subtitle may—

24 (1)(A) enter into cooperative agreements with
25 State agencies of other States to jointly provide

1 commodities received under this subtitle to eligible
2 recipient agencies that serve needy persons in a sin-
3 gle geographical area which includes such States; or

4 (B) transfer commodities received under this
5 subtitle to any such eligible recipient agency in the
6 other State under such agreement; and

7 (2) advise the Secretary of an agreement en-
8 tered into under this subsection and the transfer of
9 commodities made pursuant to such agreement.

10 **SEC. 515. ALLOCATION OF COMMODITIES TO STATES.**

11 (a) In each fiscal year, except for those commodities
12 purchased under section 520, the Secretary shall allocate
13 the commodities distributed under this subtitle as follows:

14 (1) 60 percent of the such total value of com-
15 modities shall be allocated in a manner such that the
16 value of commodities allocated to each State bears
17 the same ratio to 60 percent of such total value as
18 the number of persons in households within the
19 State having incomes below the poverty line bears to
20 the total number of persons in households within all
21 States having incomes below such poverty line. Each
22 State shall receive the value of commodities allocated
23 under this paragraph.

24 (2) 40 percent of such total value of commod-
25 ities shall be allocated in a manner such that the

1 value of commodities allocated to each State bears
2 the same ratio to 40 percent of such total value as
3 the average monthly number of unemployed persons
4 within the State bears to the average monthly num-
5 ber of unemployed persons within all States during
6 the same fiscal year. Each State shall receive the
7 value of commodities allocated to the State under
8 this paragraph.

9 (b)(1) The Secretary shall notify each State of the
10 amount of commodities that such State is allotted to re-
11 ceive under subsection (a) or this subsection, if applicable.
12 Each State shall promptly notify the Secretary if such
13 State determines that it will not accept any or all of the
14 commodities made available under such allocation. On
15 such a notification by a State, the Secretary shall reallo-
16 cate and distribute such commodities as the Secretary
17 deems appropriate and equitable. The Secretary shall fur-
18 ther establish procedures to permit States to decline to
19 receive portions of such allocation during each fiscal year
20 as the State determines is appropriate and the Secretary
21 shall reallocate and distribute such allocation as the Sec-
22 retary deems appropriate and equitable.

23 (2) In the event of any drought, flood, hurricane, or
24 other natural disaster affecting substantial numbers of
25 persons in a State, county, or parish, the Secretary may

1 request that States unaffected by such a disaster consider
2 assisting affected States by allowing the Secretary to re-
3 allocate commodities from such unaffected State to States
4 containing areas adversely affected by the disaster.

5 (c) Purchases of commodities under this subtitle shall
6 be made by the Secretary at such times and under such
7 conditions as the Secretary determines appropriate within
8 each fiscal year. All commodities so purchased for each
9 such fiscal year shall be delivered at reasonable intervals
10 to States based on the allocations and reallocations made
11 under subsections (a) and (b), and or carry out section
12 520, not later than December 31 of the following fiscal
13 year.

14 **SEC. 516. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF**
15 **COMMODITIES.**

16 (a) In distributing the commodities allocated under
17 subsections (a) and (b) of section 515, the State agency,
18 under procedures determined by the State agency, shall
19 offer, or otherwise make available, its full allocation of
20 commodities for distribution to emergency feeding organi-
21 zations.

22 (b) If the State agency determines that the State will
23 not exhaust the commodities allocated under subsections
24 (a) and (b) of section 515 through distribution to organi-
25 zations referred to in subsection (a), its remaining alloca-

1 tion of commodities shall be distributed to charitable insti-
2 tutions described in section 523(3) not receiving commod-
3 ities under subsection (a).

4 (c) If the State agency determines that the State will
5 not exhaust the commodities allocated under subsections
6 (a) and (b) of section 515 through distribution to organi-
7 zations referred to in subsections (a) and (b), its remain-
8 ing allocation of commodities shall be distributed to any
9 eligible recipient agency not receiving commodities under
10 subsections (a) and (b).

11 **SEC. 517. INITIAL PROCESSING COSTS.**

12 The Secretary may use funds of the Commodity
13 Credit Corporation to pay the costs of initial processing
14 and packaging of commodities to be distributed under this
15 subtitle into forms and in quantities suitable, as deter-
16 mined by the Secretary, for use by the individual house-
17 holds or eligible recipient agencies, as applicable. The Sec-
18 retary may pay such costs in the form of Corporation-
19 owned commodities equal in value to such costs. The Sec-
20 retary shall ensure that any such payments in kind will
21 not displace commercial sales of such commodities.

22 **SEC. 518. ASSURANCES; ANTICIPATED USE.**

23 (a) The Secretary shall take such precautions as the
24 Secretary deems necessary to ensure that commodities
25 made available under this subtitle will not displace com-

1 mercial sales of such commodities or the products thereof.
2 The Secretary shall submit to the Committee on Agri-
3 culture of the House of Representatives and the Commit-
4 tee on Agriculture, Nutrition, and Forestry of the Senate
5 by December 31, 1997, and not less than every two years
6 thereafter, a report as to whether and to what extent such
7 displacements or substitutions are occurring.

8 (b) The Secretary shall determine that commodities
9 provided under this subtitle shall be purchased and dis-
10 tributed only in quantities that can be consumed without
11 waste. No eligible recipient agency may receive commod-
12 ities under this subtitle in excess of anticipated use, based
13 on inventory records and controls, or in excess of its ability
14 to accept and store such commodities.

15 **SEC. 519. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) PURCHASE OF COMMODITIES.—To carry out this
17 subtitle, there are authorized to be appropriated
18 \$260,000,000 for each of the fiscal years 1996 through
19 2000 to purchase, process, and distribute commodities to
20 the States in accordance with this subtitle.

21 (b) ADMINISTRATIVE FUNDS.—

22 (1) There are authorized to be appropriated
23 \$40,000,000 for each of the fiscal years 1996
24 through 2000 for the Secretary to make available to
25 the States for State and local payments for costs as-

1 sociated with the distribution of commodities by eli-
2 gible recipient agencies under this subtitle, excluding
3 costs associated with the distribution of those com-
4 modities distributed under section 520. Funds ap-
5 propriated under this paragraph for any fiscal year
6 shall be allocated to the States on an advance basis
7 dividing such funds among the States in the same
8 proportions as the commodities distributed under
9 this subtitle for such fiscal year are allocated among
10 the States. If a State agency is unable to use all of
11 the funds so allocated to it, the Secretary shall re-
12 allocate such unused funds among the other States
13 in a manner the Secretary deems appropriate and
14 equitable.

15 (2)(A) A State shall make available in each fis-
16 cal year to eligible recipient agencies in the State
17 not less than 40 percent of the funds received by the
18 State under paragraph (1) for such fiscal year, as
19 necessary to pay for, or provide advance payments
20 to cover, the allowable expenses of eligible recipient
21 agencies for distributing commodities to needy per-
22 sons, but only to the extent such expenses are actu-
23 ally so incurred by such recipient agencies.

24 (B) As used in this paragraph, the term “allow-
25 able expenses” includes—

1 (i) costs of transporting, storing, handling,
2 repackaging, processing, and distributing com-
3 modities incurred after such commodities are
4 received by eligible recipient agencies;

5 (ii) costs associated with determinations of
6 eligibility, verification, and documentation;

7 (iii) costs of providing information to per-
8 sons receiving commodities under this subtitle
9 concerning the appropriate storage and prepa-
10 ration of such commodities; and

11 (iv) costs of recordkeeping, auditing, and
12 other administrative procedures required for
13 participation in the program under this subtitle.

14 (C) If a State makes a payment, using State
15 funds, to cover allowable expenses of eligible recipi-
16 ent agencies, the amount of such payment shall be
17 counted toward the amount a State must make
18 available for allowable expenses of recipient agencies
19 under this paragraph.

20 (3) States to which funds are allocated for a
21 fiscal year under this subsection shall submit finan-
22 cial reports to the Secretary, on a regular basis, as
23 to the use of such funds. No such funds may be
24 used by States or eligible recipient agencies for costs
25 other than those involved in covering the expenses

1 related to the distribution of commodities by eligible
2 recipient agencies.

3 (4)(A) Except as provided in subparagraph (B),
4 to be eligible to receive funds under this subsection,
5 a State shall provide in cash or in kind (according
6 to procedures approved by the Secretary for certify-
7 ing these in-kind contributions) from non-Federal
8 sources a contribution equal to the difference be-
9 tween—

10 (i) the amount of such funds so received;

11 and

12 (ii) any part of the amount allocated to the
13 State and paid by the State—

14 (I) to eligible recipient agencies; or

15 (II) for the allowable expenses of such
16 recipient agencies; for use in carrying out
17 this subtitle.

18 (B) Funds allocated to a State under this sec-
19 tion may, upon State request, be allocated before
20 States satisfy the matching requirement specified in
21 subparagraph (A), based on the estimated contribu-
22 tion required. The Secretary shall periodically rec-
23 oncile estimated and actual contributions and adjust
24 allocations to the State to correct for overpayments
25 and underpayments.

1 (C) Any funds distributed for administrative
2 costs under section 520(b) shall not be covered by
3 this paragraph.

4 (5) States may not charge for commodities
5 made available to eligible recipient agencies, and
6 may not pass on to such recipient agencies the cost
7 of any matching requirements, under this subtitle.

8 (c) The value of the commodities made available
9 under subsections (c) and (d) of section 512, and the
10 funds of the Commodity Credit Corporation used to pay
11 the costs of initial processing, packaging (including forms
12 suitable for home use), and delivering commodities to the
13 States shall not be charged against appropriations author-
14 ized by this section.

15 **SEC. 520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

16 (a) From the funds appropriated under section
17 519(a), \$94,500,000 shall be used for each fiscal year to
18 purchase and distribute commodities to supplemental feed-
19 ing programs serving woman, infants, and children or el-
20 derly individuals (hereinafter in this section referred to as
21 the “commodity supplemental food program”), or serving
22 both groups wherever located.

23 (b) Not more than 20 percent of the funds made
24 available under subsection (a) shall be made available to
25 the States for State and local payments of administrative

1 costs associated with the distribution of commodities by
2 eligible recipient agencies under this section. Administra-
3 tive costs for the purposes of the commodity supplemental
4 food program shall include, but not be limited to, expenses
5 for information and referral, operation, monitoring, nutri-
6 tion education, start-up costs, and general administration,
7 including staff, warehouse and transportation personnel,
8 insurance, and administration of the State or local office.

9 (c)(1) During each fiscal year the commodity supple-
10 mental food program is in operation, the types, varieties,
11 and amounts of commodities to be purchased under this
12 section shall be determined by the Secretary, but, if the
13 Secretary proposes to make any significant changes in the
14 types, varieties, or amounts from those that were available
15 or were planned at the beginning of the fiscal year the
16 Secretary shall report such changes before implementation
17 to the Committee on Agriculture of the House of Rep-
18 resentatives and the Committee on Agriculture, Nutrition,
19 and Forestry of the Senate.

20 (2) Notwithstanding any other provision of law, the
21 Commodity Credit Corporation shall, to the extent that
22 the Commodity Credit Corporation inventory levels per-
23 mit, provide not less than 9,000,000 pounds of cheese and
24 not less than 4,000,000 pounds of nonfat dry milk in each
25 of the fiscal years 1996 through 2000 to the Secretary.

1 The Secretary shall use such amounts of cheese and non-
2 fat dry milk to carry out the commodity supplemental food
3 program before the end of each fiscal year.

4 (d) The Secretary shall, in each fiscal year, approve
5 applications of additional sites for the program, including
6 sites that serve only elderly persons, in areas in which the
7 program currently does not operate, to the full extent that
8 applications can be approved within the appropriations
9 available for the program for the fiscal year and without
10 reducing actual participation levels (including participa-
11 tion of elderly persons under subsection (e)) in areas in
12 which the program is in effect.

13 (e) If a local agency that administers the commodity
14 supplemental food program determines that the amount
15 of funds made available to the agency to carry out this
16 section exceeds the amount of funds necessary to provide
17 assistance under such program to women, infants, and
18 children, the agency, with the approval of the Secretary,
19 may permit low-income elderly persons (as defined by the
20 Secretary) to participate in and be served by such pro-
21 gram.

22 (f)(1) If it is necessary for the Secretary to pay a
23 significantly higher than expected price for one or more
24 types of commodities purchased under this section, the
25 Secretary shall promptly determine whether the price is

1 likely to cause the number of persons that can be served
2 in the program in a fiscal year to decline.

3 (2) If the Secretary determines that such a decline
4 would occur, the Secretary shall promptly notify the State
5 agencies charged with operating the program of the de-
6 cline and shall ensure that a State agency notify all local
7 agencies operating the program in the State of the decline.

8 (g) Commodities distributed to States pursuant to
9 this section shall not be considered in determining the
10 commodity allocation to each State under section 515 or
11 priority of distribution under section 516.

12 **SEC. 521. COMMODITIES NOT INCOME.**

13 Notwithstanding any other provision of law, commod-
14 ities distributed under this subtitle shall not be considered
15 income or resources for purposes of determining recipient
16 eligibility under any Federal, State, or local means-tested
17 program.

18 **SEC. 522. PROHIBITION AGAINST CERTAIN STATE**
19 **CHARGES.**

20 Whenever a commodity is made available without
21 charge or credit under this subtitle by the Secretary for
22 distribution within the States to eligible recipient agencies,
23 the State may not charge recipient agencies any amount
24 that is in excess of the State's direct costs of storing, and
25 transporting to recipient agencies the commodities minus

1 any amount the Secretary provides the State for the costs
2 of storing and transporting such commodities.

3 **SEC. 523. DEFINITIONS.**

4 As used in this subtitle:

5 (1) The term “average monthly number of un-
6 employed persons” means the average monthly num-
7 ber of unemployed persons within a State in the
8 most recent fiscal year for which such information is
9 available as determined by the Bureau of Labor Sta-
10 tistics of the Department of Labor.

11 (2) The term “elderly persons” means individ-
12 uals 60 years of age or older.

13 (3) The term “eligible recipient agency” means
14 a public or nonprofit organization that admin-
15 isters—

16 (A) an institution providing commodities to
17 supplemental feeding programs serving women,
18 infants, and children or serving elderly persons,
19 or serving both groups;

20 (B) an emergency feeding organization;

21 (C) a charitable institution (including a
22 hospital and a retirement home, but excluding
23 a penal institution) to the extent that such in-
24 stitution serves needy persons;

1 (D) a summer camp for children, or a
2 child nutrition program providing food service;

3 (E) a nutrition project operating under the
4 Older Americans Act of 1965, including such
5 project that operates a congregate nutrition site
6 and a project that provides home-delivered
7 meals; or

8 (F) a disaster relief program; and that has
9 been designated by the appropriate State agen-
10 cy, or by the Secretary, and approved by the
11 Secretary for participation in the program es-
12 tablished under this subtitle.

13 (4) The term “emergency feeding organization”
14 means a public or nonprofit organization that ad-
15 ministers activities and projects (including the activi-
16 ties and projects of a charitable institution, a food
17 bank, a food pantry, a hunger relief center, a soup
18 kitchen, or a similar public or private nonprofit eligi-
19 ble recipient agency) providing nutrition assistance
20 to relieve situations of emergency and distress
21 through the provision of food to needy persons, in-
22 cluding low-income and unemployed persons.

23 (5) The term “food bank” means a public and
24 charitable institution that maintains an established
25 operation involving the provision of food or edible

1 commodities, or the products thereof, to food pan-
2 tries, soup kitchens, hunger relief centers, or other
3 food or feeding centers that, as an integral part of
4 their normal activities, provide meals or food to feed
5 needy persons on a regular basis.

6 (6) The term “food pantry” means a public or
7 private nonprofit organization that distributes food
8 to low-income and unemployed households, including
9 food from sources other than the Department of Ag-
10 riculture, to relieve situations of emergency and dis-
11 tress.

12 (7) The term “needy persons” means—

13 (A) individuals who have low incomes or
14 who are unemployed, as determined by the
15 State (in no event shall the income of such indi-
16 vidual or household exceed 185% of the poverty
17 line);

18 (B) households certified as eligible to par-
19 ticipate in the food stamp program under the
20 Food Stamp Act of 1977 (7 U.S.C. 2011 et
21 seq.); or

22 (C) individuals or households participating
23 in any other Federal, or Federally assisted,
24 means-tested program.

1 (8) The term “poverty line” has the same
2 meaning given such term in section 673(2) of the
3 Community Services Block Grant Act (42 U.S.C.
4 9902(2)).

5 (9) The term “soup kitchen” means a public
6 and charitable institution that, as integral part of its
7 normal activities, maintains an established feeding
8 operation to provide food to needy homeless persons
9 on a regular basis.

10 **SEC. 524. REGULATIONS.**

11 (a) The Secretary shall issue regulations within 120
12 days to implement this subtitle.

13 (b) In administering this subtitle, the Secretary shall
14 minimize, to the maximum extent practicable, the regu-
15 latory, recordkeeping, and paperwork requirements im-
16 posed on eligible recipient agencies.

17 (c) The Secretary shall as early as feasible but not
18 later than the beginning of each fiscal year, publish in the
19 Federal Register a nonbinding estimate of the types and
20 quantities of commodities that the Secretary anticipates
21 are likely to be made available under the commodity dis-
22 tribution program under this subtitle during the fiscal
23 year.

24 (d) The regulations issued by the Secretary under
25 this section shall include provisions that set standards

1 with respect to liability for commodity losses for the com-
2 modities distributed under this subtitle in situations in
3 which there is no evidence of negligence or fraud, and con-
4 ditions for payment to cover such losses. Such provisions
5 shall take into consideration the special needs and cir-
6 cumstances of eligible recipient agencies.

7 **SEC. 525. FINALITY OF DETERMINATIONS.**

8 Determinations made by the Secretary under this
9 subtitle and the facts constituting the basis for any dona-
10 tion of commodities under this subtitle, or the amount
11 thereof, when officially determined in conformity with the
12 applicable regulations prescribed by the Secretary, shall
13 be final and conclusive and shall not be reviewable by any
14 other officer or agency of the Government.

15 **SEC. 526. SALE OF COMMODITIES PROHIBITED.**

16 Except as otherwise provided in section 517, none of
17 the commodities distributed under this subtitle shall be
18 sold or otherwise disposed of in commercial channels in
19 any form.

20 **SEC. 527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.**

21 (a) The Secretary, or a designee of the Secretary,
22 shall have the authority to—

23 (1) determine the amount of, settle, and adjust
24 any claim arising under this subtitle; and

1 (2) waive such a claim if the Secretary deter-
2 mines that to do so will serve the purposes of this
3 subtitle.

4 (b) Nothing contained in this section shall be con-
5 strued to diminish the authority of the Attorney General
6 of the United States under section 516 of title 28, United
7 States Code, to conduct litigation on behalf of the United
8 States.

9 **SEC. 528. REPEALERS; AMENDMENTS.**

10 (a) The Emergency Food Assistance Act of 1983 (7
11 U.S.C. 612c note) is repealed.

12 (b) AMENDMENTS.—

13 (1) The Hunger Prevention Act of 1988 (7
14 U.S.C. 612c note) is amended—

15 (A) by striking section 110;

16 (B) by striking subtitle C of title II; and

17 (C) by striking section 502.

18 (2) The Commodity Distribution Reform Act
19 and WIC Amendments of 1987 (7 U.S.C. 612c note)
20 is amended by striking section 4.

21 (3) The Charitable Assistance and Food Bank
22 Act of 1987 (7 U.S.C. 612c note) is amended by
23 striking section 3.

24 (4) The Food Security Act of 1985 (7 U.S.C.
25 612c note) is amended—

1 (A) by striking section 1571; and

2 (B) in section 1562(d), by striking “sec-
3 tion 4 of the Agricultural and Consumer Pro-
4 tection Act of 1973” and inserting “section 110
5 of the Commodity Distribution Act of 1995”.

6 (5) The Agricultural and Consumer Protection
7 Act of 1973 (7 U.S.C. 612c note) is amended—

8 (A) in section 4(a), by striking “institu-
9 tions (including hospitals and facilities caring
10 for needy infants and children), supplemental
11 feeding programs serving women, infants and
12 children or elderly persons, or both, wherever
13 located, disaster areas, summer camps for chil-
14 dren” and inserting “disaster areas”;

15 (B) in subsection 4(c), by striking “the
16 Emergency Food Assistance Act of 1983” and
17 inserting “the Commodity Distribution Act of
18 1995”; and

19 (C) by striking section 5.

20 (6) The Food, Agriculture, Conservation, and
21 Trade Act of 1990 (7 U.S.C. 612c note) is amended
22 by striking section 1773(f).

1 **Subtitle B—Simplification and**
2 **Reform of Food Stamp Program**

3 **SEC. 531. SHORT TITLE.**

4 This subtitle may be cited as the “Food Stamp Sim-
5 plification and Reform Act of 1995”.

6 **CHAPTER 1—SIMPLIFIED FOOD STAMP**
7 **PROGRAM AND STATE ASSISTANCE**
8 **FOR NEEDY FAMILIES**

9 **SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP**
10 **PROGRAM.**

11 Section 4(a) of the Food Stamp Act of 1977 (7
12 U.S.C. 2013(a)) is amended—

13 (1) by inserting “(1)” after “(a)”; and

14 (3) by adding at the end the following new
15 paragraph:

16 “(2) At the request of the State agency, a State may
17 operate a program, as provided in section 24, within the
18 State or any political subdivisions within the State in
19 which households with one or more members receiving reg-
20 ular cash benefits under the program established by the
21 State under the Temporary Assistance for Needy Families
22 Block Grant will be issued food stamp benefits in accord-
23 ance with the rules and procedures established—

24 “(A) by the State under the Temporary Assist-
25 ance for Needy Families Block Grant or this Act; or

1 “(B) under the food stamp program.”.

2 **SEC. 542. SIMPLIFIED FOOD STAMP PROGRAM.**

3 (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et
4 seq.) is amended by adding the following new section:

5 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

6 “(a) If a State elects to operate a program under sec-
7 tion 4(a)(2) within the State or any political subdivision
8 within the State—

9 “(1) households in which all members receive
10 regular cash benefits under the program established
11 by the State under the Temporary Assistance for
12 Needy Families Block Grant shall be automatically
13 eligible to participate in the food stamp program;
14 and

15 “(2) benefits under such program shall be de-
16 termined under the rules and procedures established
17 by the State or political subdivision under the Tem-
18 porary Assistance for Needy Families Block Grant
19 or under the food stamp program, subject to sub-
20 section (g).

21 “(b) In approving a State plan to carry out a pro-
22 gram under section 4(a)(2), the Secretary shall certify
23 that the average level of food stamp benefits per household
24 participating in the program under such section for the
25 State or political subdivision in which such program is in

1 operation is not expected to exceed the average level of
2 food stamp benefits per household that received benefits
3 under the program established by a State under part A
4 of title IV of the Social Security Act (42 U.S.C. 601 et
5 seq.) in such area in the preceding fiscal year, adjusted
6 for any changes in the thrifty food plan under section 3(o).
7 The Secretary shall compute the permissible average level
8 of food stamp benefits per household each year for each
9 State or political subdivision in which such program is in
10 operation and may require a State to report any informa-
11 tion necessary to make such computation.

12 “(c) When the Secretary determines that the average
13 level of food stamp benefits per household provided by the
14 State or political subdivision under such program has ex-
15 ceeded the permissible average level of food stamp benefits
16 per household for the State or political subdivision in
17 which the program was in operation, the State or political
18 subdivision shall pay to the Treasury of the United States
19 the value of the food stamp benefits in excess of the per-
20 missible average level of food stamp benefits per household
21 in the State or political subdivision within 90 days after
22 the notification of such excess payments.

23 “(d)(1) A household against which a penalty is im-
24 posed (including a reduction in benefits or disqualifica-
25 tion) for noncompliance with the program established by

1 the State under the Temporary Assistance for Needy
2 Families Block Grant may have the same penalty imposed
3 against it (including a reduction in benefits or disqualifica-
4 tion) in the program administered under this section.

5 “(2) If the penalty for noncompliance with the pro-
6 gram established by the State under the Temporary As-
7 sistance for Needy Families block grant is a reduction in
8 benefits in such program, the household shall not receive
9 an increased allotment under the program administered
10 under this section as a result of a decrease in the house-
11 hold’s income (as determined by the State under this sec-
12 tion) caused by such penalty.

13 “(3) Any household disqualified from the program
14 administered under this subsection may, after such dis-
15 qualification period has expired, apply for food stamp ben-
16 efits under this Act and shall be treated as a new appli-
17 cant.

18 “(e) If a State or political subdivision, at its option,
19 operates a program under section 4(a)(2) for households
20 that include any member who does not receive regular
21 cash benefits under the program established by the State
22 under the Temporary Assistance for Needy Families Block
23 Grant, the Secretary shall ensure that the State plan pro-
24 vides that household eligibility shall be determined under
25 this Act, benefits may be determined under the rules and

1 procedures established by the State under the Temporary
2 Assistance for Needy Families Block Grant or this Act,
3 and benefits provided under this section shall be equitably
4 distributed among all household members.

5 “(f)(1) Under the program operated under section
6 4(a)(2), the State may elect to provide cash assistance in
7 lieu of allotments to all households that include a member
8 who is employed and whose employment produces for the
9 benefit of the member’s household income that satisfies
10 the requirements of paragraph (2).

11 “(2) The State, in electing to provide cash assistance
12 under paragraph (1), at a minimum shall require that
13 such earned income is—

14 “(A) not less than \$350 per month;

15 “(B) earned from employment provided by a
16 nongovernmental employer, as determined by the
17 State; and

18 “(C) received from the same employer for a pe-
19 riod of employment of not less than 3 consecutive
20 months.

21 “(3) If a State that makes the election described in
22 paragraph (1) identifies each household that receives cash
23 assistance under this subsection—

24 “(A) the Secretary shall pay to the State an
25 amount equal to the value of the allotment that such

1 household would be eligible to receive under this sec-
2 tion but for the operation of this subsection;

3 “(B) the State shall provide such amount to the
4 household as cash assistance in lieu of such allot-
5 ment; and

6 “(C) for purposes of the food stamp program
7 (other than this section and section 4(a)(2))—

8 “(i) such cash assistance shall be consid-
9 ered to be an allotment; and

10 “(ii) such household shall not receive any
11 other food stamp benefit for the period for
12 which such cash assistance is provided.

13 “(4) A State that makes the election in paragraph
14 (1) shall—

15 “(A) increase the cash benefits provided to
16 households under this subsection to compensate for
17 any State or local sales tax that may be collected on
18 purchases of food by any household receiving cash
19 benefits under this subsection, unless the Secretary
20 determines on the basis of information provided by
21 the State that the increase is unnecessary on the
22 basis of the limited nature of the items subject to
23 the State or local sales tax; and

24 “(B) pay the cost of any increase in cash bene-
25 fits required by paragraph (1).

1 “(5) After a State operates a program under this sub-
2 section for 2 years, the State shall provide to the Secretary
3 a written evaluation of the impact of cash assistance.

4 “(g) In operating a program under section 4(a)(2),
5 the State or political subdivision may follow the rules and
6 procedures established by the State or political subdivision
7 under the Temporary Assistance for Needy Families Block
8 Grant or under the food stamp program, except that the
9 State or political subdivision shall comply with the require-
10 ments of—

11 “(1) subsections (a) through (g) of section 7
12 (relating to the issuance and use of coupons);

13 “(2) section 8(a) (relating to the value of allot-
14 ments, except that a household’s income may be de-
15 termined under the program established by the State
16 under the Temporary Assistance for Needy Families
17 Block Grant);

18 “(3) section 8(b) (allotment not considered in-
19 come or resources);

20 “(4) subsections (a), (c), (d), and (n) of section
21 11 (relating to administration);

22 “(5) paragraphs (8), (12), (17), (19), (21),
23 (26), and (27) of section 11(e) (relating to the State
24 plan);

1 “(6) section 11(e)(10) (relating to a fair hear-
2 ing) or a comparable requirement established by the
3 State under the Temporary Assistance for Needy
4 Families Block Grant; and

5 “(7) section 16 (relating to administrative cost-
6 sharing and quality control).”.

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

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

11 (2) in paragraph (25), by striking the period at
12 the end and inserting “; and”; and

13 (3) by adding at the end the following new
14 paragraph:

15 “(26) the plans of the State agency for operat-
16 ing, at the election of the State, a program under
17 section 4(a)(2), including—

18 “(A) the rules and procedures to be fol-
19 lowed by the State to determine food stamp
20 benefits;

21 “(B) a statement specifying whether the
22 program operated by the State under section
23 4(a)(2) will include households that include
24 members who do not receive regular cash bene-
25 fits under the program established by the State

1 under the Temporary Assistance for Needy
2 Families Block Grant; and

3 “(C) a description of the method by which
4 the State or political subdivision will carry out
5 a quality control system under section 16(c).”.

6 **SEC. 543. CONFORMING AMENDMENTS.**

7 (a) Section 8 of the Food Stamp Act of 1977 (7
8 U.S.C. 2017) is amended by striking subsection (e).

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

11 (1) by striking subsection (i); and

12 (2) by redesignating subsections (j), (k), and (l)
13 as subsections (i), (j), and (k), respectively.

14 **CHAPTER 2—FOOD STAMP PROGRAM**

15 **SEC. 551. THRIFTY FOOD PLAN.**

16 Section 3(o) of the Food Stamp Act of 1977 (7
17 U.S.C. 2012(o)) is amended by striking “(4) through Jan-
18 uary 1, 1980, adjust the cost of such diet every January
19 1 and July 1” and all that follows through the end of the
20 subsection, and inserting the following: “(4) on October
21 1, 1995, adjust the cost of the thrifty food plan to reflect
22 103 percent of the cost of the thrifty food plan in June
23 1994 and increase such amount by 2 percent, rounding
24 the result to the nearest lower dollar increment for each
25 household size, and (5) on October 1, 1996, and each Oc-

1 tober 1 thereafter, increase the amount established for the
2 preceding October 1, before such amount was rounded, by
3 2 percent, rounding the result to the nearest lower dollar
4 increment for each household size.”.

5 **SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.**

6 (a) Section 5(d)(11) of the Food Stamp Act of 1977
7 (7 U.S.C. 2014(d)(11)) is amended—

8 (1) by striking “(A)”; and

9 (2) by striking “or (B) under any State or local
10 laws,” and all that follows through “or impracticable
11 to do so,”.

12 (b) Section 5(e) of the Food Stamp Act of 1977 (7
13 U.S.C. 2014(e)) is amended to read as follows:

14 “(e)(1) DEDUCTIONS FOR STANDARD AND EARNED
15 INCOME.—

16 “(A) In computing household income, the Sec-
17 retary shall allow a standard deduction of \$134 a
18 month for each household, except that households in
19 Alaska, Hawaii, Guam, and the Virgin Islands of the
20 United States shall be allowed a standard deduction
21 of \$229, \$189, \$269, and \$118, respectively.

22 “(B) All households with earned income shall
23 also be allowed an additional deduction of 20 per-
24 cent of all earned income (other than that excluded
25 by subsection (d) of this section and that earned

1 under section 16(j)), to compensate for taxes, other
2 mandatory deductions from salary, and work ex-
3 penses, except that such additional deduction shall
4 not be allowed with respect to earned income that a
5 household willfully or fraudulently fails (as proven in
6 a proceeding provided for in section 6(b)) to report
7 in a timely manner.

8 “(2) DEPENDENT CARE DEDUCTION.—The Sec-
9 retary shall allow households a deduction with respect to
10 expenses other than expenses paid on behalf of the house-
11 hold by a third party or amounts made available and ex-
12 cluded for the expenses under subsection (d)(3), the maxi-
13 mum allowable level of which shall be \$200 a month for
14 each dependent child under 2 years of age and \$175 a
15 month for each other dependent, for the actual cost of
16 payments necessary for the care of a dependent when such
17 care enables a household member to accept or continue
18 employment, or training or education which is preparatory
19 for employment.

20 “(3) EXCESS SHELTER EXPENSE DEDUCTION.—

21 “(A) The Secretary shall allow households,
22 other than those households containing an elderly or
23 disabled member, with respect to expenses other
24 than expenses paid on behalf of the household by a
25 third party, an excess shelter expense deduction to

1 the extent that the monthly amount expended by a
2 household for shelter exceeds an amount equal to 50
3 percent of monthly household income after all other
4 applicable deductions have been allowed.

5 “(B) Such excess shelter expense deduction
6 shall not exceed \$231 a month in the 48 contiguous
7 States and the District of Columbia, and shall not
8 exceed, in Alaska, Hawaii, Guam, and the Virgin Is-
9 lands of the United States, \$402, \$330, \$280, and
10 \$171 a month, respectively.

11 “(C)(i) Notwithstanding section 2605(f) of the
12 Low-Income Home Energy Assistance Act of 1981
13 (42 U.S.C. 8624(f)), a household may not claim as
14 a shelter expense any payment received, or costs
15 paid on its behalf, under the Low-Income Home En-
16 ergy Assistance Act of 1981 (42 U.S.C. 8621 et
17 seq.).

18 “(ii) Notwithstanding section 2605(f) of the
19 Low-Income Home Energy Assistance Act of 1981
20 (42 U.S.C. 8624(f)), a State agency may use a
21 standard utility allowance as provided under sub-
22 paragraph (D) for heating and cooling expenses only
23 if the household incurs out-of-pocket heating or cool-
24 ing expenses in excess of any payment received, or
25 costs paid on its behalf, under the Low-Income

1 Home Energy Assistance Act of 1981 (42 U.S.C.
2 8621 et seq.).

3 “(iii) For purposes of the food stamp program,
4 assistance provided under the Low-Income Home
5 Energy Assistance Act of 1981 shall be considered
6 to be prorated over the entire heating or cooling sea-
7 son for which it was provided.

8 “(iv) At the end of any certification period and
9 up to one additional time during each twelve-month
10 period, a State agency shall allow a household to
11 switch between any standard utility allowance and a
12 deduction based on its actual utility costs.

13 “(D)(i) In computing the excess shelter expense
14 deduction, a State agency may use a standard utility
15 allowance in accordance with regulations promul-
16 gated by the Secretary, except that a State agency
17 may use an allowance which does not fluctuate with-
18 in a year to reflect seasonal variations.

19 “(ii) An allowance for a heating or cooling ex-
20 pense may not be used for a household that does not
21 incur a heating or cooling expense, as the case may
22 be, or does incur a heating or cooling expense but
23 is located in a public housing unit which has central
24 utility meters and charges households, with regard
25 to such expense, only for excess utility costs.

1 “(iii) No such allowance may be used for a
2 household that shares such expense with, and lives
3 with, another individual not participating in the food
4 stamp program, another household participating in
5 the food stamp program, or both, unless the allow-
6 ance is prorated between the household and the
7 other individual, household, or both.

8 “(4) HOMELESS SHELTER DEDUCTION.—(A) A
9 State shall develop a standard homeless shelter deduction,
10 which shall not exceed \$139 a month, for the expenses
11 that may reasonably be expected to be incurred by house-
12 holds in which all members are homeless but are not re-
13 ceiving free shelter throughout the month. Subject to sub-
14 paragraph (B), the State shall use such deduction in de-
15 termining eligibility and allotments for such households.

16 “(B) The Secretary may prohibit the use of the
17 standard homeless shelter deduction for households with
18 extremely low shelter costs.

19 “(5) ELDERLY AND DISABLED HOUSEHOLDS.—

20 “(A) The Secretary shall allow households con-
21 taining an elderly or disabled member, with respect
22 to expenses other than expenses paid on behalf of
23 the household by a third party—

24 “(i) an excess medical expense deduction
25 for that portion of the actual cost of allowable

1 medical expenses, incurred by elderly or dis-
2 abled members, exclusive of special diets, that
3 exceed \$35 a month; and

4 “(ii) an excess shelter expense deduction to
5 the extent that the monthly amount expended
6 by a household for shelter exceeds an amount
7 equal to 50 percent of monthly household in-
8 come after all other applicable deductions have
9 been allowed.

10 “(B) State agencies shall offer eligible house-
11 holds a method of claiming a deduction for recurring
12 medical expenses that are initially verified under the
13 excess medical expense deduction provided for in
14 subparagraph (A), in lieu of submitting information
15 or verification on actual expenses on a monthly
16 basis. The method described in the preceding sen-
17 tence shall be designed to minimize the administra-
18 tive burden for eligible elderly and disabled house-
19 hold members choosing to deduct their recurrent
20 medical expenses pursuant to such method, shall rely
21 on reasonable estimates of the member’s expected
22 medical expenses for the certification period (includ-
23 ing changes that can be reasonably anticipated
24 based on available information about the member’s
25 medical condition, public or private medical insur-

1 ance coverage, and the current verified medical ex-
2 penses incurred by the member), and shall not re-
3 quire further reporting or verification of a change in
4 medical expenses if such a change has been antici-
5 pated for the certification period.

6 “(6) CHILD SUPPORT DEDUCTION.—Before deter-
7 mining the excess shelter expense deduction, the Secretary
8 shall allow all households a deduction for child support
9 payments made by a household member to or for an indi-
10 vidual who is not a member of the household if such house-
11 hold member was legally obligated to make such payments,
12 except that the Secretary is authorized to prescribe by reg-
13 ulation the methods, including calculation on a retrospec-
14 tive basis, that State agencies shall use to determine the
15 amount of the deduction for child support payments.”.

16 (c) Section 11(e)(3) of the Food Stamp Act of 1977
17 (7 U.S.C. 2020(e)(3)) is amended by striking “Under the
18 rules prescribed by the Secretary, a State agency shall de-
19 velop standard estimates” and all that follows through the
20 end of the paragraph.

21 **SEC. 553. VEHICLE ALLOWANCE.**

22 Section 5(g)(2) of the Food Stamp Act of 1977 (7
23 U.S.C. 2014(g)(2)) is amended by striking “a level set by
24 the Secretary, which shall be \$4,500 through August 31,

1 1994,” and all that follows through the end of the para-
2 graph, and inserting “\$4,550.”.

3 **SEC. 554. WORK REQUIREMENTS.**

4 (a) Section 6(d) of the Food Stamp Act of 1977 (7
5 U.S.C. 2015(d)) is amended—

6 (1) in paragraph (1)(A)(ii), by striking “an em-
7 ployment and training program under paragraph
8 (4), to the extent required under paragraph (4), in-
9 cluding any reasonable employment requirements as
10 are prescribed by the State agency in accordance
11 with paragraph (4)” and inserting “a State job
12 search program”;

13 (2) in paragraph (2)(A)—

14 (A) by striking “title IV of the Social Se-
15 curity Act (42 U.S.C. 602)” and inserting “the
16 program established by the State under the
17 Temporary Assistance for Needy Families
18 Block Grant”; and

19 (B) by striking “that is comparable to a
20 requirement of paragraph (1)”;

21 (3) by amending paragraph (4) to read as fol-
22 lows:

23 “(4)(A) Except as provided in subparagraphs (B),
24 (C), and (D), an individual shall not be denied initial eligi-
25 bility but shall be disqualified from the food stamp pro-

1 gram if after 90 days from the certification of eligibility
2 of such individual the individual was not employed a mini-
3 mum of 20 hours per week, or does not participate in a
4 program established under section 20 or a comparable
5 program established by the State or local government.

6 “(B) Subparagraph (A) shall not apply in the case
7 of an individual who—

8 “(i) is under eighteen or over fifty years of age;

9 “(ii) is certified by a physician as physically or
10 mentally unfit for employment;

11 “(iii) is a parent or other member of a house-
12 hold with responsibility for the care of a dependent;

13 “(iv) is participating a minimum of 20 hours
14 per week and is in compliance with the requirements
15 of—

16 “(I) a program under the Job Training
17 Partnership Act (29 U.S.C. 1501 et seq.);

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

20 “(III) a program of employment or train-
21 ing operated or supervised by an agency of
22 State or local government which meets stand-
23 ards deemed appropriate by the Governor; or

24 “(v) would otherwise be exempt under sub-
25 section (d)(2).

1 “(C) Upon request of the State, the Secretary may
2 waive the requirements of subparagraph (A) in the case
3 of some or all individuals within all or part of the State
4 if the Secretary makes a determination that such area—

5 “(i) has an unemployment rate of over 10 per-
6 cent; or

7 “(ii) does not have a sufficient number of jobs
8 to provide employment for individuals subject to this
9 paragraph. The Secretary shall report to the Com-
10 mittee on Agriculture of the House of Representa-
11 tives and the Committee on Agriculture, Nutrition,
12 and Forestry of the Senate on the basis on which
13 the Secretary made such a decision.

14 “(D) An individual who has been disqualified from
15 the food stamp program under subparagraph (A) may re-
16 establish eligibility for assistance if such person becomes
17 exempt under subparagraph (B) or by—

18 “(i) becoming employed for a minimum of 20
19 hours per week during any consecutive thirty-day pe-
20 riod; or

21 “(ii) participating in a program established
22 under section 20 or a comparable program estab-
23 lished by the State or local government.”.

24 (b) Section 16 of the Food Stamp Act of 1977 (7
25 U.S.C. 2025) is amended—

1 (1) by striking subsection (h); and

2 (2) by redesignating subsections (i) and (j) as
3 subsections (h) and (i), respectively.

4 (c) Section 17 of the Food Stamp Act of 1977 (7
5 U.S.C. 2026), as amended by section 543(b), is amend-
6 ed—

7 (1) by striking subsection (d); and

8 (2) by redesignating subsections (e) through (k)
9 as subsections (d) through (j), respectively.

10 (d) Section 20 of the Food Stamp Act of 1977 (7
11 U.S.C. 2029) is amended to read as follows:

12 “SEC. 20. (a)(1) The Secretary shall permit a State
13 that applies and submits a plan in compliance with guide-
14 lines promulgated by the Secretary to operate a program
15 within the State or any political subdivision within the
16 State, under which persons who are required to work
17 under section 6(d)(4) may accept an offer from the State
18 or political subdivision to perform work on its behalf, or
19 on behalf of a private nonprofit entity designated by the
20 State or political subdivision, in order to continue to qual-
21 ify for benefits after they have initially been judged eligi-
22 ble.

23 “(2) The Secretary shall promulgate guidelines pur-
24 suant to paragraph (1) which, to the maximum extent
25 practicable, enable a State or political subdivision to de-

1 sign and operate a program that is compatible and consist-
2 ent with similar programs operated by the State or politi-
3 cal subdivision.

4 “(b) To be approved by the Secretary, a program
5 shall provide that participants work, in return for com-
6 pensation consisting of the allotment to which the house-
7 hold is entitled under section 8(a), with each hour of such
8 work entitling that household to a portion of its allotment
9 equal in value to 100 percent of the higher of the applica-
10 ble State minimum wage or the Federal minimum hourly
11 rate under the Fair Labor Standards Act of 1938.

12 “(c) No State or political subdivision that receives
13 funds provided under this section shall replace any em-
14 ployed worker with an individual who is participating in
15 a program under this section for the purposes of comply-
16 ing with section 6(d)(4). Such an individual may be placed
17 in any position offered by the State or political subdivision
18 that—

19 “(1) is a new position;

20 “(2) is a position that became available in the
21 normal course of conducting the business of the
22 State or political subdivision;

23 “(3) involves performing work that would other-
24 wise be performed on an overtime basis by a worker

1 who is not an individual participating in such pro-
2 gram; or

3 “(4) that is a position which became available
4 by shifting a current employee to an alternate posi-
5 tion.

6 “(d) The Secretary shall allocate among the States
7 or political subdivisions in each fiscal year, from funds ap-
8 propriated for the fiscal year under section 18(a)(1), the
9 amount of \$75,000,000 to assist in carrying out the pro-
10 gram under this section during the fiscal year.

11 “(e)(1) In making the allocation required under sub-
12 section (d), the Secretary shall allocate to each State oper-
13 ating a program under this section that percentage of the
14 total funds allocated under subsection (d) which equals the
15 estimate of the Secretary of the percentage of participants
16 who are required to work under section 6(d)(4) that reside
17 in such State.

18 “(2) The State shall promptly notify the Secretary
19 if such State determines that it will not expend the funds
20 allocated it under paragraph (1) and the Secretary shall
21 reallocate such funds as the Secretary deems appropriate
22 and equitable.

23 “(f) Notwithstanding subsection (d), the Secretary
24 shall ensure that each State operating a program under
25 this section is allocated at least \$50,000 by reducing, to

1 the extent necessary, the funds allocated to those States
2 allocated more than \$50,000.

3 “(g) If, in carrying out such program during such
4 fiscal year, a State or political subdivision incurs costs
5 that exceed the amount allocated to the State agency
6 under subsection (d)—

7 “(1) the Secretary shall pay such State agency
8 an amount equal to 50 percent of such additional
9 costs, subject to the first limitation in paragraph
10 (2); and

11 “(2) the Secretary shall also reimburse each
12 State agency in an amount equal to 50 percent of
13 the total amount of payments made or costs in-
14 curred by the State or political subdivision in con-
15 nection with transportation costs and other expenses
16 reasonably necessary and directly related to partici-
17 pation in a program under this section, except that
18 such total amount shall not exceed an amount rep-
19 resenting \$25 per participant per month for costs of
20 transportation and other actual costs and such reim-
21 bursement shall not be made out of funds allocated
22 under subsection (d).

23 “(h) The Secretary may suspend or cancel some or
24 all of these payments, or may withdraw approval from a
25 State or political subdivision to operate a program, upon

1 a finding that the State or political subdivision has failed
2 to comply with the requirements of this section.”.

3 (e) Section 7(i)(6) of the Food Stamp Act of 1977
4 (7 U.S.C. 2016(i)(6)) is amended by striking “section
5 17(f)” and inserting “section 17(e)”.

6 **SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED**
7 **INDIVIDUALS.**

8 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
9 2015) is amended by adding at the end the following new
10 subsection:

11 “(i) An individual who is a member of a household
12 who would otherwise be eligible to participate in the food
13 stamp program under this section and who has been dis-
14 qualified for noncompliance with program requirements
15 from the program established by the State under part A
16 of title IV of the Social Security Act (42 U.S.C. 601 et
17 seq.) shall not be eligible to participate in the food stamp
18 program during the period such disqualification is in
19 effect.”.

20 **SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**
21 **SYSTEMS.**

22 (a) Section 7(i) of the Food Stamp Act of 1977 (7
23 U.S.C. 2016(i)) is amended—

24 (1) by amending paragraph (1) to read as
25 follows:

1 “(1)(A) State agencies are encouraged to implement
2 an on-line electronic benefit transfer system in which
3 household benefits determined under section 8(a) or sec-
4 tion 24 are issued from and stored in a central data bank
5 and electronically accessed by household members at the
6 point-of-sale.

7 “(B) Subject to paragraph (2), a State is authorized
8 to procure and implement an on-line electronic benefit
9 transfer system under the terms, conditions, and design
10 that the State deems appropriate, except that each elec-
11 tronic benefit transfer card shall bear a photograph of the
12 members of the household to which such card is issued.

13 “(C) Upon request of a State, the Secretary may
14 waive any provision of this Act prohibiting the effective
15 implementation of an electronic benefit transfer system
16 under this subsection.”;

17 (2) in paragraph (2)—

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

20 (B) by striking “the approval of”;

21 (C) in subparagraph (A) by striking “, in
22 any 1 year,”; and

23 (D) by amending subparagraph (D) to
24 read as follows:

(3) in paragraph (3), by striking “the Secretary shall not approve such a system unless—” and inserting “such system shall provide that—”.

21 "SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT
22 TRANSFER SYSTEMS.

HR 4 RFS

1 ceive a grant for any fiscal year to operate a low-income
2 nutrition assistance program in such fiscal year in lieu of
3 the food stamp program.

4 “(b)(1) A State that meets the requirements of this
5 section and elects to operate such program, shall receive
6 each fiscal year under this section the sum of—

7 “(A)(i) the total dollar value of all benefits is-
8 sued under the food stamp program by the State
9 during fiscal year 1994; or

10 “(ii) the average per fiscal year of the total dol-
11 lar value of all benefits issued under the food stamp
12 program by the State during fiscal years 1992
13 through 1994; and

14 “(B)(i) the total amount received by the State
15 for administrative costs under section 16(a) for fis-
16 cal year 1994; or

17 “(ii) the average per fiscal year of the total
18 amount received by the State for administrative
19 costs under section 16(a) for fiscal years 1992
20 through 1994.

21 “(2) Upon approval by the Secretary of the plan sub-
22 mitted by a State under subsection (c), the Secretary shall
23 pay to the State at such times and in such manner as
24 the Secretary may determine, the amount to which the
25 State is eligible under subsection (b)(1).

1 “(c) To be eligible to operate a low-income nutrition
2 assistance program under this section, a State shall sub-
3 mit for approval each fiscal year a plan of operation speci-
4 fying the manner in which such a program will be con-
5 ducted by the State. Such plan shall—

6 “(1) certify that the State has implemented a
7 state-wide electronic benefit transfer system in ac-
8 cordance with section 7(i);

9 “(2) designate a single State agency responsible
10 for the administration of the low-income nutrition
11 assistance program under this section;

12 “(3) assess the food and nutrition needs of
13 needy persons residing in the State;

14 “(4) limit the assistance to be provided under
15 this section to the purchase of food;

16 “(5) describe the persons to whom such assist-
17 ance will be provided;

18 “(6) assure the Secretary that assistance will be
19 provided to the most needy persons in the State and
20 that applicants for assistance shall have adequate
21 notice and fair hearings comparable to those re-
22 quired under section 11;

23 “(7) provide that, in the operation of the low-
24 income nutrition assistance program, there shall be

1 no discrimination on the basis of race, sex, religion,
2 national origin, or political beliefs; and

3 “(8) include other information as may be re-
4 quired by the Secretary.

5 “(d) Payments made under this section to the State
6 may be expended only in the fiscal year for which such
7 payments are distributed, except that the State may re-
8 serve up to 5 percent of the grant received for a fiscal
9 year to provide assistance under this section in subsequent
10 fiscal years: *Provided*, That such reserved funds may not
11 total more than 20 percent of the total grant received
12 under this section for a fiscal year.

13 “(e) The State agency shall keep records concerning
14 the operation of the program carried out under this sec-
15 tion and shall make such records available to the Secretary
16 and the Comptroller General of the United States.

17 “(f) If the Secretary finds that there is substantial
18 failure by a State to comply with the requirements of this
19 section, regulations issued pursuant to this section, or the
20 plan approved under subsection (c), then the Secretary
21 shall take one or more of the following actions:

22 “(1) Suspend all or part of such payment au-
23 thorized by subsection (b)(2) to be made available to
24 such State, until the Secretary determines the State

1 to be in substantial compliance with such require-
2 ments.

3 “(2) Withhold all or part of such payments
4 until the Secretary determines that there is no
5 longer failure to comply with such requirements, at
6 which time the withheld payment may be paid.

7 “(3) Terminate the authority of the State to
8 operate the low-income nutrition assistance program.

9 “(g)(1) States which receive grants under this section
10 shall provide for—

11 “(A) a biennial audit, conducted in accordance
12 with the standards of the Comptroller General, of
13 expenditures for the provision of nutrition assistance
14 under this section; and

15 “(B) not later than 120 days after the end of
16 each fiscal year in which an audit is conducted, pro-
17 vide the Secretary with such audit.

18 States shall make the report of such audit available for
19 public inspection.

20 “(2) Not later than 120 days after the end of the
21 fiscal year for which a State receives a grant under this
22 section, such State shall prepare an activities report com-
23 paring actual expenditures for such fiscal year for nutri-
24 tion assistance under this section with the expenditures
25 for such fiscal year predicted in the plan submitted in ac-

1 cordance with subsection (c). Such State shall make the
2 activities report available for public inspection.

3 “(h) Whoever knowingly and willfully embezzles,
4 misapplies, steals, or obtains by fraud, false statement, or
5 forgery, any funds, assets, or property provided or fi-
6 nanced under this section shall be fined not more than
7 \$10,000 or imprisoned for not more than 5 years, or
8 both.”.

9 **SEC. 557. VALUE OF MINIMUM ALLOTMENT.**

10 Section 8(a) of the Food Stamp Act of 1977 (7
11 U.S.C. 2017(a)) is amended by striking “, and shall be
12 adjusted on each October 1” and all that follows through
13 the end of such subsection, and inserting a period.

14 **SEC. 558. INITIAL MONTH BENEFIT DETERMINATION.**

15 Section 8(c)(2)(B) of the Food Stamp Act of 1977
16 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more
17 than one month” after “following any period”.

18 **SEC. 559. IMPROVING FOOD STAMP PROGRAM MANAGE-**
19 **MENT.**

20 (a) Section 13(a)(1) of the Food Stamp Act of 1977
21 (7 U.S.C. 2022(a)(1)) is amended—

22 (1) in the fifth sentence, by inserting “(after a
23 determination on any request for a waiver for good
24 cause related to the claim has been made by the Sec-
25 retary)” after “bill for collection”; and

1 (2) in the sixth sentence, by striking “1 year”
2 and inserting “2 years”.

3 (b) Section 16(c) of the Food Stamp Act of 1977 (7
4 U.S.C. 2025(c)) is amended—

5 (1) in paragraph (1)(C)—

6 (A) by striking “national performance
7 measure” and inserting “payment error toler-
8 ance level”; and

9 (B) by striking “equal to—” and all that
10 follows through the period at the end and in-
11 serting the following:

12 “equal to its payment error rate less such tolerance
13 level times the total value of allotments issued in
14 such a fiscal year by such State agency. The amount
15 of liability shall not be affected by corrective action
16 under subparagraph (B).”;

17 (2) in paragraph (3)(A), by striking “120 days”
18 and inserting “60 days (or 90 days at the discretion
19 of the Secretary)”;

20 (3) in the last sentence of paragraph (6), by in-
21 serting “shall be used to establish a payment-error
22 tolerance level. Such tolerance level for any fiscal
23 year will be one percentage point added to the lowest
24 national performance measure ever announced up to
25 and including such fiscal year under this section.

1 The payment-error tolerance level” after “The an-
2 nounced national performance measure”; and

3 (4) by striking paragraphs (8) and (9).

4 **SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PRO-**
5 **GRAM.**

6 (a) Section 11(e) of the Food Stamp Act of 1977 (7
7 U.S.C. 2020(e)), as amended by section 542(b), is amend-
8 ed—

9 (1) in paragraph (25), by striking “and”;

10 (2) in paragraph (26), by striking the period
11 and inserting “; and” at the end; and

12 (3) by adding at the end the following new
13 paragraph:

14 “(27) the plans of the State agency for includ-
15 ing eligible food stamp recipients in a work
16 supplementation or support program under section
17 16(j).”.

18 (b) Section 16 of the Food Stamp Act of 1977 (7
19 U.S.C. 2025), as amended by section 554(b), is amended
20 by adding at the end the following new subsection:

21 “(j) WORK SUPPLEMENTATION OR SUPPORT PRO-
22 GRAM.—

23 “(1) A State may elect to use the sums equal
24 to the food stamp benefits that would otherwise be
25 allotted to participants under the food stamp pro-

1 gram but for the operation of this subsection for the
2 purposes of providing and subsidizing or supporting
3 jobs under a work supplementation or support pro-
4 gram established by the State.

5 “(2) If a State that makes the election de-
6 scribed in paragraph (1) identifies each household
7 that participates in the food stamp program which
8 contains an individual who is participating in such
9 work supplementation or support program—

10 “(A) the Secretary shall pay to the State
11 an amount equal to the value of the allotment
12 that the household would be eligible to receive
13 but for the operation of this subsection;

14 “(B) the State shall expend such amount
15 in accordance with its work supplementation or
16 support program in lieu of the allotment that
17 the household would receive but for the oper-
18 ation of this subsection;

19 “(C) for purposes of—

20 “(i) sections 5 and 8(a), the amount
21 received under this subsection shall be ex-
22 cluded from household income and re-
23 sources; and

24 “(ii) section 8(b), the amount received
25 under this subsection shall be considered

1 as the value of an allotment provided to
2 the household; and

3 “(D) the household shall not receive an al-
4 lotment from the State agency for the period
5 during which the member continues to partici-
6 pate in the work supplementation program.

7 “(3) No person shall be excused by reason of
8 the fact that such State has a work supplementation
9 or support program from any work requirement
10 under section 6(d), except during the periods in
11 which such individual is employed under such work
12 supplementation or support program.

13 “(4) For purposes of this subsection, the term
14 “work supplementation or support program” shall
15 mean a program in which, as determined by the Sec-
16 retary, public assistance, including any benefits pro-
17 vided under a program established by the State and
18 the food stamp program, is provided to an employer
19 to be used for hiring a public assistance recipient.”.

20 **SEC. 561. OBLIGATIONS AND ALLOTMENTS.**

21 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.
22 2027) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1)—

1 (i) by striking “are authorized to be
2 appropriated such sums as are necessary
3 for each of the fiscal years 1991 through
4 1995” and inserting the following:

5 “is provided to be obligated, not in excess of the cost esti-
6 mate made by the Congressional Budget Office for this
7 Act, as amended by the Personal Responsibility Act of
8 1995, for the fiscal year ending September 30, 1996, with
9 adjustments for any estimates of total obligations for addi-
10 tional fiscal years made by the Congressional Budget Of-
11 fice to reflect the provisions contained in the Personal Re-
12 sponsibility Act of 1995”;

13 (ii) by striking “In each monthly re-
14 port, the Secretary shall also state” and
15 inserting “Also, the Secretary shall file a
16 report every February 15, April 15, and
17 July 15, stating”; and

18 (iii) by striking “supplemental appro-
19 priations” and inserting “additional
20 obligational authority”; and

21 (B) in paragraph (2), by striking “author-
22 ized to be appropriated” and inserting “obli-
23 gated”;

24 (2) in subsection (b)—

1 (A) in the first sentence, by striking “ap-
2 propriation” and inserting “total obligations
3 limitation provided”; and

4 (B) in the second sentence, by striking
5 “appropriation” and inserting “obligational
6 amount provided in subsection (a)(1)”;
7 (3) in subsection (c)—

8 (A) by inserting “or under section 24”
9 after “under sections 5(d) and 5(e)”;

10 (B) by inserting “or under section 24”
11 after “under section 5(c)”;

12 (C) by striking “and” after “or otherwise
13 disabled”; and

14 (D) by inserting before the period at the
15 end “, and (3) adequate and appropriate rec-
16 ommendations on how to equitably achieve such
17 reductions”; and

18 (4) in subsection (f), by striking “No funds ap-
19 propriated” and inserting “None of the funds obli-
20 gated”.

1 **CHAPTER 3—PROGRAM INTEGRITY**

2 **SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION**
3 **PERIODS.**

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 new sentence:

7 “The Secretary shall establish specific time periods during
8 which authorization to accept and redeem coupons, or to
9 redeem benefits through an electronic benefit transfer sys-
10 tem, under the food stamp program shall be valid.”.

11 **SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RE-**
12 **TAIL FOOD STORES AND WHOLESALE FOOD**
13 **CONCERNS.**

14 Section 9(a)(1) of the Food Stamp Act of 1977 (7
15 U.S.C. 2018(a)(1)), as previously amended by this title,
16 is amended by adding at the end the following new sen-
17 tence:

18 “No retail food store or wholesale food concern shall be
19 approved for participation in the food stamp program un-
20 less an authorized employee of the Department of Agri-
21 culture, wherever possible, or an official of the State or
22 local government designated by the Department of Agri-
23 culture, has visited such retail food store or wholesale food
24 concern for the purpose of determining whether such retail

1 food store or wholesale food concern should be so ap-
2 proved.”.

3 **SEC. 573. WAITING PERIOD FOR RETAIL FOOD STORES AND**
4 **WHOLESALE FOOD CONCERNS THAT ARE DE-**
5 **NIED APPROVAL TO ACCEPT COUPONS.**

6 Section 9(d) of the Food Stamp Act of 1977 (7
7 U.S.C. 2018(d)) is amended by adding at the end the fol-
8 lowing new sentence:

9 “Such retail food store or wholesale food concern shall not
10 submit an application under subsection (a)(1) for six
11 months from the date of receipt of the notice of denial.”.

12 **SEC. 574. DISQUALIFICATION OF RETAIL FOOD STORES**
13 **AND WHOLESALE FOOD CONCERNS.**

14 Section 12(a) of the Food Stamp Act of 1977 (7
15 U.S.C. 2021(a)) is amended—

16 (1) by inserting “(1)” after “(a); and

17 (2) by inserting the following new paragraph:

18 “(2) A retail food store or wholesale food concern
19 that is disqualified from participating in the program
20 under section 17 of the Child Nutrition Act of 1966 shall
21 for such period of disqualification also be disqualified from
22 participating in the food stamp program.”.

1 **SEC. 575. AUTHORITY TO SUSPEND STORES VIOLATING**
2 **PROGRAM REQUIREMENTS PENDING ADMIN-**
3 **ISTRATIVE AND JUDICIAL REVIEW.**

4 Section 14(a) of the Food Stamp Act of 1977 (7
5 U.S.C. 2023(a)) is amended by adding at the end the fol-
6 lowing new sentence:

7 “Notwithstanding any other provision of law, the perma-
8 nent disqualification of a retail food store or wholesale
9 food concern under section 12(b)(3) shall be effective from
10 the date of receipt of the notice of disqualification.”.

11 **SEC. 576. CRIMINAL FORFEITURE.**

12 Section 15 of the Food Stamp Act of 1977 (7 U.S.C.
13 2024) is amended by adding at the end the following new
14 subsection:

15 “(h)(1) The court, in imposing sentence on a person
16 convicted of an offense in violation of subsection (b) or
17 (c), shall order, in addition to any other sentence imposed
18 pursuant to this subsection, that the person forfeit to the
19 United States all property described in paragraph (2).

20 “(2) All property, real and personal, used in a trans-
21 action or attempted transaction, to commit, or to facilitate
22 the commission of, a violation (other than a misdemeanor)
23 of subsection (b) or (c), or proceeds traceable to a violation
24 of subsection (b) or (c), is subject to forfeiture to the Unit-
25 ed States.

1 “(3) No property shall be forfeited under this sub-
2 section to the extent of an interest of an owner, by reason
3 of any act or omission established by that owner to have
4 been committed or omitted without the knowledge or con-
5 sent of that owner.

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

9 “(A) to reimburse the Department of Justice
10 for the costs incurred by the Department to initiate
11 and complete the forfeiture proceeding that caused
12 the sale that produced such proceeds;

13 “(B) to reimburse the Department of Agri-
14 culture Office of Inspector General for any costs it
15 incurred in the law enforcement effort resulting in
16 the forfeiture;

17 “(C) to reimburse any Federal or State law en-
18 forcement agencies for any costs incurred in the law
19 enforcement effort resulting in the forfeiture; and

20 “(D) by the Secretary to carry out the ap-
21 proval, reauthorization, and compliance investiga-
22 tions of retail stores under section 9.”.

23 **SEC. 577. EXPANDED DEFINITION OF “COUPON”.**

24 Section 3(d) of the Food Stamp Act of 1977 (7
25 U.S.C. 2012(d)) is amended by striking “or type of certifi-

1 cate” and inserting “type of certificate, authorization
2 cards, cash or checks issued in lieu of coupons, or access
3 devices, including, but not limited to, electronic benefit
4 transfer cards or personal identification numbers”.

5 **SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD**
6 **STAMP PROGRAM REQUIREMENTS.**

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

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

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

13 **SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

14 Section 6(b)(1)(iii) of the Food Stamp Act of 1977
15 (7 U.S.C. 2015(b)(1)(iii)) is amended—

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

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

20 (3) by adding at the end the following new
21 subclause:

22 “(IV) a conviction of an offense under sub-
23 section (a) or (b) of section 15 involving items
24 referred to in such subsection having a value of
25 \$500 or more.”.

1 **SEC. 580. CLAIMS COLLECTION.**

2 (a) Section 11(e)(8) of the Food Stamp Act of 1977
3 (7 U.S.C. 2020(e)(8)) is amended by inserting before the
4 semicolon at the end “or refunds of Federal taxes as au-
5 thorized pursuant to section 3720A of title 31 of the Unit-
6 ed States Code”.

7 (b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is
8 amended—

9 (1) by striking “may” and inserting “shall”;
10 and

11 (2) by inserting before the period at the end
12 “or refunds of Federal taxes as authorized pursuant
13 to section 3720A of title 31 of the United States
14 Code”.

15 **SEC. 581. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS**
16 **TO INDIVIDUALS FOUND TO HAVE FRAUDU-**
17 **LENTLY MISREPRESENTED RESIDENCE IN**
18 **ORDER TO OBTAIN BENEFITS SIMULTA-**
19 **NEOUSLY IN 2 OR MORE STATES.**

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

22 “(I) An individual shall be ineligible to participate in
23 the food stamp program as a member of any household
24 during the 10-year period beginning on the date the indi-
25 vidual is found by a State to have made, or is convicted
26 in Federal or State court of having made, a fraudulent

1 statement or representation with respect to the place of
2 residence of the individual in order to receive benefits si-
3 multaneously from 2 or more States under the food stamp
4 program or under programs that are funded under part
5 A of title IV, title XIX, or benefits in 2 or more States
6 under the supplemental security income program under
7 title XVI.”.

8 **SEC. 582. DISQUALIFICATION RELATING TO CHILD SUP-**
9 **PORT ARREARS.**

10 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.
11 2015) is amended by adding at the end the following:

12 “(i) No individual is eligible to participate in the food
13 stamp program as a member of any household during any
14 period such individual has any unpaid liability that is
15 both—

16 “(1) under a court order for the support of a
17 child of such individual; and

18 “(2) for which the court is not allowing such in-
19 dividual to delay payment.”.

20 **SEC. 583. ELIMINATION OF FOOD STAMP BENEFITS WITH**
21 **RESPECT TO FUGITIVE FELONS AND PROBA-**
22 **TION AND PAROLE VIOLATORS.**

23 (a) INELIGIBILITY FOR FOOD STAMPS.—Section 6 of
24 the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended

1 by section 555, is amended by adding at the end the fol-
2 lowing:

3 “(j) No member of a household who is otherwise eligi-
4 ble to participate in the food stamp program shall be eligi-
5 ble to participate in the program as a member of that or
6 any other household while the individual is—

7 “(1) fleeing to avoid prosecution, or custody or
8 confinement after conviction, under the laws of the
9 place from which he flees, for a crime, or an attempt
10 to commit a crime, which is a felony under the laws
11 of the place from which he flees, or which, in the
12 case of the State of New Jersey, is a high mis-
13 demeanor under the laws of such State; or

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

16 (2) EXCHANGE OF INFORMATION WITH LAW EN-
17 FORCEMENT OFFICERS.—Section 11(e)(8) of such Act (7
18 U.S.C. 2020(e)(8)) is amended—

19 (1) by striking “and (C)” and inserting “(C)”;
20 and

21 (2) by inserting before the semicolon at the end
22 the following: “, (D) notwithstanding any other pro-
23 vision of law, the address of a member of a house-
24 hold shall be made available, on request, to a Fed-
25 eral, State, or local law enforcement officer if the of-

1 ficer furnishes the State agency with the name of
2 the member and notifies the agency that (i) the
3 member (I) is fleeing to avoid prosecution, or cus-
4 tody or confinement after conviction, under the laws
5 of the place from which he flees, for a crime, or an
6 attempt to commit a crime, which is a felony under
7 the laws of the place from which he flees, or which,
8 in the case of the State of New Jersey, is a high
9 misdemeanor under the laws of such State, or is vio-
10 lating a condition of probation or parole imposed
11 under Federal or State law, or (II) has information
12 that is necessary for the officer to conduct the offi-
13 cer's official duties, (ii) the location or apprehension
14 of the member is within the official duties of the of-
15 ficer, and (iii) the request is made in the proper ex-
16 ercise of the duties, and''.

17 **Subtitle C—Effective Dates and**
18 **Miscellaneous Provisions**

19 **SEC. 591. EFFECTIVE DATES.**

20 (a) Except as provided in subsection (b), this title and
21 amendments made by this title shall take effect on October
22 1, 1995.

23 (b) The amendments made by section 559 shall take
24 effect on October 1, 1994.

1 **SEC. 592. SENSE OF THE CONGRESS.**

2 It is the sense of the Congress that States that oper-
 3 ate electronic benefit systems to transfer benefits provided
 4 under the Food Stamp Act of 1977 should operate elec-
 5 tronic benefit systems that are compatible with each other.

6 **SEC. 593. DEFICIT REDUCTION.**

7 It is the sense of the Committee on Agriculture of
 8 the House of Representatives that reductions in outlays
 9 resulting from subtitle B shall not be taken into account
 10 for purposes of section 252 of the Balanced Budget and
 11 Emergency Deficit Control Act of 1985.

12 **TITLE VI—SUPPLEMENTAL**
 13 **SECURITY INCOME**

14 **SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME**
 15 **BENEFITS BY REASON OF DISABILITY TO**
 16 **DRUG ADDICTS AND ALCOHOLICS.**

17 (a) IN GENERAL.—Section 1614(a)(3) of the Social
 18 Security Act (42 U.S.C. 1382c(a)(3)) is amended by add-
 19 ing at the end the following:

20 “(I) Notwithstanding subparagraph (A), an individ-
 21 ual shall not be considered to be disabled for purposes of
 22 this title if alcoholism or drug addiction would (but for
 23 this subparagraph) be a contributing factor material to
 24 the Commissioner’s determination that the individual is
 25 disabled.”.

26 (b) CONFORMING AMENDMENTS.—

1 (1) Section 1611(e) of such Act (42 U.S.C.
2 1382(e)) is amended by striking paragraph (3).

3 (2) Section 1631(a)(2)(A)(ii) of such Act (42
4 U.S.C. 1383(a)(2)(A)(ii)) is amended—

5 (A) by striking “(I)”; and

6 (B) by striking subclause (II).

7 (3) Section 1631(a)(2)(B) of such Act (42
8 U.S.C. 1383(a)(2)(B)) is amended—

9 (A) by striking clause (vii);

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

12 (C) in clause (ix)—

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

15 (ii) in subclause (II), by striking all
16 that follows “15 years” and inserting a pe-
17 riod;

18 (D) in clause (xiii)—

19 (i) by striking “(xii)” and inserting
20 “(xi)”;

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

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

1 (4) Section 1631(a)(2)(D)(i)(II) of such Act
2 (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by
3 striking all that follows “\$25.00 per month” and in-
4 serting a period.

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

7 (6) Section 201(c)(1) of the Social Security
8 Independence and Program Improvements Act of
9 1994 (42 U.S.C. 425 note) is amended—

10 (A) by striking “—” and all that follows
11 through “(A)” the 1st place such term appears;

12 (B) by striking “and” the 3rd place such
13 term appears;

14 (C) by striking subparagraph (B);

15 (D) by striking “either subparagraph (A)
16 or subparagraph (B)” and inserting “the pre-
17 ceding sentence”; and

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

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on October 1, 1995, and shall
22 apply with respect to months beginning on or after such
23 date.

24 (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG
25 ADDICTS AND ALCOHOLICS.—

1 (1) IN GENERAL.—Out of any money in the
2 Treasury not otherwise appropriated, there are here-
3 by appropriated—

4 (A) for carrying out section 1971 of the
5 Public Health Service Act (as amended by
6 paragraph (2) of this subsection), \$95,000,000
7 for each of the fiscal years 1997 through 2000;
8 and

9 (B) for carrying out the medication devel-
10 opment project to improve drug abuse and drug
11 treatment research (administered through the
12 National Institute on Drug Abuse), \$5,000,000
13 for each of the fiscal years 1997 through 2000.

14 (2) CAPACITY EXPANSION PROGRAM REGARD-
15 ING DRUG ABUSE TREATMENT.—Section 1971 of the
16 Public Health Service Act (42 U.S.C. 300y) is
17 amended—

18 (A) in subsection (a)(1), by adding at the
19 end the following sentence: “This paragraph is
20 subject to subsection (j).”;

21 (B) by redesignating subsection (j) as sub-
22 section (k);

23 (C) in subsection (j) (as so redesignated),
24 by inserting before the period the following:

1 “and for each of the fiscal years 1995 through
2 2000”; and

3 (D) by inserting after subsection (i) the
4 following subsection:

5 “(j) FORMULA GRANTS FOR CERTAIN FISCAL
6 YEARS.—

7 “(1) IN GENERAL.—For each of the fiscal years
8 1997 through 2000, the Director shall, for the pur-
9 pose described in subsection (a)(1), make a grant to
10 each State that submits to the Director an applica-
11 tion in accordance with paragraph (2). Such a grant
12 for a State shall consist of the allotment determined
13 for the State under paragraph (3). For each of the
14 fiscal years 1997 through 2000, grants under this
15 paragraph shall be the exclusive grants under this
16 section.

17 “(2) REQUIREMENTS.—The Director may make
18 a grant under paragraph (1) only if, by the date
19 specified by the Director, the State submits to the
20 Director an application for the grant that is in such
21 form, is made in such manner, and contain such
22 agreements, assurances, and information as the Di-
23 rector determines to be necessary to carry out this
24 subsection, and if the application contains an agree-
25 ment by the State in accordance with the following:

1 “(A) The State will expend the grant in
2 accordance with the priority described in sub-
3 section (b)(1).

4 “(B) The State will comply with the condi-
5 tions described in each of subsections (c), (d),
6 (g), and (h).

7 “(3) ALLOTMENT.—

8 “(A) For purposes of paragraph (1), the
9 allotment under this paragraph for a State for
10 a fiscal year shall, except as provided in sub-
11 paragraph (B), be the product of—

12 “(i) the amount appropriated in sec-
13 tion 601(d)(1)(A) of the Personal Respon-
14 sibility Act of 1995 for the fiscal year, to-
15 gether with any additional amounts appro-
16 priated to carry out this section for the fis-
17 cal year; and

18 “(ii) the percentage determined for
19 the State under the formula established in
20 section 1933(a).

21 “(B) Subsections (b) through (d) of section
22 1933 apply to an allotment under subparagraph
23 (A) to the same extent and in the same manner
24 as such subsections apply to an allotment under
25 subsection (a) of section 1933.”.

1 **SEC. 602. SUPPLEMENTAL SECURITY INCOME BENEFITS**
2 **FOR DISABLED CHILDREN.**

3 (a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENE-
4 FITS.—

5 (1) IN GENERAL.—Section 1614(a)(3)(A) of the
6 Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is
7 amended—

8 (A) by inserting “(i)” after “(3)(A)”;

9 (B) by inserting “who has attained 18
10 years of age” before “shall be considered”;

11 (C) by striking “he” and inserting “the in-
12 dividual”;

13 (D) by striking “(or, in the case of an indi-
14 vidual under the age of 18, if he suffers from
15 any medically determinable physical or mental
16 impairment impairment of comparable sever-
17 ity)”; and

18 (E) by adding after and below the end the
19 following:

20 “(ii) An individual who has not attained 18 years of
21 age shall be considered to be disabled for purposes of this
22 title for a month if the individual—

23 “(I) meets all non-disability-related require-
24 ments for eligibility for cash benefits under this title;

25 “(II) has any medically determinable physical
26 or mental impairment (or combination of impair-

1 ments) that meets the requirements, applicable to
2 individuals who have not attained 18 years of age,
3 of the Listings of Impairments set forth in appendix
4 1 of subpart P of part 404 of title 20, Code of Fed-
5 eral Regulations (revised as of April 1, 1994), or
6 that is equivalent in severity to such an impairment
7 (or such a combination of impairments); and

8 “(III)(aa) for the month preceding the first
9 month for which this clause takes effect, was eligible
10 for cash benefits under this title by reason of disabil-
11 ity; or

12 “(bb) as a result of the impairment (or com-
13 bination of impairments) involved—

14 “(1) is in a hospital, skilled nursing facil-
15 ity, nursing facility, residential treatment facil-
16 ity, intermediate care facility for the mentally
17 retarded, or other medical institution; or

18 “(2) would be required to be placed in
19 such an institution if the individual were not re-
20 ceiving personal assistance necessitated by the
21 impairment (or impairments).

22 “(iii) As used in clause (ii)(III)(bb)(2), the term ‘per-
23 sonal assistance’ includes at least hands-on or stand-by
24 assistance, supervision, or cueing, with activities of daily
25 living and the administration of medical treatment (where

1 applicable). For purposes of the preceding sentence, the
2 term ‘activities of daily living’ means eating, toileting,
3 dressing, bathing, and transferring.”.

4 (2) NOTICE.—Within 1 month after the date of
5 the enactment of this Act, the Commissioner of So-
6 cial Security shall notify each individual whose eligi-
7 bility for cash supplemental security income benefits
8 under title XVI of the Social Security Act will termi-
9 nate by reason of the amendments made by para-
10 graph (1) of such termination.

11 (3) ANNUAL REPORTS ON LISTINGS OF IMPAIR-
12 MENTS.—The Commissioner of Social Security shall
13 annually submit to the Congress a report on the
14 Listings of Impairments set forth in appendix 1 of
15 subpart P of part 404 of title 20, Code of Federal
16 Regulations (revised as of April 1, 1994), that are
17 applicable to individuals who have not attained 18
18 years of age, and recommend any necessary revisions
19 to the listings.

20 (b) ESTABLISHMENT OF PROGRAM OF BLOCK
21 GRANTS REGARDING CHILDREN WITH DISABILITIES.—

22 (1) IN GENERAL.—Title XVI of the Social Se-
23 curity Act (42 U.S.C. 1381 et seq.) is amended by
24 adding at the end the following:

1 **“PART C—BLOCK GRANTS TO STATES FOR**
2 **CHILDREN WITH DISABILITIES**

3 **“SEC. 1641. ENTITLEMENT TO GRANTS.**

4 “Each State that meets the requirements of section
5 1642 for fiscal year 1997 or any subsequent fiscal year
6 shall be entitled to receive from the Commissioner for the
7 fiscal year a grant in an amount equal to the allotment
8 (as defined in section 1646(1)) of the State for the fiscal
9 year.

10 **“SEC. 1642. REQUIREMENTS.**

11 “(a) IN GENERAL.—A State meets the requirements
12 of this section for a grant under section 1641 for a fiscal
13 year if by the date specified by the Commissioner, the
14 State submits to the Commissioner an application for the
15 grant that is in such form, is made in such manner, and
16 contain such agreements, assurances, and information as
17 the Commissioner determines to be necessary to carry out
18 this part, and if the application contains an agreement by
19 the State in accordance with the following:

20 “(1) The grant will not be expended for any
21 purpose other than providing authorized services (as
22 defined in section 1646(2)) to qualifying children (as
23 defined in section 1646(3)).

24 “(2)(A) In providing authorized services, the
25 State will make every reasonable effort to obtain
26 payment for the services from other Federal or State

1 programs that provide payment for such services
2 and from private entities that are legally liable to
3 make the payments pursuant to insurance policies,
4 prepaid plans, or other arrangements.

5 “(B) The State will expend the grant only to
6 the extent that payments from the programs and en-
7 tities described in subparagraph (A) are not avail-
8 able for authorized services provided by the State.

9 “(3) The State will comply with the condition
10 described in subsection (b).

11 “(4) The State will comply with the condition
12 described in subsection (c).

13 “(b) MAINTENANCE OF EFFORT.—

14 “(1) IN GENERAL.—The condition referred to
15 in subsection (a)(3) for a State for a fiscal year is
16 that, with respect to the purposes described in para-
17 graph (2), the State will maintain expenditures of
18 non-Federal amounts for such purposes at a level
19 that is not less than the following, as applicable:

20 “(A) For the first fiscal year for which the
21 State receives a grant under section 1641, an
22 amount equal to the difference between—

23 “(i) the average level of such expendi-
24 tures maintained by the State for the 2-
25 year period preceding October 1, 1995 (ex-

1 cept that, if such first fiscal year is other
2 than fiscal year 1997, the amount of such
3 average level shall be increased to the ex-
4 tent necessary to offset the effect of infla-
5 tion occurring after October 1, 1995); and

6 “(ii) the aggregate of non-Federal ex-
7 penditures made by the State for such 2-
8 year period pursuant to section 1618 (as
9 such section was in effect for such period).

10 “(B) For each subsequent fiscal year, the
11 amount applicable under subparagraph (A) in-
12 creased to the extent necessary to offset the ef-
13 fect of inflation occurring after the beginning of
14 the fiscal year to which such subparagraph ap-
15 plies.

16 “(2) RELEVANT PURPOSES.—The purposes de-
17 scribed in this paragraph are any purposes designed
18 to meet (or assist in meeting) the unique needs of
19 qualifying children that arise from physical and
20 mental impairments, including such purposes that
21 are authorized to be carried out under title XIX.

22 “(3) RULE OF CONSTRUCTION.—With respect
23 to compliance with the agreement made by a State
24 pursuant to paragraph (1), the State has discretion
25 to select, from among the purposes described in

1 paragraph (2), the purposes for which the State ex-
2 pends the non-Federal amounts reserved by the
3 State for such compliance.

4 “(4) USE OF CONSUMER PRICE INDEX.—Deter-
5 minations under paragraph (1) of the extent of in-
6 flation shall be made through use of the consumer
7 price index for all urban consumers, U.S. city aver-
8 age, published by the Bureau of Labor Statistics.

9 “(c) ASSESSMENT OF NEED FOR SERVICES.—The
10 condition referred to in subsection (a)(4) for a State for
11 a fiscal year is that each qualifying child will be permitted
12 to apply for authorized services, and will be provided with
13 an opportunity to have an assessment conducted to deter-
14 mine the need of such child for authorized services.

15 **“SEC. 1643. AUTHORITY OF STATE.**

16 “The following decisions are in the discretion of a
17 State with respect to compliance with an agreement made
18 by the State under section 1642(a)(1):

19 “(1) Decisions regarding which of the author-
20 ized services are provided.

21 “(2) Decisions regarding who among qualifying
22 children in the State receives the services.

23 “(3) Decisions regarding the number of services
24 provided for the qualifying child involved and the
25 duration of the services.

1 **“SEC. 1644. AUTHORIZED SERVICES.**

2 “(a) AUTHORITY OF COMMISSIONER.—The Commis-
3 sioner, subject to subsection (b), shall issue regulations
4 designating the purposes for which grants under section
5 1641 are authorized to be expended by the States.

6 “(b) REQUIREMENTS REGARDING SERVICES.—The
7 Commissioner shall ensure that the purposes authorized
8 under subsection (a)—

9 “(1) are designed to meet (or assist in meeting)
10 the unique needs of qualifying children that arise
11 from physical and mental impairments;

12 “(2) include medical and nonmedical services;
13 and

14 “(3) do not include the provision of cash bene-
15 fits.

16 **“SEC. 1645. GENERAL PROVISIONS.**

17 “(a) ISSUANCE OF REGULATIONS.—Regulations
18 under this part shall be issued in accordance with proce-
19 dures established for the issuance of substantive rules
20 under section 553 of title 5, United States Code. Pay-
21 ments under grants under section 1641 for fiscal year
22 1997 shall begin not later than January 1, 1997, without
23 regard to whether final rules under this part have been
24 issued and without regard to whether such rules have
25 taken effect.

26 “(b) PROVISIONS REGARDING OTHER PROGRAMS.—

1 “(1) INAPPLICABILITY OF VALUE OF SERV-
2 ICES.—The value of authorized services provided
3 under this part shall not be taken into account in
4 determining eligibility for, or the amount of, benefits
5 or services under any Federal or federally-assisted
6 program.

7 “(2) MEDICAID PROGRAM.—For purposes of
8 title XIX, each qualifying child shall be considered
9 to be a recipient of supplemental security income
10 benefits under this title (without regard to whether
11 the child has received authorized services under this
12 part and without regard to whether the State in-
13 volved is receiving a grant under section 1641). The
14 preceding sentence applies on and after the date of
15 the enactment of this part.

16 “(c) USE BY STATES OF EXISTING DELIVERY SYS-
17 TEMS.—With respect to the systems utilized by the States
18 to deliver services to individuals with disabilities (including
19 systems utilized before the date of the enactment of the
20 Personal Responsibility Act of 1995), it is the sense of
21 the Congress that the States should utilize such systems
22 in providing authorized services under this part.

23 “(d) REQUIRED PARTICIPATION OF STATES.—Sub-
24 paragraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall
25 not apply to a State that does not participate in the pro-

1 gram established in this part for fiscal year 1997 or any
2 succeeding fiscal year.

3 **“SEC. 1646. DEFINITIONS.**

4 “As used in this part:

5 “(1) ALLOTMENT.—The term ‘allotment’
6 means, with respect to a State and a fiscal year, the
7 product of—

8 “(A) an amount equal to the difference be-
9 tween—

10 “(i) the number of qualifying children
11 in the State (as determined for the most
12 recent 12-month period for which data are
13 available to the Commissioner); and

14 “(ii) the number of qualifying children
15 in the State receiving cash benefits under
16 this title by reason of disability (as so de-
17 termined); and

18 “(B) an amount equal to 75 percent of the
19 mean average of the respective annual totals of
20 cash benefits paid under this title to each quali-
21 fying child described in subparagraph (A)(ii)
22 (as so determined).

23 “(2) AUTHORIZED SERVICE.—The term ‘au-
24 thorized service’ means each purpose authorized by
25 the Commissioner under section 1644(a).

1 “(3) QUALIFYING CHILD.—

2 “(A) IN GENERAL.—The term ‘qualifying
3 child’ means an individual who—

4 “(i) has not attained 18 years of age;
5 and

6 “(ii)(I) is eligible for cash benefits
7 under this title by reason of disability; or
8 “(II) meets the conditions described
9 in subclauses (I) and (II) of section
10 1614(a)(3)(A)(ii), but (by reason of
11 subclause (III) of such section) is not eligi-
12 ble for such cash benefits.

13 “(B) RESPONSIBILITIES OF COMMIS-
14 SIONER.—The Commissioner shall provide for
15 determinations of whether individuals meet the
16 criteria established in subparagraph (A) for sta-
17 tus as qualifying children. Such determinations
18 shall be made in accordance with the provisions
19 otherwise applicable under this title with re-
20 spect to such criteria.”.

21 (2) RULE REGARDING CERTAIN MILITARY PAR-
22 ENTS; CASH BENEFITS FOR QUALIFYING CHIL-
23 DREN.—Section 1614(a)(1)(B)(ii) of the Social Se-
24 curity Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amend-
25 ed by striking “United States, and who, for the

1 month” and all that follows and inserting the follow-
2 ing: “United States, and—

3 “(I) who, for the month before the parent re-
4 ported for such assignment, received a cash benefit
5 under this title by reason of blindness, or

6 “(II) for whom, for such month, a determina-
7 tion was in effect that the child is a qualifying child
8 under section 1646(3).”.

9 (c) PROVISIONS RELATING TO SSI CASH BENEFITS
10 AND SSI SERVICE BENEFITS.—

11 (1) CONTINUING DISABILITY REVIEWS FOR
12 CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such
13 Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

14 (A) by inserting “(i)” after “(G)”; and

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

16 “(ii)(I) Not less frequently than once every 3 years,
17 the Commissioner shall redetermine the eligibility for cash
18 benefits under this title and for services under part C—

19 “(aa) of each individual who has not attained
20 18 years of age and is eligible for such cash benefits
21 by reason of disability; and

22 “(bb) of each qualifying child (as defined in sec-
23 tion 1646(3)).

1 “(II) Subclause (I) shall not apply to an individual
2 if the individual has an impairment (or combination of im-
3 pairments) which is (or are) not expected to improve.”.

4 (2) DISABILITY REVIEW REQUIRED FOR SSI RE-
5 CIPIENTS WHO ARE 18 YEARS OF AGE.—

6 (A) IN GENERAL.—Section 1614(a)(3)(G)
7 of such Act (42 U.S.C. 1382c(a)(3)(G)), as
8 amended by paragraph (1) of this subsection, is
9 amended by adding at the end the following:

10 “(iii)(I) The Commissioner shall redetermine the eli-
11 gibility of a qualified individual for supplemental security
12 income benefits under this title by reason of disability, by
13 applying the criteria used in determining eligibility for
14 such benefits of applicants who have attained 18 years of
15 age.

16 “(II) The redetermination required by subclause (I)
17 with respect to a qualified individual shall be conducted
18 during the 1-year period that begins on the date the quali-
19 fied individual attains 18 years of age.

20 “(III) As used in this clause, the term ‘qualified indi-
21 vidual’ means an individual who attains 18 years of age
22 and for whom, for the month preceding the month in
23 which the individual attained such age, a determination
24 was in effect that the individual is a qualifying child under
25 section 1646(3).

1 “(IV) A redetermination under subclause (I) of this
2 clause shall be considered a substitute for a review re-
3 quired under any other provision of this subparagraph.”.

4 (B) REPORT TO THE CONGRESS.—Not
5 later than October 1, 1998, the Commissioner
6 of Social Security shall submit to the Commit-
7 tee on Ways and Means of the House of Rep-
8 resentatives and the Committee on Finance of
9 the Senate a report on the activities conducted
10 under section 1614(a)(3)(G)(iii) of the Social
11 Security Act.

12 (C) CONFORMING REPEAL.—Section 207
13 of the Social Security Independence and Pro-
14 gram Improvements Act of 1994 (42 U.S.C.
15 1382 note; 108 Stat. 1516) is hereby repealed.

16 (3) DISABILITY REVIEW REQUIRED FOR LOW
17 BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI
18 BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G)
19 of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended
20 by paragraphs (1) and (2) of this subsection, is
21 amended by adding at the end the following:

22 “(iv)(I) The Commissioner shall redetermine the eli-
23 gibility for—

24 “(aa) cash benefits under this title by reason of
25 disability of an individual whose low birth weight is

1 a contributing factor material to the Commissioner's
2 determination that the individual is disabled; and

3 “(bb) services under part C of an individual
4 who is eligible for such services by reason of low
5 birth weight.

6 “(II) The redetermination required by subclause (I)
7 shall be conducted once the individual has received such
8 benefits for 12 months.

9 “(III) A redetermination under subclause (I) of this
10 clause shall be considered a substitute for a review re-
11 quired under any other provision of this subparagraph.”.

12 (4) APPLICABILITY OF MEDICAID RULES RE-
13 GARDING COUNTING OF CERTAIN ASSETS AND
14 TRUSTS OF CHILDREN.—Section 1613(c) of the So-
15 cial Security Act (42 U.S.C. 1382b(c)) is amended
16 to read as follows:

17 “TREATMENT OF CERTAIN ASSETS AND TRUSTS IN
18 ELIGIBILITY DETERMINATIONS FOR CHILDREN

19 “(c) Subsections (c) and (d) of section 1917 shall
20 apply to determinations of eligibility for benefits under
21 this title in the case of an individual who has not attained
22 18 years of age in the same manner as such subsections
23 apply to determinations of eligibility for medical assistance
24 under a State plan under title XIX, except that—

25 “(1) the amount described in section
26 1917(c)(1)(E)(i)(II) shall be the amount of cash

1 benefits payable under this title to an eligible indi-
2 vidual who does not have an eligible spouse and who
3 has no income or resources;

4 “(2) the look-back date specified in section
5 1917(c)(1)(B) shall be the date that is 36 months
6 before the date the individual has applied for bene-
7 fits under this title; and

8 “(3) any assets in a trust over which the indi-
9 vidual has control shall be considered assets of the
10 individual.”.

11 (d) CONFORMING AMENDMENTS.—

12 (1) Subsections (b)(1), (b)(2), (c)(3), (c)(5),
13 and (e)(1)(B) of section 1611 of the Social Security
14 Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5),
15 and (e)(1)(B)) are each amended by inserting
16 “cash” before “benefit under this title”.

17 (2) Section 1611(c)(1) of such Act (42 U.S.C.
18 1382(c)(1)) is amended—

19 (A) by striking “a benefit” and inserting
20 “benefits”;

21 (B) by striking “such benefit” and insert-
22 ing “the cash benefit under this title”; and

23 (C) by striking “and the amount of such
24 benefits” and inserting “benefits under this

1 title and the amount of any cash benefit under
2 this title”.

3 (3) Section 1611(c)(2) of such Act (42 U.S.C.
4 1382(c)(2)) is amended—

5 (A) by striking “such benefit” and insert-
6 ing “the cash benefit”;

7 (B) by inserting “cash” before “benefits”
8 each place such term appears; and

9 (C) in subparagraph (B), by inserting
10 “cash” before “benefit”.

11 (4) Section 1611(c)(3) of such Act (42 U.S.C.
12 1382(c)(3)) is amended by inserting “cash” before
13 “benefits under this title”.

14 (5) Section 1611(e)(1)(G) of such Act (42
15 U.S.C. 1382(e)(1)(G)) is amended by inserting
16 “cash” before “benefit of”.

17 (6) Section 1614(a)(4) of such Act (42 U.S.C.
18 1382c(a)(4)) is amended by inserting “or impair-
19 ment” after “disability” each place such term ap-
20 pears.

21 (7) Section 1614(f)(1) of such Act (42 U.S.C.
22 1382c(f)(1)) is amended by striking “and the
23 amount of benefits” and inserting “benefits under
24 this title and the amount of any cash benefit under
25 this title”.

1 (8) Section 1614(f)(2)(A) of such Act (42
2 U.S.C. 1382c(f)(2)(A)) is amended by striking “and
3 the amount of benefits” and inserting “benefits
4 under this title and the amount of any cash benefit”.

5 (9) Section 1614(f)(3) of such Act (42 U.S.C.
6 1382c(f)(3)) is amended by striking “and the
7 amount of benefits” and inserting “benefits under
8 this title and the amount of any cash benefit under
9 this title”.

10 (10) Section 1616(e)(1) of such Act (42 U.S.C.
11 1382e(e)(1)) is amended by inserting “cash” before
12 “supplemental”.

13 (11) Section 1621(a) of such Act (42 U.S.C.
14 1382j(a)) is amended by striking “and the amount
15 of benefits” and inserting “benefits under this title
16 and the amount of any cash benefit under this title”.

17 (12) Section 1631(a)(4) of such Act (42 U.S.C.
18 1383(a)(4)) is amended by inserting “cash” before
19 “benefits” the 1st place such term appears in each
20 of subparagraphs (A) and (B).

21 (13) Section 1631(a)(7)(A) of such Act (42
22 U.S.C. 1383(a)(7)(A)) is amended by inserting
23 “cash” before “benefits based”.

24 (14) Section 1631(a)(8)(A) of such Act (42
25 U.S.C. 1383(a)(8)(A)) is amended by striking “ben-

1 efits based on disability or blindness under this
2 title” and inserting “benefits under this title (other
3 than by reason of age)”.

4 (15) Section 1631(c) of such Act (42 U.S.C.
5 1383(c)) is amended—

6 (A) by striking “payment” each place such
7 term appears and inserting “benefits”; and

8 (B) by striking “payments” each place
9 such term appears and inserting “benefits”.

10 (16) Section 1631(e) of such Act (42 U.S.C.
11 1383(e)) is amended—

12 (A) in paragraph (1)(B), by striking
13 “amounts of such benefits” and inserting
14 “amounts of cash benefits under this title”;

15 (B) in paragraph (2), by inserting “cash”
16 before “benefits” each place such term appears;

17 (C) by redesignating the 2nd paragraph
18 (6) and paragraph (7) as paragraphs (7) and
19 (8), respectively; and

20 (D) in paragraph (7) (as so redesignated),
21 by inserting “cash” before “benefits” each place
22 such term appears.

23 (17) Section 1631(g)(2) of such Act (42 U.S.C.
24 1383(g)(2)) is amended by striking “supplemental
25 security income” and inserting “cash”.

1 (18) Section 1635(a) of such Act (42 U.S.C.
2 1383d(a)) is amended by striking “by reason of dis-
3 ability or blindness”.

4 (e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS
5 FOR POOR DISABLED CHILDREN RESIDING IN STATES
6 APPLYING ALTERNATIVE INCOME ELIGIBILITY STAND-
7 ARDS UNDER MEDICAID.—

8 (1) IN GENERAL.—For the period beginning
9 upon the 1st day of the 1st month that begins 90
10 or more days after the date of the enactment of this
11 Act and ending upon the close of fiscal year 1996,
12 an individual described in paragraph (2) shall be
13 considered to be eligible for cash benefits under title
14 XVI of the Social Security Act, by reason of disabil-
15 ity notwithstanding that the individual does not
16 meet any of the conditions described in section
17 1614(a)(3)(A)(ii)(III) of such Act.

18 (2) REQUIREMENTS.—For purposes of para-
19 graph (1), an individual described in this paragraph
20 is an individual who—

21 (A) has not attained 18 years of age;

22 (B) meets the conditions described in
23 subclauses (I) and (II) of section
24 1614(a)(3)(A)(ii) of the Social Security Act;

1 (C) resides in a State that, pursuant to
2 section 1902(f) of such Act, restricts eligibility
3 for medical assistance under title XIX of such
4 Act with respect to aged, blind, and disabled in-
5 dividuals; and

6 (D) is not eligible for medical assistance
7 under the State plan under such title XIX.

8 (f) REDUCTION IN CASH BENEFITS PAYABLE TO IN-
9 STITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS
10 ARE COVERED BY PRIVATE INSURANCE.—Section
11 1611(e)(1)(B) of the Social Security Act (42 U.S.C.
12 1382(e)(1)(B)) is amended by inserting “or under any
13 health insurance policy issued by a private provider of
14 such insurance” after “title XIX”.

15 (g) APPLICABILITY.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by subsections
18 (a)(1), (c), (d) and (f), and section 1645(b)(2) of the
19 Social Security Act (as added by the amendment
20 made by subsection (b) of this section), shall apply
21 to benefits for months beginning 90 or more days
22 after the date of the enactment of this Act, without
23 regard to whether regulations have been issued to
24 implement such amendments.

1 (2) DELAYED APPLICABILITY TO CURRENT SSI
2 RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The
3 amendments made by subsection (a)(1) shall not
4 apply, during the first 6 months that begin after the
5 month in which this Act becomes law, to an individ-
6 ual who is a recipient of cash supplemental security
7 income benefits under title XVI of the Social Secu-
8 rity Act for the month in which this Act becomes
9 law.

10 (h) REGULATIONS.—Within 3 months after the date
11 of the enactment of this Act—

12 (1) the Commissioner of Social Security shall
13 prescribe such regulations as may be necessary to
14 implement the amendments made by subsections
15 (a)(1), (c), (d), and (f) and to implement subsection
16 (e); and

17 (2) the Secretary of Health and Human Serv-
18 ices shall prescribe such regulations as may be nec-
19 essary to implement section 1645(b)(2) of the Social
20 Security Act, as added by the amendment made by
21 subsection (b) of this section.

1 **SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DE-**
2 **TERMINE ELIGIBILITY OF CHILDREN FOR SSI**
3 **BENEFITS BY REASON OF DISABILITY.**

4 Section 202(e)(2) of the Social Security Independ-
5 ence and Program Improvements Act of 1994 (42 U.S.C.
6 1382 note) is amended—

7 (1) by striking “and” at the end of subpara-
8 graph (F); and

9 (2) by redesignating subparagraph (G) as sub-
10 paragraph (H) and inserting after subparagraph (F)
11 the following:

12 “(G) whether the criteria in the mental dis-
13 orders listings in the Listings of Impairments set
14 forth in appendix 1 of subpart P of part 404 of title
15 20, Code of Federal Regulations, are appropriate to
16 ensure that eligibility of individuals who have not at-
17 tained 18 years of age for cash benefits under the
18 supplemental security income program by reason of
19 disability is limited to those who have serious dis-
20 abilities and for whom such benefits are necessary to
21 improve their condition or quality of life; and”.

1 **SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO,**
2 **THE VIRGIN ISLANDS, AND GUAM UNDER**
3 **PROGRAMS OF AID TO THE AGED, BLIND, OR**
4 **DISABLED.**

5 Section 1108 of the Social Security Act (42 U.S.C.
6 1308), as amended by section 104(e)(1) of this Act, is
7 amended by inserting before “The total” the following:

8 “(a) PROGRAMS OF AID TO THE AGED, BLIND, OR
9 DISABLED.—The total amount certified by the Secretary
10 of Health and Human Services under titles I, X, XIV, and
11 XVI (as in effect without regard to the amendment made
12 by section 301 of the Social Security Amendments of
13 1972)—

14 “(1) for payment to Puerto Rico shall not ex-
15 ceed \$18,053,940;

16 “(2) for payment to the Virgin Islands shall not
17 exceed \$473,659; and

18 “(3) for payment to Guam shall not exceed
19 \$900,718.

20 “(b) MEDICAID PROGRAMS.—”.

21 **SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**
22 **MENTS APPLICABLE TO OPTIONAL STATE**
23 **PROGRAMS FOR SUPPLEMENTATION OF SSI**
24 **BENEFITS.**

25 Section 1618 of the Social Security Act (42 U.S.C.
26 1382g) is hereby repealed.

1 **SEC. 606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY**
2 **MISREPRESENTED RESIDENCE IN ORDER TO**
3 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**
4 **MORE STATES.**

6 Section 1614(a) of the Social Security Act (42 U.S.C.
7 1382c(a)) is amended by adding at the end the following:

8 “(5) An individual shall not be considered an eligible
9 individual for purposes of this title during the 10-year pe-
10 riod beginning on the date the individual is found by a
11 State to have made, or is convicted in Federal or State
12 court of having made, a fraudulent statement or represen-
13 tation with respect to the place of residence of the individ-
14 ual in order to receive benefits simultaneously from 2 or
15 more States under programs that are funded under part
16 A of title IV, title XIX, or the Food Stamp Act of 1977,
17 or benefits in 2 or more States under the supplemental
18 security income program under title XVI.”.

19 **SEC. 607. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**
20 **AND PROBATION AND PAROLE VIOLATORS.**

21 (a) IN GENERAL.—Section 1611(c) of the Social Se-
22 curity Act (42 U.S.C. 1382(e)), as amended by section
23 601(b)(1) of this Act, is amended by inserting after para-
24 graph (2) the following:

25 “(3) A person shall not be an eligible individual
26 or eligible spouse for purposes of this title with re-

1 spect to any month if, throughout the month, the
2 person is—

3 “(A) fleeing to avoid prosecution, or cus-
4 tody or confinement after conviction, under the
5 laws of the place from which the person flees,
6 for a crime, or an attempt to commit a crime,
7 which is a felony under the laws of the place
8 from which the person flees, or which, in the
9 case of the State of New Jersey, is a high mis-
10 demeanor under the laws of such State; or

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

13 (b) EXCHANGE OF INFORMATION WITH LAW EN-
14 FORCEMENT AGENCIES.—Section 1631(e) of such Act (42
15 U.S.C. 1383(e)) is amended by inserting after paragraph
16 (3) the following:

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

23 “(A) the recipient—

24 “(i) is fleeing to avoid prosecution, or cus-
25 tody or confinement after conviction, under the

1 laws of the place from which the person flees,
2 for a crime, or an attempt to commit a crime,
3 which is a felony under the laws of the place
4 from which the person flees, or which, in the
5 case of the State of New Jersey, is a high mis-
6 demeanor under the laws of such State;

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

9 “(iii) has information that is necessary for
10 the officer to conduct the officer’s official du-
11 ties;

12 “(B) the location or apprehension of the recipi-
13 ent is within the official duties of the officer; and

14 “(C) the request is made in the proper exercise
15 of such duties.”.

16 **TITLE VII—CHILD SUPPORT**

17 **SEC. 700. REFERENCES.**

18 Except as otherwise specifically provided, wherever in
19 this title an amendment is expressed in terms of an
20 amendment to or repeal of a section or other provision,
21 the reference shall be considered to be made to that sec-
22 tion or other provision of the Social Security Act.

1 **Subtitle A—Eligibility for Services;**
2 **Distribution of Payments**

3 **SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**
4 **ENFORCEMENT SERVICES.**

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

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

9 “(4) provide that the State will—

10 “(A) provide services relating to the estab-
11 lishment of paternity or the establishment,
12 modification, or enforcement of child support
13 obligations, as appropriate, under the plan with
14 respect to—

15 “(i) each child for whom cash assist-
16 ance is provided under the State program
17 funded under part A of this title, benefits
18 or services are provided under the State
19 program funded under part B of this title,
20 or medical assistance is provided under the
21 State plan approved under title XIX, un-
22 less the State agency administering the
23 plan determines (in accordance with para-
24 graph (28)) that it is against the best in-
25 terests of the child to do so; and

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

4 “(B) enforce any support obligation estab-
5 lished with respect to—

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

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

10 (2) in paragraph (6)—

11 (A) by striking “provide that” and insert-
12 ing “provide that—”;

13 (B) by striking subparagraph (A) and in-
14 serting the following:

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

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

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

24 (i) by indenting the subparagraph in
25 the same manner as, and aligning the left

1 margin of the subparagraph with the left
2 margin of, the matter inserted by subpara-
3 graph (B) of this paragraph; and

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

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

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 452(b) (42 U.S.C. 652(b)) is
10 amended by striking “454(6)” and inserting
11 “454(4)”.

12 (2) Section 452(g)(2)(A) (42 U.S.C.
13 652(g)(2)(A)) is amended by striking “454(6)” each
14 place it appears and inserting “454(4)(A)(ii)”.

15 (3) Section 466(a)(3)(B) (42 U.S.C.
16 666(a)(3)(B)) is amended by striking “in the case of
17 overdue support which a State has agreed to collect
18 under section 454(6)” and inserting “in any other
19 case”.

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

1 **SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
2 **TIONS.**

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

5 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

6 “(a) IN GENERAL.—An amount collected on behalf
7 of a family as support by a State pursuant to a plan ap-
8 proved under this part shall be distributed as follows:

9 “(1) FAMILIES RECEIVING CASH ASSISTANCE.—

10 In the case of a family receiving cash assistance
11 from the State, the State shall—

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

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

16 “(2) FAMILIES THAT FORMERLY RECEIVED
17 CASH ASSISTANCE.—In the case of a family that for-
18 merly received cash assistance from the State:

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

25 “(B) PAYMENTS OF ARREARAGES.—To the
26 extent that the amount so collected exceeds the

1 amount required to be paid to the family for
2 the month in which collected, the State shall
3 distribute the amount so collected as follows:

4 “(i) DISTRIBUTION TO THE FAMILY
5 TO SATISFY ARREARAGES THAT ACCRUED
6 BEFORE OR AFTER THE FAMILY RECEIVED
7 CASH ASSISTANCE.—The State shall dis-
8 tribute the amount so collected to the fam-
9 ily to the extent necessary to satisfy any
10 support arrears with respect to the family
11 that accrued before or after the family re-
12 ceived cash assistance from the State.

13 “(ii) REIMBURSEMENT OF GOVERN-
14 MENTS FOR ASSISTANCE PROVIDED TO
15 THE FAMILY.—To the extent that clause
16 (i) does not apply to the amount, the State
17 shall retain the State share of the amount
18 so collected, and pay to the Federal Gov-
19 ernment the Federal share of the amount
20 so collected, to the extent necessary to re-
21 imburse amounts paid to the family as
22 cash assistance from the State.

23 “(iii) DISTRIBUTION OF THE REMAIN-
24 DER TO THE FAMILY.—To the extent that
25 neither clause (i) nor clause (ii) applies to

1 the amount so collected, the State shall
2 distribute the amount to the family.

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

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

8 “(1) CASH ASSISTANCE.—The term ‘cash as-
9 sistance from the State’ means—

10 “(A) cash assistance under the State pro-
11 gram funded under part A or under the State
12 plan approved under part A of this title (as in
13 effect before October 1, 1995); or

14 “(B) cash benefits under the State pro-
15 gram funded under part B or under the State
16 plan approved under part B or E of this title
17 (as in effect before October 1, 1995).

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

22 “(A) the greatest Federal medical assist-
23 ance percentage in effect for the State for fiscal
24 year 1995 or any succeeding fiscal year; or

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

8 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
9 AGE.—The term ‘Federal medical assistance per-
10 centage’ means—

11 “(A) the Federal medical assistance per-
12 centage (as defined in section 1118), in the case
13 of Puerto Rico, the Virgin Islands, Guam, and
14 American Samoa; or

15 “(B) the Federal medical assistance per-
16 centage (as defined in section 1905(b)) in the
17 case of any other State.

18 “(4) FEDERAL REIMBURSEMENT PERCENT-
19 AGE.—The term ‘Federal reimbursement percentage’
20 means, with respect to a fiscal year—

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

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

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

3 “(c) CONTINUATION OF SERVICES FOR FAMILIES
4 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
5 PROGRAM FUNDED UNDER PART A.—When a family with
6 respect to which services are provided under a State plan
7 approved under this part ceases to receive assistance
8 under the State program funded under part A, the State
9 shall provide appropriate notice to the family and continue
10 to provide such services, subject to the same conditions
11 and on the same basis as in the case of individuals to
12 whom services are furnished under section 454, except
13 that an application or other request to continue services
14 shall not be required of such a family and section
15 454(6)(B) shall not apply to the family.”.

16 (b) EFFECTIVE DATE.—

17 (1) GENERAL RULE.—Except as provided in
18 paragraph (2), the amendment made by subsection
19 (a) shall become effective on October 1, 1999.

20 (2) EARLIER EFFECTIVE DATE FOR RULES RE-
21 LATING TO DISTRIBUTION OF SUPPORT COLLECTED
22 FOR FAMILIES RECEIVING CASH ASSISTANCE.—Sec-
23 tion 457(a)(1) of the Social Security Act, as added
24 by the amendment made by subsection (a), shall be-
25 come effective on October 1, 1995.

1 **SEC. 703. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654) is amended—

4 (1) by striking “and” at the end of paragraph
5 (23);

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

8 (3) by adding after paragraph (24) the follow-
9 ing:

10 “(25) will have in effect safeguards, applicable
11 to all confidential information handled by the State
12 agency, that are designed to protect the privacy
13 rights of the parties, including—

14 “(A) safeguards against unauthorized use
15 or disclosure of information relating to proceed-
16 ings or actions to establish paternity, or to es-
17 tablish or enforce support;

18 “(B) prohibitions against the release of in-
19 formation on the whereabouts of one party to
20 another party against whom a protective order
21 with respect to the former party has been en-
22 tered; and

23 “(C) prohibitions against the release of in-
24 formation on the whereabouts of one party to
25 another party if the State has reason to believe
26 that the release of the information may result

1 in physical or emotional harm to the former
2 party.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall become effective on October 1, 1997.

5 **Subtitle B—Locate and Case**
6 **Tracking**

7 **SEC. 711. STATE CASE REGISTRY.**

8 Section 454A, as added by section 745(a)(2) of this
9 Act, is amended by adding at the end the following:

10 “(e) STATE CASE REGISTRY.—

11 “(1) CONTENTS.—The automated system re-
12 quired by this section shall include a registry (which
13 shall be known as the ‘State case registry’) that con-
14 tains records with respect to—

15 “(A) each case in which services are being
16 provided by the State agency under the State
17 plan approved under this part; and

18 “(B) each support order established or
19 modified in the State on or after October 1,
20 1998.

21 “(2) LINKING OF LOCAL REGISTRIES.—The
22 State case registry may be established by linking
23 local case registries of support orders through an
24 automated information network, subject to this sec-
25 tion.

1 “(3) USE OF STANDARDIZED DATA ELE-
2 MENTS.—Such records shall use standardized data
3 elements for both parents (such as names, social se-
4 curity numbers and other uniform identification
5 numbers, dates of birth, and case identification
6 numbers), and contain such other information (such
7 as on case status) as the Secretary may require.

8 “(4) PAYMENT RECORDS.—Each case record in
9 the State case registry with respect to which services
10 are being provided under the State plan approved
11 under this part and with respect to which a support
12 order has been established shall include a record
13 of—

14 “(A) the amount of monthly (or other peri-
15 odic) support owed under the order, and other
16 amounts (including arrears, interest or late
17 payment penalties, and fees) due or overdue
18 under the order;

19 “(B) any amount described in subpara-
20 graph (A) that has been collected;

21 “(C) the distribution of such collected
22 amounts;

23 “(D) the birth date of any child for whom
24 the order requires the provision of support; and

1 “(E) the amount of any lien imposed with
2 respect to the order pursuant to section
3 466(a)(4).

4 “(5) UPDATING AND MONITORING.—The State
5 agency operating the automated system required by
6 this section shall promptly establish and maintain,
7 and regularly monitor, case records in the State case
8 registry with respect to which services are being pro-
9 vided under the State plan approved under this part,
10 on the basis of—

11 “(A) information on administrative actions
12 and administrative and judicial proceedings and
13 orders relating to paternity and support;

14 “(B) information obtained from compari-
15 son with Federal, State, or local sources of in-
16 formation;

17 “(C) information on support collections
18 and distributions; and

19 “(D) any other relevant information.

20 “(f) INFORMATION COMPARISONS AND OTHER DIS-
21 CLOSURES OF INFORMATION.—The State shall use the
22 automated system required by this section to extract infor-
23 mation from (at such times, and in such standardized for-
24 mat or formats, as may be required by the Secretary), to
25 share and compare information with, and to receive infor-

1 mation from, other data bases and information compari-
2 son services, in order to obtain (or provide) information
3 necessary to enable the State agency (or the Secretary or
4 other State or Federal agencies) to carry out this part,
5 subject to section 6103 of the Internal Revenue Code of
6 1986. Such information comparison activities shall include
7 the following:

8 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
9 PORT ORDERS.—Furnishing to the Federal Case
10 Registry of Child Support Orders established under
11 section 453(h) (and update as necessary, with infor-
12 mation including notice of expiration of orders) the
13 minimum amount of information on child support
14 cases recorded in the State case registry that is nec-
15 essary to operate the registry (as specified by the
16 Secretary in regulations).

17 “(2) FEDERAL PARENT LOCATOR SERVICE.—
18 Exchanging information with the Federal Parent
19 Locator Service for the purposes specified in section
20 453.

21 “(3) TEMPORARY FAMILY ASSISTANCE AND
22 MEDICAID AGENCIES.—Exchanging information with
23 State agencies (of the State and of other States) ad-
24 ministering programs funded under part A, pro-
25 grams operated under State plans under title XIX,

1 and other programs designated by the Secretary, as
2 necessary to perform State agency responsibilities
3 under this part and under such programs.

4 “(4) INTRA- AND INTERSTATE INFORMATION
5 COMPARISONS.—Exchanging information with other
6 agencies of the State, agencies of other States, and
7 interstate information networks, as necessary and
8 appropriate to carry out (or assist other States to
9 carry out) the purposes of this part.”.

10 **SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT**
11 **PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
13 U.S.C. 654), as amended by section 703(a) of this Act,
14 is amended—

15 (1) by striking “and” at the end of paragraph
16 (24);

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

19 (3) by adding after paragraph (25) the follow-
20 ing:

21 “(26) provide that, on and after October 1,
22 1998, the State agency will—

23 “(A) operate a State disbursement unit in
24 accordance with section 454B; and

1 “(B) have sufficient State staff (consisting
2 of State employees) and (at State option) con-
3 tractors reporting directly to the State agency
4 to—

5 “(i) monitor and enforce support col-
6 lections through the unit (including carry-
7 ing out the automated data processing re-
8 sponsibilities described in section 454A(g));
9 and

10 “(ii) take the actions described in sec-
11 tion 466(c)(1) in appropriate cases.”.

12 (b) ESTABLISHMENT OF STATE DISBURSEMENT
13 UNIT.—Part D of title IV (42 U.S.C. 651–669), as
14 amended by section 745(a)(2) of this Act, is amended by
15 inserting after section 454A the following:

16 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**
17 **PORT PAYMENTS.**

18 “(a) STATE DISBURSEMENT UNIT.—

19 “(1) IN GENERAL.—In order for a State to
20 meet the requirements of this section, the State
21 agency must establish and operate a unit (which
22 shall be known as the ‘State disbursement unit’) for
23 the collection and disbursement of payments under
24 support orders in all cases being enforced by the
25 State pursuant to section 454(4).

1 “(2) OPERATION.—The State disbursement
2 unit shall be operated—

3 “(A) directly by the State agency (or 2 or
4 more State agencies under a regional coopera-
5 tive agreement), or (to the extent appropriate)
6 by a contractor responsible directly to the State
7 agency; and

8 “(B) in coordination with the automated
9 system established by the State pursuant to
10 section 454A.

11 “(3) LINKING OF LOCAL DISBURSEMENT
12 UNITS.—The State disbursement unit may be estab-
13 lished by linking local disbursement units through
14 an automated information network, subject to this
15 section. The Secretary must agree that the system
16 will not cost more nor take more time to establish
17 than a centralized system. In addition, employers
18 shall be given 1 location to which income withhold-
19 ing is sent.

20 “(b) REQUIRED PROCEDURES.—The State disburse-
21 ment unit shall use automated procedures, electronic proc-
22 esses, and computer-driven technology to the maximum
23 extent feasible, efficient, and economical, for the collection
24 and disbursement of support payments, including proce-
25 dures—

1 “(1) for receipt of payments from parents, em-
2 ployers, and other States, and for disbursements to
3 custodial parents and other obligees, the State agen-
4 cy, and the agencies of other States;

5 “(2) for accurate identification of payments;

6 “(3) to ensure prompt disbursement of the cus-
7 todial parent’s share of any payment; and

8 “(4) to furnish to any parent, upon request,
9 timely information on the current status of support
10 payments under an order requiring payments to be
11 made by or to the parent.

12 “(c) TIMING OF DISBURSEMENTS.—The State dis-
13 bursement unit shall distribute all amounts payable under
14 section 457(a) within 2 business days after receipt from
15 the employer or other source of periodic income, if suffi-
16 cient information identifying the payee is provided.

17 “(d) BUSINESS DAY DEFINED.—As used in this sec-
18 tion, the term ‘business day’ means a day on which State
19 offices are open for regular business.”.

20 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
21 added by section 745(a)(2) of this Act and as amended
22 by section 711 of this Act, is amended by adding at the
23 end the following:

24 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
25 PAYMENTS.—

1 “(1) IN GENERAL.—The State shall use the
2 automated system required by this section, to the
3 maximum extent feasible, to assist and facilitate the
4 collection and disbursement of support payments
5 through the State disbursement unit operated under
6 section 454B, through the performance of functions,
7 including, at a minimum—

8 “(A) transmission of orders and notices to
9 employers (and other debtors) for the withhold-
10 ing of wages (and other income)—

11 “(i) within 2 business days after re-
12 ceipt (from a court, another State, an em-
13 ployer, the Federal Parent Locator Service,
14 or another source recognized by the State)
15 of notice of, and the income source subject
16 to, such withholding; and

17 “(ii) using uniform formats prescribed
18 by the Secretary;

19 “(B) ongoing monitoring to promptly iden-
20 tify failures to make timely payment of support;
21 and

22 “(C) automatic use of enforcement proce-
23 dures (including procedures authorized pursu-
24 ant to section 466(c)) where payments are not
25 timely made.

1 “(2) BUSINESS DAY DEFINED.—As used in
2 paragraph (1), the term ‘business day’ means a day
3 on which State offices are open for regular busi-
4 ness.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall become effective on October 1, 1998.

7 **SEC. 713. STATE DIRECTORY OF NEW HIRES.**

8 (a) STATE PLAN REQUIREMENT.—Section 454 (42
9 U.S.C. 654), as amended by sections 703(a) and 712(a)
10 of this Act, is amended—

11 (1) by striking “and” at the end of paragraph
12 (25);

13 (2) by striking the period at the end of para-
14 graph (26) and inserting “; and”; and

15 (3) by adding after paragraph (26) the follow-
16 ing:

17 “(27) provide that, on and after October 1,
18 1997, the State will operate a State Directory of
19 New Hires in accordance with section 453A.”.

20 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
21 title IV (42 U.S.C. 651–669) is amended by inserting
22 after section 453 the following:

23 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

24 “(a) ESTABLISHMENT.—

1 “(1) IN GENERAL.—Not later than October 1,
2 1997, each State shall establish an automated direc-
3 tory (to be known as the ‘State Directory of New
4 Hires’) which shall contain information supplied in
5 accordance with subsection (b) by employers and
6 labor organizations on each newly hired employee.

7 “(2) DEFINITIONS.—As used in this section:

8 “(A) EMPLOYEE.—The term ‘employee’—

9 “(i) means an individual who is an
10 employee within the meaning of chapter 24
11 of the Internal Revenue Code of 1986; and

12 “(ii) does not include an employee of
13 a Federal or State agency performing in-
14 telligence or counterintelligence functions,
15 if the head of such agency has determined
16 that reporting pursuant to paragraph (1)
17 with respect to the employee could endan-
18 ger the safety of the employee or com-
19 promise an ongoing investigation or intel-
20 ligence mission.

21 “(B) GOVERNMENTAL EMPLOYERS.—The
22 term ‘employer’ includes any governmental en-
23 tity.

24 “(C) LABOR ORGANIZATION.—The term
25 ‘labor organization’ shall have the meaning

1 given such term in section 2(5) of the National
2 Labor Relations Act, and includes any entity
3 (also known as a ‘hiring hall’) which is used by
4 the organization and an employer to carry out
5 requirements described in section 8(f)(3) of
6 such Act of an agreement between the organiza-
7 tion and the employer.

8 “(b) EMPLOYER INFORMATION.—

9 “(1) REPORTING REQUIREMENT.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), each employer shall furnish
12 to the Directory of New Hires of the State in
13 which a newly hired employee works a report
14 that contains the name, address, and social se-
15 curity number of the employee, and the name
16 of, and identifying number assigned under sec-
17 tion 6109 of the Internal Revenue Code of 1986
18 to, the employer.

19 “(B) MULTISTATE EMPLOYERS.—An em-
20 ployer who has employees who are employed in
21 2 or more States may comply with subpara-
22 graph (A) by transmitting the report described
23 in subparagraph (A) magnetically or electroni-
24 cally to the State in which the greatest number
25 of employees of the employer are employed.

1 “(2) TIMING OF REPORT.—The report required
2 by paragraph (1) with respect to an employee shall
3 be made not later than the later of—

4 “(A) 15 days after the date the employer
5 hires the employee; or

6 “(B) the date the employee first receives
7 wages or other compensation from the em-
8 ployer.

9 “(c) REPORTING FORMAT AND METHOD.—Each re-
10 port required by subsection (b) shall be made on a W-
11 4 form or the equivalent, and may be transmitted by first
12 class mail, magnetically, or electronically.

13 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
14 EMPLOYERS.—

15 “(1) IN GENERAL.—An employer that fails to
16 comply with subsection (b) with respect to an em-
17 ployee shall be subject to a civil money penalty of—

18 “(A) \$25; or

19 “(B) \$500 if, under State law, the failure
20 is the result of a conspiracy between the em-
21 ployer and the employee to not supply the re-
22 quired report or to supply a false or incomplete
23 report.

24 “(2) APPLICABILITY OF SECTION 1128.—Section
25 1128 (other than subsections (a) and (b) of such

1 section) shall apply to a civil money penalty under
2 paragraph (1) of this subsection in the same manner
3 as such section applies to a civil money penalty or
4 proceeding under section 1128A(a).

5 “(e) INFORMATION COMPARISONS.—

6 “(1) IN GENERAL.—Not later than October 1,
7 1997, an agency designated by the State shall, di-
8 rectly or by contract, conduct automated compari-
9 sons of the social security numbers reported by em-
10 ployers pursuant to subsection (b) and the social se-
11 curity numbers appearing in the records of the State
12 case registry for cases being enforced under the
13 State plan.

14 “(2) NOTICE OF MATCH.—When an information
15 comparison conducted under paragraph (1) reveals a
16 match with respect to the social security number of
17 an individual required to provide support under a
18 support order, the State Directory of New Hires
19 shall provide the agency administering the State
20 plan approved under this part of the appropriate
21 State with the name, address, and social security
22 number of the employee to whom the social security
23 number is assigned, and the name of, and identify-
24 ing number assigned under section 6109 of the In-
25 ternal Revenue Code of 1986 to, the employer.

1 “(f) TRANSMISSION OF INFORMATION.—

2 “(1) TRANSMISSION OF WAGE WITHHOLDING
3 NOTICES TO EMPLOYERS.—Within 2 business days
4 after the date information regarding a newly hired
5 employee is entered into the State Directory of New
6 Hires, the State agency enforcing the employee’s
7 child support obligation shall transmit a notice to
8 the employer of the employee directing the employer
9 to withhold from the wages of the employee an
10 amount equal to the monthly (or other periodic)
11 child support obligation of the employee, unless the
12 employee’s wages are not subject to withholding pur-
13 suant to section 466(b)(3).

14 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
15 TORY OF NEW HIRES.—

16 “(A) NEW HIRE INFORMATION.—Within 4
17 business days after the State Directory of New
18 Hires receives information from employers pur-
19 suant to this section, the State Directory of
20 New Hires shall furnish the information to the
21 National Directory of New Hires.

22 “(B) WAGE AND UNEMPLOYMENT COM-
23 PENSATION INFORMATION.—The State Direc-
24 tory of New Hires shall, on a quarterly basis,
25 furnish to the National Directory of New Hires

1 extracts of the reports required under section
2 303(a)(6) to be made to the Secretary of Labor
3 concerning the wages and unemployment com-
4 pensation paid to individuals, by such dates, in
5 such format, and containing such information
6 as the Secretary of Health and Human Services
7 shall specify in regulations.

8 “(3) BUSINESS DAY DEFINED.—As used in this
9 subsection, the term ‘business day’ means a day on
10 which State offices are open for regular business.

11 “(g) OTHER USES OF NEW HIRE INFORMATION.—

12 “(1) LOCATION OF CHILD SUPPORT OBLI-
13 GORS.—The agency administering the State plan ap-
14 proved under this part shall use information received
15 pursuant to subsection (e)(2) to locate individuals
16 for purposes of establishing paternity and establish-
17 ing, modifying, and enforcing child support obliga-
18 tions.

19 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
20 TAIN PROGRAMS.—A State agency responsible for
21 administering a program specified in section 1137(b)
22 shall have access to information reported by employ-
23 ers pursuant to subsection (b) of this section for
24 purposes of verifying eligibility for the program.

1 “(3) ADMINISTRATION OF EMPLOYMENT SECUR-
2 RITY AND WORKERS COMPENSATION.—State agen-
3 cies operating employment security and workers’
4 compensation programs shall have access to informa-
5 tion reported by employers pursuant to subsection
6 (b) for the purposes of administering such pro-
7 grams.”.

8 **SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLD-**
9 **ING.**

10 (a) MANDATORY INCOME WITHHOLDING.—

11 (1) IN GENERAL.—Section 466(a)(1) (42
12 U.S.C. 666(a)(1)) is amended to read as follows:

13 “(1) INCOME WITHHOLDING.—

14 “(A) UNDER ORDERS ENFORCED UNDER
15 THE STATE PLAN.—Procedures described in
16 subsection (b) for the withholding from income
17 of amounts payable as support in cases subject
18 to enforcement under the State plan.

19 “(B) UNDER CERTAIN ORDERS PREDATING
20 CHANGE IN REQUIREMENT.—Procedures under
21 which the wages of a person with a support ob-
22 ligation imposed by a support order issued (or
23 modified) in the State before October 1, 1996,
24 if not otherwise subject to withholding under
25 subsection (b), shall become subject to with-

1 holding as provided in subsection (b) if arrear-
2 ages occur, without the need for a judicial or
3 administrative hearing.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.
6 666(a)(8)(B)(iii)) is amended—

7 (i) by striking “(5),”; and

8 (ii) by inserting “, and, at the option
9 of the State, the requirements of sub-
10 section (b)(5)” before the period.

11 (B) Section 466(b) (42 U.S.C. 666(b)) is
12 amended in the matter preceding paragraph
13 (1), by striking “subsection (a)(1)” and insert-
14 ing “subsection (a)(1)(A)”.

15 (C) Section 466(b)(5) (42 U.S.C.
16 666(b)(5)) is amended by striking all that fol-
17 lows “administered by” and inserting “the
18 State through the State disbursement unit es-
19 tablished pursuant to section 454B, in accord-
20 ance with the requirements of section 454B.”.

21 (D) Section 466(b)(6)(A) (42 U.S.C.
22 666(b)(6)(A)) is amended—

23 (i) in clause (i), by striking “to the
24 appropriate agency” and all that follows
25 and inserting “to the State disbursement

1 unit within 2 business days after the date
2 the amount would (but for this subsection)
3 have been paid or credited to the employee,
4 for distribution in accordance with this
5 part.”;

6 (ii) in clause (ii), by inserting “be in
7 a standard format prescribed by the Sec-
8 retary, and” after “shall”; and

9 (iii) by adding at the end the follow-
10 ing:

11 “(iii) As used in this subparagraph, the term
12 ‘business day’ means a day on which State offices
13 are open for regular business.”.

14 (E) Section 466(b)(6)(D) (42 U.S.C.
15 666(b)(6)(D)) is amended by striking “any em-
16 ployer” and all that follows and inserting the
17 following:

18 “any employer who—

19 “(i) discharges from employment, refuses
20 to employ, or takes disciplinary action against
21 any absent parent subject to wage withholding
22 required by this subsection because of the exist-
23 ence of such withholding and the obligations or
24 additional obligations which is imposes upon the
25 employer; or

6 “(11) Procedures under which the agency ad-
7 ministering the State plan approved under this part
8 may execute a withholding order through electronic
9 means and without advance notice to the obligor.”.

12 SEC. 715. LOCATOR INFORMATION FROM INTERSTATE NET-
13 WORKS.

“(12) LOCATOR INFORMATION FROM INTER-
STATE NETWORKS.—Procedures to ensure that all
Federal and State agencies conducting activities
under this part have access to any system used by
the State to locate an individual for purposes relat-
ing to motor vehicles or law enforcement.”.

1 **SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR**
2 **SERVICE.**

3 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
4 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
5 amended—

6 (1) in subsection (a), by striking all that follows
7 “subsection (c))” and inserting “, for the purpose of
8 establishing parentage, establishing, setting the
9 amount of, modifying, or enforcing child support ob-
10 ligations—

11 “(1) information on, or facilitating the discov-
12 ery of, the location of any individual—

13 “(A) who is under an obligation to pay
14 child support;

15 “(B) against whom such an obligation is
16 sought; or

17 “(C) to whom such an obligation is owed,
18 including the individual’s social security number (or
19 numbers), most recent address, and the name, ad-
20 dress, and employer identification number of the in-
21 dividual’s employer; and

22 “(2) information on the individual’s wages (or
23 other income) from, and benefits of, employment (in-
24 cluding rights to or enrollment in group health care
25 coverage).”; and

1 (2) in subsection (b), in the matter preceding
2 paragraph (1), by striking “social security” and all
3 that follows through “absent parent” and inserting
4 “information described in subsection (a)”.

5 (b) REIMBURSEMENT FOR INFORMATION FROM FED-
6 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
7 653(e)(2)) is amended in the 4th sentence by inserting
8 “in an amount which the Secretary determines to be rea-
9 sonable payment for the information exchange (which
10 amount shall not include payment for the costs of obtain-
11 ing, compiling, or maintaining the information)” before
12 the period.

13 (c) REIMBURSEMENT FOR REPORTS BY STATE
14 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
15 adding at the end the following:

16 “(g) The Secretary may reimburse Federal and State
17 agencies for the costs incurred by such entities in furnish-
18 ing information requested by the Secretary under this sec-
19 tion in an amount which the Secretary determines to be
20 reasonable payment for the information exchange (which
21 amount shall not include payment for the costs of obtain-
22 ing, compiling, or maintaining the information).”.

23 (d) TECHNICAL AMENDMENTS.—

24 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
25 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

1 653(b), 663(a), 663(e), and 663(f)) are each amend-
2 ed by inserting “Federal” before “Parent” each
3 place such term appears.

4 (2) Section 453 (42 U.S.C. 653) is amended in
5 the heading by adding “FEDERAL” before “PAR-
6 ENT”.

7 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.
8 653), as amended by subsection (c) of this section, is
9 amended by adding at the end the following:

10 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
11 ORDERS.—

12 “(1) IN GENERAL.—Not later than October 1,
13 1998, in order to assist States in administering pro-
14 grams under State plans approved under this part
15 and programs funded under part A, and for the
16 other purposes specified in this section, the Sec-
17 retary shall establish and maintain in the Federal
18 Parent Locator Service an automated registry
19 (which shall be known as the ‘Federal Case Registry
20 of Child Support Orders’), which shall contain ab-
21 stracts of support orders and other information de-
22 scribed in paragraph (2) with respect to each case
23 in each State case registry maintained pursuant to
24 section 454A(e), as furnished (and regularly up-

1 dated), pursuant to section 454A(f), by State agen-
2 cies administering programs under this part.

3 “(2) CASE INFORMATION.—The information re-
4 ferred to in paragraph (1) with respect to a case
5 shall be such information as the Secretary may
6 specify in regulations (including the names, social
7 security numbers or other uniform identification
8 numbers, and State case identification numbers) to
9 identify the individuals who owe or are owed support
10 (or with respect to or on behalf of whom support ob-
11 ligations are sought to be established), and the State
12 or States which have the case.

13 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

14 “(1) IN GENERAL.—In order to assist States in
15 administering programs under State plans approved
16 under this part and programs funded under part A,
17 and for the other purposes specified in this section,
18 the Secretary shall, not later than October 1, 1996,
19 establish and maintain in the Federal Parent Loca-
20 tor Service an automated directory to be known as
21 the National Directory of New Hires, which shall
22 contain the information supplied pursuant to section
23 453A(f)(2).

24 “(2) ADMINISTRATION OF FEDERAL TAX
25 LAWS.—The Secretary of the Treasury shall have

1 access to the information in the Federal Directory of
2 New Hires for purposes of administering section 32
3 of the Internal Revenue Code of 1986, or the ad-
4 vance payment of the earned income tax credit
5 under section 3507 of such Code, and verifying a
6 claim with respect to employment in a tax return.

7 “(j) INFORMATION COMPARISONS AND OTHER DIS-
8 CLOSURES.—

9 “(1) VERIFICATION BY SOCIAL SECURITY AD-
10 MINISTRATION.—

11 “(A) The Secretary shall transmit informa-
12 tion on individuals and employers maintained
13 under this section to the Social Security Admin-
14 istration to the extent necessary for verification
15 in accordance with subparagraph (B).

16 “(B) The Social Security Administration
17 shall verify the accuracy of, correct, or supply
18 to the extent possible, and report to the Sec-
19 retary, the following information supplied by
20 the Secretary pursuant to subparagraph (A):

21 “(i) The name, social security num-
22 ber, and birth date of each such individual.

23 “(ii) The employer identification num-
24 ber of each such employer.

1 “(2) INFORMATION COMPARISONS.—For the
2 purpose of locating individuals in a paternity estab-
3 lishment case or a case involving the establishment,
4 modification, or enforcement of a support order, the
5 Secretary shall—

6 “(A) compare information in the National
7 Directory of New Hires against information in
8 the support order abstracts in the Federal Case
9 Registry of Child Support Orders not less often
10 than every 2 business days; and

11 “(B) within 2 such days after such a com-
12 parison reveals a match with respect to an indi-
13 vidual, report the information to the State
14 agency responsible for the case.

15 “(3) INFORMATION COMPARISONS AND DISCLO-
16 SURES OF INFORMATION IN ALL REGISTRIES FOR
17 TITLE IV PROGRAM PURPOSES.—To the extent and
18 with the frequency that the Secretary determines to
19 be effective in assisting States to carry out their re-
20 sponsibilities under programs operated under this
21 part and programs funded under part A, the Sec-
22 retary shall—

23 “(A) compare the information in each com-
24 ponent of the Federal Parent Locator Service
25 maintained under this section against the infor-

1 mation in each other such component (other
2 than the comparison required by paragraph
3 (2)), and report instances in which such a com-
4 parison reveals a match with respect to an indi-
5 vidual to State agencies operating such pro-
6 grams; and

7 “(B) disclose information in such registries
8 to such State agencies.

9 “(4) PROVISION OF NEW HIRE INFORMATION
10 TO THE SOCIAL SECURITY ADMINISTRATION.—The
11 National Directory of New Hires shall provide the
12 Commissioner of Social Security with all information
13 in the National Directory, which shall be used to de-
14 termine the accuracy of payments under the supple-
15 mental security income program under title XVI and
16 in connection with benefits under title II.

17 “(5) RESEARCH.—The Secretary may provide
18 access to information reported by employers pursu-
19 ant to section 453A(b) for research purposes found
20 by the Secretary to be likely to contribute to achiev-
21 ing the purposes of part A or this part, but without
22 personal identifiers.

23 “(k) FEES.—

24 “(1) FOR SSA VERIFICATION.—The Secretary
25 shall reimburse the Commissioner of Social Security,

1 at a rate negotiated between the Secretary and the
2 Commissioner, for the costs incurred by the Com-
3 missioner in performing the verification services de-
4 scribed in subsection (j).

5 “(2) FOR INFORMATION FROM STATE DIREC-
6 TORIES OF NEW HIRES.—The Secretary shall reim-
7 burse costs incurred by State directories of new
8 hires in furnishing information as required by sub-
9 section (j)(3), at rates which the Secretary deter-
10 mines to be reasonable (which rates shall not include
11 payment for the costs of obtaining, compiling, or
12 maintaining such information).

13 “(3) FOR INFORMATION FURNISHED TO STATE
14 AND FEDERAL AGENCIES.—A State or Federal agen-
15 cy that receives information from the Secretary pur-
16 suant to this section shall reimburse the Secretary
17 for costs incurred by the Secretary in furnishing the
18 information, at rates which the Secretary determines
19 to be reasonable (which rates shall include payment
20 for the costs of obtaining, verifying, maintaining,
21 and comparing the information).

22 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
23 formation in the Federal Parent Locator Service, and in-
24 formation resulting from comparisons using such informa-
25 tion, shall not be used or disclosed except as expressly pro-

1 vided in this section, subject to section 6103 of the Inter-
2 nal Revenue Code of 1986.

3 “(m) INFORMATION INTEGRITY AND SECURITY.—
4 The Secretary shall establish and implement safeguards
5 with respect to the entities established under this section
6 designed to—

7 “(1) ensure the accuracy and completeness of
8 information in the Federal Parent Locator Service;
9 and

10 “(2) restrict access to confidential information
11 in the Federal Parent Locator Service to authorized
12 persons, and restrict use of such information to au-
13 thorized purposes.”.

14 (f) CONFORMING AMENDMENTS.—

15 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
16 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
17 654(8)(B)) is amended to read as follows:

18 “(B) the Federal Parent Locator Service
19 established under section 453;”.

20 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
21 Section 3304(a)(16) of the Internal Revenue Code of
22 1986 is amended—

23 (A) by striking “Secretary of Health, Edu-
24 cation, and Welfare” each place such term ap-

1 pears and inserting “Secretary of Health and
2 Human Services”;

3 (B) in subparagraph (B), by striking
4 “such information” and all that follows and in-
5 serting “information furnished under subpara-
6 graph (A) or (B) is used only for the purposes
7 authorized under such subparagraph;”;

8 (C) by striking “and” at the end of sub-
9 paragraph (A);

10 (D) by redesignating subparagraph (B) as
11 subparagraph (C); and

12 (E) by inserting after subparagraph (A)
13 the following new subparagraph:

14 “(B) wage and unemployment compensa-
15 tion information contained in the records of
16 such agency shall be furnished to the Secretary
17 of Health and Human Services (in accordance
18 with regulations promulgated by such Sec-
19 retary) as necessary for the purposes of the Na-
20 tional Directory of New Hires established under
21 section 453(i) of the Social Security Act, and”.

22 (3) TO STATE GRANT PROGRAM UNDER TITLE
23 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
24 (42 U.S.C. 503(a)) is amended—

1 (A) by striking “and” at the end of para-
2 graph (8);

3 (B) by striking “and” at the end of para-
4 graph (9);

5 (C) by striking the period at the end of
6 paragraph (10) and inserting “; and”; and

7 (D) by adding after paragraph (10) the
8 following:

9 “(11) The making of quarterly electronic re-
10 ports, at such dates, in such format, and containing
11 such information, as required by the Secretary of
12 Health and Human Services under section 453(i)(3),
13 and compliance with such provisions as such Sec-
14 retary may find necessary to ensure the correctness
15 and verification of such reports.”.

16 **SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY**
17 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
18 **FORCEMENT.**

19 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
20 U.S.C. 666(a)), as amended by section 715 of this Act,
21 is amended by adding at the end the following:

22 “(13) RECORDING OF SOCIAL SECURITY NUM-
23 BERS IN CERTAIN FAMILY MATTERS.—Procedures
24 requiring that the social security number of—

1 “(A) any applicant for a professional li-
2 cense, commercial driver’s license, occupational
3 license, or marriage license be recorded on the
4 application;

5 “(B) any individual who is subject to a di-
6 vorce decree, support order, or paternity deter-
7 mination or acknowledgment be placed in the
8 records relating to the matter; and

9 “(C) any individual who has died be placed
10 in the records relating to the death and be re-
11 corded on the death certificate.”.

12 (b) CONFORMING AMENDMENTS.—Section
13 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
14 section 321(a)(9) of the Social Security Independence and
15 Program Improvements Act of 1994, is amended—

16 (1) in clause (i), by striking “may require” and
17 inserting “shall require”;

18 (2) in clause (ii), by inserting after the 1st sen-
19 tence the following: “In the administration of any
20 law involving the issuance of a marriage certificate
21 or license, each State shall require each party named
22 in the certificate or license to furnish to the State
23 (or political subdivision thereof) or any State agency
24 having administrative responsibility for the law in-
25 volved, the social security number of the party.”;

1 (3) in clause (vi), by striking “may” and insert-
2 ing “shall”; and

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

4 “(x) An agency of a State (or a politi-
5 cal subdivision thereof) charged with the
6 administration of any law concerning the
7 issuance or renewal of a license, certificate,
8 permit, or other authorization to engage in
9 a profession, an occupation, or a commer-
10 cial activity shall require all applicants for
11 issuance or renewal of the license, certifi-
12 cate, permit, or other authorization to pro-
13 vide the applicant’s social security number
14 to the agency for the purpose of admin-
15 istering such laws, and for the purpose of
16 responding to requests for information
17 from an agency operating pursuant to part
18 D of title IV.

19 “(xi) All divorce decrees, support or-
20 ders, and paternity determinations issued,
21 and all paternity acknowledgments made,
22 in each State shall include the social secu-
23 rity number of each party to the decree,
24 order, determination, or acknowledgement
25 in the records relating to the matter.’”.

1 **Subtitle C—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 721. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466 (42 U.S.C. 666) is amended by adding
5 at the end the following:

6 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
7 ACT.—

8 “(1) ENACTMENT AND USE.—In order to sat-
9 isfy section 454(20)(A) on or after January 1, 1997,
10 each State must have in effect the Uniform Inter-
11 state Family Support Act, as approved by the Na-
12 tional Conference of Commissioners on Uniform
13 State Laws in August 1992 (with the modifications
14 and additions specified in this subsection), and the
15 procedures required to implement such Act.

16 “(2) EXPANDED APPLICATION.—The State law
17 enacted pursuant to paragraph (1) shall be applied
18 to any case involving an order which is established
19 or modified in a State and which is sought to be
20 modified or enforced in another State.

21 “(3) JURISDICTION TO MODIFY ORDERS.—The
22 State law enacted pursuant to paragraph (1) of this
23 subsection shall contain the following provision in
24 lieu of section 611(a)(1) of the Uniform Interstate
25 Family Support Act:

1 “(1) the following requirements are met:

2 “(i) the child, the individual obligee, and
3 the obligor—

4 “(I) do not reside in the issuing
5 State; and

6 “(II) either reside in this State or
7 are subject to the jurisdiction of this State
8 pursuant to section 201; and

9 “(ii) (in any case where another State is
10 exercising or seeks to exercise jurisdiction to
11 modify the order) the conditions of section 204
12 are met to the same extent as required for pro-
13 ceedings to establish orders; or’.

14 “(4) SERVICE OF PROCESS.—The State law en-
15 acted pursuant to paragraph (1) shall provide that,
16 in any proceeding subject to the law, process may be
17 served (and proved) upon persons in the State by
18 any means acceptable in any State which is the initi-
19 ating or responding State in the proceeding.”.

20 **SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT**
21 **FOR CHILD SUPPORT ORDERS.**

22 Section 1738B of title 28, United States Code, is
23 amended—

24 (1) in subsection (a)(2), by striking “subsection
25 (e)” and inserting “subsections (e), (f), and (i)”;

1 (2) in subsection (b), by inserting after the 2nd
2 undesignated paragraph the following:

3 “ ‘child’s home State’ means the State in which
4 a child lived with a parent or a person acting as par-
5 ent for at least six consecutive months immediately
6 preceding the time of filing of a petition or com-
7 parable pleading for support and, if a child is less
8 than six months old, the State in which the child
9 lived from birth with any of them. A period of tem-
10 porary absence of any of them is counted as part of
11 the six-month period.”;

12 (3) in subsection (c), by inserting “by a court
13 of a State” before “is made”;

14 (4) in subsection (c)(1), by inserting “and sub-
15 sections (e), (f), and (g)” after “located”;

16 (5) in subsection (d)—

17 (A) by inserting “individual” before “con-
18 testant”; and

19 (B) by striking “subsection (e)” and in-
20 serting “subsections (e) and (f)”;

21 (6) in subsection (e), by striking “make a modi-
22 fication of a child support order with respect to a
23 child that is made” and inserting “modify a child
24 support order issued”;

1 (7) in subsection (e)(1), by inserting “pursuant
2 to subsection (i)” before the semicolon;

3 (8) in subsection (e)(2)—

4 (A) by inserting “individual” before “con-
5 testant” each place such term appears; and

6 (B) by striking “to that court’s making the
7 modification and assuming” and inserting “with
8 the State of continuing, exclusive jurisdiction
9 for a court of another State to modify the order
10 and assume”;

11 (9) by redesignating subsections (f) and (g) as
12 subsections (g) and (h), respectively;

13 (10) by inserting after subsection (e) the follow-
14 ing:

15 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—

16 If one or more child support orders have been issued in
17 this or another State with regard to an obligor and a child,
18 a court shall apply the following rules in determining
19 which order to recognize for purposes of continuing, exclu-
20 sive jurisdiction and enforcement:

21 “(1) If only one court has issued a child sup-
22 port order, the order of that court must be recog-
23 nized.

24 “(2) If two or more courts have issued child
25 support orders for the same obligor and child, and

1 only one of the courts would have continuing, exclu-
2 sive jurisdiction under this section, the order of that
3 court must be recognized.

4 “(3) If two or more courts have issued child
5 support orders for the same obligor and child, and
6 only one of the courts would have continuing, exclu-
7 sive jurisdiction under this section, an order issued
8 by a court in the current home State of the child
9 must be recognized, but if an order has not been is-
10 sued in the current home State of the child, the
11 order most recently issued must be recognized.

12 “(4) If two or more courts have issued child
13 support orders for the same obligor and child, and
14 none of the courts would have continuing, exclusive
15 jurisdiction under this section, a court may issue a
16 child support order, which must be recognized.

17 “(5) The court that has issued an order recog-
18 nized under this subsection is the court having con-
19 tinuing, exclusive jurisdiction.”;

20 (11) in subsection (g) (as so redesignated)—

21 (A) by striking “PRIOR” and inserting
22 “MODIFIED”; and

23 (B) by striking “subsection (e)” and in-
24 serting “subsections (e) and (f)”;

25 (12) in subsection (h) (as so redesignated)—

1 (A) in paragraph (2), by inserting “includ-
2 ing the duration of current payments and other
3 obligations of support” before the comma; and

4 (B) in paragraph (3), by inserting “arrears
5 under” after “enforce”; and

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

7 “(i) REGISTRATION FOR MODIFICATION.—If there is
8 no individual contestant or child residing in the issuing
9 State, the party or support enforcement agency seeking
10 to modify, or to modify and enforce, a child support order
11 issued in another State shall register that order in a State
12 with jurisdiction over the nonmovant for the purpose of
13 modification.”.

14 **SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
15 **CASES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by
17 sections 715 and 717(a) of this Act, is amended by adding
18 at the end the following:

19 “(14) ADMINISTRATIVE ENFORCEMENT IN
20 INTERSTATE CASES.—Procedures under which—

21 “(A)(i) the State shall respond within 5
22 business days to a request made by another
23 State to enforce a support order; and

1 “(ii) the term ‘business day’ means a day
2 on which State offices are open for regular
3 business;

4 “(B) the State may, by electronic or other
5 means, transmit to another State a request for
6 assistance in a case involving the enforcement
7 of a support order, which request—

8 “(i) shall include such information as
9 will enable the State to which the request
10 is transmitted to compare the information
11 about the case to the information in the
12 data bases of the State; and

13 “(ii) shall constitute a certification by
14 the requesting State—

15 “(I) of the amount of support
16 under the order the payment of which
17 is in arrears; and

18 “(II) that the requesting State
19 has complied with all procedural due
20 process requirements applicable to the
21 case;

22 “(C) if the State provides assistance to an-
23 other State pursuant to this paragraph with re-
24 spect to a case, neither State shall consider the

1 case to be transferred to the caseload of such
2 other State; and

3 “(D) the State shall maintain records of—

4 “(i) the number of such requests for
5 assistance received by the State;

6 “(ii) the number of cases for which
7 the State collected support in response to
8 such a request; and

9 “(iii) the amount of such collected
10 support.”.

11 **SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

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

14 (1) by striking “and” at the end of paragraph
15 (9);

16 (2) by striking the period at the end of para-
17 graph (10) and inserting “; and”; and

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

19 “(11) not later than June 30, 1996, promulgate
20 forms to be used by States in interstate cases for—

21 “(A) collection of child support through in-
22 come withholding;

23 “(B) imposition of liens; and

24 “(C) administrative subpoenas.”.

1 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
2 654(9)) is amended—

3 (1) by striking “and” at the end of subpara-
4 graph (C);

5 (2) by inserting “and” at the end of subpara-
6 graph (D); and

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

8 “(E) no later than October 1, 1996, in
9 using the forms promulgated pursuant to sec-
10 tion 452(a)(11) for income withholding, imposi-
11 tion of liens, and issuance of administrative
12 subpoenas in interstate child support cases;”.

13 **SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCE-**
14 **DURES.**

15 (a) STATE LAW REQUIREMENTS.—Section 466 (42
16 U.S.C. 666), as amended by section 714 of this Act, is
17 amended—

18 (1) in subsection (a)(2), by striking the 1st sen-
19 tence and inserting the following: “Expedited admin-
20 istrative and judicial procedures (including the pro-
21 cedures specified in subsection (c)) for establishing
22 paternity and for establishing, modifying, and en-
23 forcing support obligations.”; and

24 (2) by inserting after subsection (b) the follow-
25 ing:

1 “(c) EXPEDITED PROCEDURES.—The procedures
2 specified in this subsection are the following:

3 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
4 CY.—Procedures which give the State agency the au-
5 thority to take the following actions relating to es-
6 tablishment or enforcement of support orders, with-
7 out the necessity of obtaining an order from any
8 other judicial or administrative tribunal (but subject
9 to due process safeguards, including (as appropriate)
10 requirements for notice, opportunity to contest the
11 action, and opportunity for an appeal on the record
12 to an independent administrative or judicial tribu-
13 nal), and to recognize and enforce the authority of
14 State agencies of other States) to take the following
15 actions:

16 “(A) GENETIC TESTING.—To order genetic
17 testing for the purpose of paternity establish-
18 ment as provided in section 466(a)(5).

19 “(B) DEFAULT ORDERS.—To enter a de-
20 fault order, upon a showing of service of proc-
21 ess and any additional showing required by
22 State law—

23 “(i) establishing paternity, in the case
24 of a putative father who refuses to submit
25 to genetic testing; and

1 “(ii) establishing or modifying a sup-
2 port obligation, in the case of a parent (or
3 other obligor or obligee) who fails to re-
4 spond to notice to appear at a proceeding
5 for such purpose.

6 “(C) SUBPOENAS.—To subpoena any fi-
7 nancial or other information needed to estab-
8 lish, modify, or enforce a support order, and to
9 impose penalties for failure to respond to such
10 a subpoena.

11 “(D) ACCESS TO PERSONAL AND FINAN-
12 CIAL INFORMATION.—To obtain access, subject
13 to safeguards on privacy and information secu-
14 rity, to the records of all other State and local
15 government agencies (including law enforcement
16 and corrections records), including automated
17 access to records maintained in automated data
18 bases.

19 “(E) CHANGE IN PAYEE.—In cases where
20 support is subject to an assignment in order to
21 comply with a requirement imposed pursuant to
22 part A or section 1912, or to a requirement to
23 pay through the State disbursement unit estab-
24 lished pursuant to section 454B, upon provid-
25 ing notice to obligor and obligee, to direct the

1 obligor or other payor to change the payee to
2 the appropriate government entity.

3 “(F) INCOME WITHHOLDING.—To order
4 income withholding in accordance with sub-
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in
7 which there is a support arrearage, to secure
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or
10 lump sum payments from—

11 “(I) a State or local agency (in-
12 cluding unemployment compensation,
13 workers’ compensation, and other ben-
14 efits); and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;
19 and

20 “(iii) attaching public and private re-
21 tirement funds.

22 “(H) INCREASE MONTHLY PAYMENTS.—
23 For the purpose of securing overdue support, to
24 increase the amount of monthly support pay-
25 ments to include amounts for arrearages (sub-

1 ject to such conditions or limitations as the
2 State may provide).

3 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

4 The expedited procedures required under subsection
5 (a)(2) shall include the following rules and author-
6 ity, applicable with respect to all proceedings to es-
7 tablish paternity or to establish, modify, or enforce
8 support orders:

9 “(A) LOCATOR INFORMATION; PRESUMP-
10 TIONS CONCERNING NOTICE.—Procedures
11 under which—

12 “(i) each party to any paternity or
13 child support proceeding is required (sub-
14 ject to privacy safeguards) to file with the
15 tribunal and the State case registry upon
16 entry of an order, and to update as appro-
17 priate, information on location and identity
18 of the party (including social security num-
19 ber, residential and mailing addresses, tele-
20 phone number, driver’s license number,
21 and name, address, and name and tele-
22 phone number of employer); and

23 “(ii) in any subsequent child support
24 enforcement action between the parties,
25 upon sufficient showing that diligent effort

1 has been made to ascertain the location of
2 such a party, the tribunal may deem State
3 due process requirements for notice and
4 service of process to be met with respect to
5 the party, upon delivery of written notice
6 to the most recent residential or employer
7 address filed with the tribunal pursuant to
8 clause (i).

9 “(B) STATEWIDE JURISDICTION.—Proce-
10 dures under which—

11 “(i) the State agency and any admin-
12 istrative or judicial tribunal with authority
13 to hear child support and paternity cases
14 exerts statewide jurisdiction over the par-
15 ties; and

16 “(ii) in a State in which orders are is-
17 sued by courts or administrative tribunals,
18 a case may be transferred between admin-
19 istrative areas in the State without need
20 for any additional filing by the petitioner,
21 or service of process upon the respondent,
22 to retain jurisdiction over the parties.”.

23 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—

24 Section 454A, as added by section 745(a)(2) of this Act

1 and as amended by sections 711 and 712(c) of this Act,
2 is amended by adding at the end the following:

3 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
4 The automated system required by this section shall be
5 used, to the maximum extent feasible, to implement the
6 expedited administrative procedures required by section
7 466(c).”.

8 **Subtitle D—Paternity**

9 **Establishment**

10 **SEC. 731. STATE LAWS CONCERNING PATERNITY ESTAB-**
11 **LISHMENT.**

12 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
13 U.S.C. 666(a)(5)) is amended to read as follows:

14 “(5) PROCEDURES CONCERNING PATERNITY ES-
15 TABLISHMENT.—

16 “(A) ESTABLISHMENT PROCESS AVAIL-
17 ABLE FROM BIRTH UNTIL AGE 18.—

18 “(i) Procedures which permit the es-
19 tablishment of the paternity of a child at
20 any time before the child attains 18 years
21 of age.

22 “(ii) As of August 16, 1984, clause (i)
23 shall also apply to a child for whom pater-
24 nity has not been established or for whom
25 a paternity action was brought but dis-

1 missed because a statute of limitations of
2 less than 18 years was then in effect in the
3 State.

4 “(B) PROCEDURES CONCERNING GENETIC
5 TESTING.—

6 “(i) GENETIC TESTING REQUIRED IN
7 CERTAIN CONTESTED CASES.—Procedures
8 under which the State is required, in a
9 contested paternity case, to require the
10 child and all other parties (other than indi-
11 viduals found under section 454(28) to
12 have good cause for refusing to cooperate)
13 to submit to genetic tests upon the request
14 of any such party if the request is sup-
15 ported by a sworn statement by the
16 party—

17 “(I) alleging paternity, and set-
18 ting forth facts establishing a reason-
19 able possibility of the requisite sexual
20 contact between the parties; or

21 “(II) denying paternity, and set-
22 ting forth facts establishing a reason-
23 able possibility of the nonexistence of
24 sexual contact between the parties.

1 “(ii) OTHER REQUIREMENTS.—Proce-
2 dures which require the State agency, in
3 any case in which the agency orders ge-
4 netic testing—

5 “(I) to pay costs of such tests,
6 subject to recoupment (where the
7 State so elects) from the alleged fa-
8 ther if paternity is established; and

9 “(II) to obtain additional testing
10 in any case where an original test re-
11 sult is contested, upon request and
12 advance payment by the contestant.

13 “(C) VOLUNTARY PATERNITY ACKNOWL-
14 EDGMENT.—

15 “(i) SIMPLE CIVIL PROCESS.—Proce-
16 dures for a simple civil process for volun-
17 tarily acknowledging paternity under which
18 the State must provide that, before a
19 mother and a putative father can sign an
20 acknowledgment of paternity, the mother
21 and the putative father must be given no-
22 tice, orally, in writing, and in a language
23 that each can understand, of the alter-
24 natives to, the legal consequences of, and
25 the rights (including, if 1 parent is a

1 minor, any rights afforded due to minority
2 status) and responsibilities that arise from,
3 signing the acknowledgment.

4 “(ii) HOSPITAL-BASED PROGRAM.—
5 Such procedures must include a hospital-
6 based program for the voluntary acknowl-
7 edgment of paternity focusing on the pe-
8 riod immediately before or after the birth
9 of a child.

10 “(iii) PATERNITY ESTABLISHMENT
11 SERVICES.—

12 “(I) STATE-OFFERED SERV-
13 ICES.—Such procedures must require
14 the State agency responsible for main-
15 taining birth records to offer vol-
16 untary paternity establishment serv-
17 ices.

18 “(II) REGULATIONS.—

19 “(aa) SERVICES OFFERED
20 BY HOSPITALS AND BIRTH
21 RECORD AGENCIES.—The Sec-
22 retary shall prescribe regulations
23 governing voluntary paternity es-
24 tablishment services offered by

1 hospitals and birth record agen-
2 cies.

3 “(bb) SERVICES OFFERED
4 BY OTHER ENTITIES.—The Sec-
5 retary shall prescribe regulations
6 specifying the types of other enti-
7 ties that may offer voluntary pa-
8 ternity establishment services,
9 and governing the provision of
10 such services, which shall include
11 a requirement that such an entity
12 must use the same notice provi-
13 sions used by, use the same ma-
14 terials used by, provide the per-
15 sonnel providing such services
16 with the same training provided
17 by, and evaluate the provision of
18 such services in the same manner
19 as the provision of such services
20 is evaluated by, voluntary pater-
21 nity establishment programs of
22 hospitals and birth record agen-
23 cies.

24 “(iv) USE OF FEDERAL PATERNITY
25 ACKNOWLEDGMENT AFFIDAVIT.—Such

1 procedures must require the State and
2 those required to establish paternity to use
3 only the affidavit developed under section
4 452(a)(7) for the voluntary acknowledg-
5 ment of paternity, and to give full faith
6 and credit to such an affidavit signed in
7 any other State.

8 “(D) STATUS OF SIGNED PATERNITY AC-
9 KNOWLEDGMENT.—

10 “(i) LEGAL FINDING OF PATER-
11 NITY.—Procedures under which a signed
12 acknowledgment of paternity is considered
13 a legal finding of paternity, subject to the
14 right of any signatory to rescind the ac-
15 knowledgment within 60 days.

16 “(ii) CONTEST.—Procedures under
17 which, after the 60-day period referred to
18 in clause (i), a signed acknowledgment of
19 paternity may be challenged in court only
20 on the basis of fraud, duress, or material
21 mistake of fact, with the burden of proof
22 upon the challenger, and under which the
23 legal responsibilities (including child sup-
24 port obligations) of any signatory arising
25 from the acknowledgment may not be sus-

1 pended during the challenge, except for
2 good cause shown.

3 “(iii) RESCISSION.—Procedures under
4 which, after the 60-day period referred to
5 in clause (i), a minor who has signed an
6 acknowledgment of paternity other than in
7 the presence of a parent or court-appointed
8 guardian ad litem may rescind the ac-
9 knowledgment in a judicial or administra-
10 tive proceeding, until the earlier of—

11 “(I) attaining the age of major-
12 ity; or

13 “(II) the date of the first judicial
14 or administrative proceeding brought
15 (after the signing) to establish a child
16 support obligation, visitation rights, or
17 custody rights with respect to the
18 child whose paternity is the subject of
19 the acknowledgment, and at which the
20 minor is represented by a parent or
21 guardian ad litem, or an attorney.

22 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
23 CATION PROCEEDINGS.—Procedures under
24 which judicial or administrative proceedings are

1 not required or permitted to ratify an unchal-
2 lenged acknowledgment of paternity.

3 “(F) ADMISSIBILITY OF GENETIC TESTING
4 RESULTS.—Procedures—

5 “(i) requiring the admission into evi-
6 dence, for purposes of establishing pater-
7 nity, of the results of any genetic test that
8 is—

9 “(I) of a type generally acknowl-
10 edged as reliable by accreditation bod-
11 ies designated by the Secretary; and

12 “(II) performed by a laboratory
13 approved by such an accreditation
14 body;

15 “(ii) requiring an objection to genetic
16 testing results to be made in writing not
17 later than a specified number of days be-
18 fore any hearing at which the results may
19 be introduced into evidence (or, at State
20 option, not later than a specified number
21 of days after receipt of the results); and

22 “(iii) making the test results admissi-
23 ble as evidence of paternity without the
24 need for foundation testimony or other

1 proof of authenticity or accuracy, unless
2 objection is made.

3 “(G) PRESUMPTION OF PATERNITY IN
4 CERTAIN CASES.—Procedures which create a re-
5 buttable or, at the option of the State, conclu-
6 sive presumption of paternity upon genetic test-
7 ing results indicating a threshold probability
8 that the alleged father is the father of the child.

9 “(H) DEFAULT ORDERS.—Procedures re-
10 quiring a default order to be entered in a pater-
11 nity case upon a showing of service of process
12 on the defendant and any additional showing
13 required by State law.

14 “(I) NO RIGHT TO JURY TRIAL.—Proce-
15 dures providing that the parties to an action to
16 establish paternity are not entitled to a trial by
17 jury.

18 “(J) TEMPORARY SUPPORT ORDER BASED
19 ON PROBABLE PATERNITY IN CONTESTED
20 CASES.—Procedures which require that a tem-
21 porary order be issued, upon motion by a party,
22 requiring the provision of child support pending
23 an administrative or judicial determination of
24 parentage, where there is clear and convincing

1 evidence of paternity (on the basis of genetic
2 tests or other evidence).

3 “(K) PROOF OF CERTAIN SUPPORT AND
4 PATERNITY ESTABLISHMENT COSTS.—Proce-
5 dures under which bills for pregnancy, child-
6 birth, and genetic testing are admissible as evi-
7 dence without requiring third-party foundation
8 testimony, and shall constitute prima facie evi-
9 dence of amounts incurred for such services or
10 for testing on behalf of the child.

11 “(L) STANDING OF PUTATIVE FATHERS.—
12 Procedures ensuring that the putative father
13 has a reasonable opportunity to initiate a pater-
14 nity action.

15 “(M) FILING OF ACKNOWLEDGMENTS AND
16 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
17 RECORDS.—Procedures under which voluntary
18 acknowledgments and adjudications of paternity
19 by judicial or administrative processes are filed
20 with the State registry of birth records for com-
21 parison with information in the State case reg-
22 istry.”.

23 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
24 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
25 amended by inserting “, and develop an affidavit to be

1 used for the voluntary acknowledgment of paternity which
2 shall include the social security number of each parent”
3 before the semicolon.

4 (c) TECHNICAL AMENDMENT.—Section 468 (42
5 U.S.C. 668) is amended by striking “a simple civil process
6 for voluntarily acknowledging paternity and”.

7 **SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
8 **LISHMENT.**

9 Section 454(23) (42 U.S.C. 654(23)) is amended by
10 inserting “and will publicize the availability and encourage
11 the use of procedures for voluntary establishment of pater-
12 nity and child support by means the State deems appro-
13 priate” before the semicolon.

14 **SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPI-**
15 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

16 Section 454 (42 U.S.C. 654), as amended by sections
17 703(a), 712(a), and 713(a) of this Act, is amended—

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

19 (26);

20 (2) by striking the period at the end of para-
21 graph (27) and inserting “; and”; and

22 (3) by inserting after paragraph (27) the fol-
23 lowing:

24 “(28) provide that the State agency responsible
25 for administering the State plan—

1 “(A) shall require each individual who has
2 applied for or is receiving assistance under the
3 State program funded under part A to cooper-
4 ate with the State in establishing the paternity
5 of, and in establishing, modifying, or enforcing
6 a support order for, any child of the individual
7 by providing the State agency with the name of,
8 and such other information as the State agency
9 may require with respect to, the father of the
10 child, subject to such good cause and other ex-
11 ceptions as the State may establish; and

12 “(B) may require the individual and the
13 child to submit to genetic tests.”.

14 **Subtitle E—Program**
15 **Administration and Funding**

16 **SEC. 741. FEDERAL MATCHING PAYMENTS.**

17 (a) INCREASED BASE MATCHING RATE.—Section
18 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
19 follows:

20 “(2) The percent specified in this paragraph for any
21 quarter is 66 percent.”.

22 (b) MAINTENANCE OF EFFORT.—Section 455 (42
23 U.S.C. 655) is amended—

1 (1) in subsection (a)(1), in the matter preced-
2 ing subparagraph (A), by striking “From” and in-
3 serting “Subject to subsection (c), from”; and

4 (2) by inserting after subsection (b) the follow-
5 ing:

6 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
7 subsection (a), the total expenditures under the State plan
8 approved under this part for fiscal year 1997 and each
9 succeeding fiscal year, reduced by the percentage specified
10 in paragraph (2) for the fiscal year shall not be less than
11 such total expenditures for fiscal year 1996, reduced by
12 66 percent.”.

13 **SEC. 742. PERFORMANCE-BASED INCENTIVES AND PEN-**
14 **ALTIES.**

15 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
16 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
17 read as follows:

18 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

19 **“(a) INCENTIVE ADJUSTMENTS.—**

20 **“(1) IN GENERAL.—**Beginning with fiscal year
21 1999, the Secretary shall increase the percent speci-
22 fied in section 455(a)(2) that applies to payments to
23 a State under section 455(a)(1)(A) for each quarter
24 in a fiscal year by a factor reflecting the sum of the
25 applicable incentive adjustments (if any) determined

1 in accordance with regulations under this section
2 with respect to the paternity establishment percent-
3 age of the State for the immediately preceding fiscal
4 year and with respect to overall performance of the
5 State in child support enforcement during such pre-
6 ceding fiscal year.

7 “(2) STANDARDS.—

8 “(A) IN GENERAL.—The Secretary shall
9 specify in regulations—

10 “(i) the levels of accomplishment, and
11 rates of improvement as alternatives to
12 such levels, which a State must attain to
13 qualify for an incentive adjustment under
14 this section; and

15 “(ii) the amounts of incentive adjust-
16 ment that shall be awarded to a State that
17 achieves specified accomplishment or im-
18 provement levels, which amounts shall be
19 graduated, ranging up to—

20 “(I) 12 percentage points, in con-
21 nection with paternity establishment;
22 and

23 “(II) 12 percentage points, in
24 connection with overall performance in
25 child support enforcement.

1 “(B) LIMITATION.—In setting performance
2 standards pursuant to subparagraph (A)(i) and
3 adjustment amounts pursuant to subparagraph
4 (A)(ii), the Secretary shall ensure that the ag-
5 gregate number of percentage point increases as
6 incentive adjustments to all States do not ex-
7 ceed such aggregate increases as assumed by
8 the Secretary in estimates of the cost of this
9 section as of June 1994, unless the aggregate
10 performance of all States exceeds the projected
11 aggregate performance of all States in such cost
12 estimates.

13 “(3) DETERMINATION OF INCENTIVE ADJUST-
14 MENT.—The Secretary shall determine the amount
15 (if any) of the incentive adjustment due each State
16 on the basis of the data submitted by the State pur-
17 suant to section 454(15)(B) concerning the levels of
18 accomplishment (and rates of improvement) with re-
19 spect to performance indicators specified by the Sec-
20 retary pursuant to this section.

21 “(4) RECYCLING OF INCENTIVE ADJUST-
22 MENT.—A State to which funds are paid by the
23 Federal Government as a result of an incentive ad-
24 justment under this section shall expend the funds

1 in the State program under this part within 2 years
2 after the date of the payment.

3 “(b) DEFINITIONS.—As used in this section:

4 “(1) PATERNITY ESTABLISHMENT PERCENT-
5 AGE.—The term ‘paternity establishment percent-
6 age’ means, with respect to a State and a fiscal
7 year—

8 “(A) the total number of children in the
9 State who were born out of wedlock, who have
10 not attained 1 year of age and for whom pater-
11 nity is established or acknowledged during the
12 fiscal year; divided by

13 “(B) the total number of children born out
14 of wedlock in the State during the fiscal year.

15 “(2) OVERALL PERFORMANCE IN CHILD SUP-
16 PORT ENFORCEMENT.—The term ‘overall perform-
17 ance in child support enforcement’ means a measure
18 or measures of the effectiveness of the State agency
19 in a fiscal year which takes into account factors in-
20 cluding—

21 “(A) the percentage of cases requiring a
22 support order in which such an order was es-
23 tablished;

24 “(B) the percentage of cases in which child
25 support is being paid;

1 “(C) the ratio of child support collected to
2 child support due; and

3 “(D) the cost-effectiveness of the State
4 program, as determined in accordance with
5 standards established by the Secretary in regu-
6 lations (after consultation with the States).”.

7 (b) CONFORMING AMENDMENTS.—Section 454(22)
8 (42 U.S.C. 654(22)) is amended—

9 (1) by striking “incentive payments” the 1st
10 place such term appears and inserting “incentive ad-
11 justments”; and

12 (2) by striking “any such incentive payments
13 made to the State for such period” and inserting
14 “any increases in Federal payments to the State re-
15 sulting from such incentive adjustments”.

16 (c) CALCULATION OF IV–D PATERNITY ESTABLISH-
17 MENT PERCENTAGE.—

18 (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
19 amended—

20 (A) in the matter preceding subparagraph
21 (A) by inserting “its overall performance in
22 child support enforcement is satisfactory (as de-
23 fined in section 458(b) and regulations of the
24 Secretary), and” after “1994,”; and

1 (B) in each of subparagraphs (A) and (B),
2 by striking “75” and inserting “90”.

3 (2) Section 452(g)(2)(A) (42 U.S.C.
4 652(g)(2)(A)) is amended in the matter preceding
5 clause (i)—

6 (A) by striking “paternity establishment
7 percentage” and inserting “IV–D paternity es-
8 tablishment percentage”; and

9 (B) by striking “(or all States, as the case
10 may be)”.

11 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
12 amended—

13 (A) by striking subparagraph (A) and re-
14 designating subparagraphs (B) and (C) as sub-
15 paragraphs (A) and (B), respectively;

16 (B) in subparagraph (A) (as so redesign-
17 ated), by striking “the percentage of children
18 born out-of-wedlock in a State” and inserting
19 “the percentage of children in a State who are
20 born out of wedlock or for whom support has
21 not been established”; and

22 (C) in subparagraph (B) (as so redesign-
23 ated)—

- 1 (i) by inserting “and overall perform-
2 ance in child support enforcement” after
3 “paternity establishment percentages”; and
4 (ii) by inserting “and securing sup-
5 port” before the period.

6 (d) EFFECTIVE DATES.—

7 (1) INCENTIVE ADJUSTMENTS.—(A) The
8 amendments made by subsections (a) and (b) shall
9 become effective on October 1, 1997, except to the
10 extent provided in subparagraph (B).

11 (B) Section 458 of the Social Security Act, as
12 in effect prior to the enactment of this section, shall
13 be effective for purposes of incentive payments to
14 States for fiscal years before fiscal year 1999.

15 (2) PENALTY REDUCTIONS.—The amendments
16 made by subsection (c) shall become effective with
17 respect to calendar quarters beginning on and after
18 the date of the enactment of this Act.

19 **SEC. 743. FEDERAL AND STATE REVIEWS AND AUDITS.**

20 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
21 U.S.C. 654) is amended—

22 (1) in paragraph (14), by striking “(14)” and
23 inserting “(14)(A)”;

24 (2) by redesignating paragraph (15) as sub-
25 paragraph (B) of paragraph (14); and

1 (3) by inserting after paragraph (14) the fol-
2 lowing:

3 “(15) provide for—

4 “(A) a process for annual reviews of and
5 reports to the Secretary on the State program
6 operated under the State plan approved under
7 this part, which shall include such information
8 as may be necessary to measure State compli-
9 ance with Federal requirements for expedited
10 procedures and timely case processing, using
11 such standards and procedures as are required
12 by the Secretary, under which the State agency
13 will determine the extent to which the program
14 is operated in compliance with this part; and

15 “(B) a process of extracting from the auto-
16 mated data processing system required by para-
17 graph (16) and transmitting to the Secretary
18 data and calculations concerning the levels of
19 accomplishment (and rates of improvement)
20 with respect to applicable performance indica-
21 tors (including IV–D paternity establishment
22 percentages and overall performance in child
23 support enforcement) to the extent necessary
24 for purposes of sections 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant
9 to section 454(15)(A) and, as appropriate, provide
10 to the State comments, recommendations for addi-
11 tional or alternative corrective actions, and technical
12 assistance; and

13 “(C) conduct audits, in accordance with the
14 government auditing standards of the Comptroller
15 General of the United States—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet the requirements of this part, concerning
19 performance standards and reliability of pro-
20 gram data) to assess the completeness, reliabil-
21 ity, and security of the data, and the accuracy
22 of the reporting systems, used in calculating
23 performance indicators under subsection (g) of
24 this section and section 458;

1 “(ii) of the adequacy of financial manage-
2 ment of the State program operated under the
3 State plan approved under this part, including
4 assessments of—

5 “(I) whether Federal and other funds
6 made available to carry out the State pro-
7 gram are being appropriately expended,
8 and are properly and fully accounted for;
9 and

10 “(II) whether collections and disburse-
11 ments of support payments are carried out
12 correctly and are fully accounted for; and

13 “(iii) for such other purposes as the Sec-
14 retary may find necessary;”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall be effective with respect to calendar
17 quarters beginning 12 months or more after the date of
18 the enactment of this section.

19 **SEC. 744. REQUIRED REPORTING PROCEDURES.**

20 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
21 652(a)(5)) is amended by inserting “, and establish proce-
22 dures to be followed by States for collecting and reporting
23 information required to be provided under this part, and
24 establish uniform definitions (including those necessary to
25 enable the measurement of State compliance with the re-

1 quirements of this part relating to expedited processes and
2 timely case processing) to be applied in following such pro-
3 cedures” before the semicolon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42
5 U.S.C. 654), as amended by sections 703(a), 712(a),
6 713(a), and 733 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
8 (27);

9 (2) by striking the period at the end of para-
10 graph (28) and inserting “; and”; and

11 (3) by adding after paragraph (28) the follow-
12 ing:

13 “(29) provide that the State shall use the defi-
14 nitions established under section 452(a)(5) in col-
15 lecting and reporting information as required under
16 this part.”.

17 **SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) Section 454(16) (42 U.S.C. 654(16)) is
20 amended—

21 (A) by striking “, at the option of the
22 State,”;

23 (B) by inserting “and operation by the
24 State agency” after “for the establishment”;

1 (C) by inserting “meeting the requirements
2 of section 454A” after “information retrieval
3 system”;

4 (D) by striking “in the State and localities
5 thereof, so as (A)” and inserting “so as”;

6 (E) by striking “(i)”; and

7 (F) by striking “(including” and all that
8 follows and inserting a semicolon.

9 (2) Part D of title IV (42 U.S.C. 651–669) is
10 amended by inserting after section 454 the follow-
11 ing:

12 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

13 “(a) IN GENERAL.—In order for a State to meet the
14 requirements of this section, the State agency administer-
15 ing the State program under this part shall have in oper-
16 ation a single statewide automated data processing and
17 information retrieval system which has the capability to
18 perform the tasks specified in this section with the fre-
19 quency and in the manner required by or under this part.

20 “(b) PROGRAM MANAGEMENT.—The automated sys-
21 tem required by this section shall perform such functions
22 as the Secretary may specify relating to management of
23 the State program under this part, including—

1 “(1) controlling and accounting for use of Fed-
2 eral, State, and local funds in carrying out the pro-
3 gram; and

4 “(2) maintaining the data necessary to meet
5 Federal reporting requirements under this part on a
6 timely basis.

7 “(c) CALCULATION OF PERFORMANCE INDICA-
8 TORS.—In order to enable the Secretary to determine the
9 incentive and penalty adjustments required by sections
10 452(g) and 458, the State agency shall—

11 “(1) use the automated system—

12 “(A) to maintain the requisite data on
13 State performance with respect to paternity es-
14 tablishment and child support enforcement in
15 the State; and

16 “(B) to calculate the IV–D paternity es-
17 tablishment percentage and overall performance
18 in child support enforcement for the State for
19 each fiscal year; and

20 “(2) have in place systems controls to ensure
21 the completeness, and reliability of, and ready access
22 to, the data described in paragraph (1)(A), and the
23 accuracy of the calculations described in paragraph
24 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required by this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary may specify in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out the State
13 program under this part; and

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data.

17 “(2) SYSTEMS CONTROLS.—Systems controls
18 (such as passwords or blocking of fields) to ensure
19 strict adherence to the policies described in para-
20 graph (1).

21 “(3) MONITORING OF ACCESS.—Routine mon-
22 itoring of access to and use of the automated sys-
23 tem, through methods such as audit trails and feed-
24 back mechanisms, to guard against and promptly
25 identify unauthorized access or use.

1 “(4) TRAINING AND INFORMATION.—Proce-
2 dures to ensure that all personnel (including State
3 and local agency staff and contractors) who may
4 have access to or be required to use confidential pro-
5 gram data are informed of applicable requirements
6 and penalties (including those in section 6103 of the
7 Internal Revenue Code of 1986), and are adequately
8 trained in security procedures.

9 “(5) PENALTIES.—Administrative penalties (up
10 to and including dismissal from employment) for un-
11 authorized access to, or disclosure or use of, con-
12 fidential data.”.

13 (3) REGULATIONS.—The Secretary of Health
14 and Human Services shall prescribe final regulations
15 for implementation of section 454A of the Social Se-
16 curity Act not later than 2 years after the date of
17 the enactment of this Act.

18 (4) IMPLEMENTATION TIMETABLE.—Section
19 454(24) (42 U.S.C. 654(24)), as amended by sec-
20 tions 703(a)(2) and 712(a)(1) of this Act, is amend-
21 ed to read as follows:

22 “(24) provide that the State will have in effect
23 an automated data processing and information re-
24 trieval system—

1 “(A) by October 1, 1995, which meets all
2 requirements of this part which were enacted on
3 or before the date of enactment of the Family
4 Support Act of 1988; and

5 “(B) by October 1, 1999, which meets all
6 requirements of this part enacted on or before
7 the date of the enactment of the Personal Re-
8 sponsibility Act of 1995, except that such dead-
9 line shall be extended by 1 day for each day (if
10 any) by which the Secretary fails to meet the
11 deadline imposed by section 745(a)(3) of the
12 Personal Responsibility Act of 1995.”.

13 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

15 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
16 655(a)) is amended—

17 (A) in paragraph (1)(B)—

18 (i) by striking “90 percent” and in-
19 serting “the percent specified in paragraph
20 (3)”;

21 (ii) by striking “so much of”; and

22 (iii) by striking “which the Secretary”
23 and all that follows and inserting “, and”;
24 and

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

1 “(3)(A) The Secretary shall pay to each State, for
2 each quarter in fiscal year 1996, 90 percent of so much
3 of the State expenditures described in paragraph (1)(B)
4 as the Secretary finds are for a system meeting the re-
5 quirements specified in section 454(16).

6 “(B)(i) The Secretary shall pay to each State, for
7 each quarter in fiscal years 1997 through 2001, the per-
8 centage specified in clause (ii) of so much of the State
9 expenditures described in paragraph (1)(B) as the Sec-
10 retary finds are for a system meeting the requirements
11 of sections 454(16) and 454A.

12 “(ii) The percentage specified in this clause is the
13 greater of—

14 “(I) 80 percent; or

15 “(II) the percentage otherwise applicable to
16 Federal payments to the State under subparagraph
17 (A) (as adjusted pursuant to section 458).”.

18 (2) TEMPORARY LIMITATION ON PAYMENTS
19 UNDER SPECIAL FEDERAL MATCHING RATE.—

20 (A) IN GENERAL.—The Secretary of
21 Health and Human Services may not pay more
22 than \$260,000,000 in the aggregate under sec-
23 tion 455(a)(3) of the Social Security Act for fis-
24 cal years 1996, 1997, 1998, 1999, and 2000.

1 (B) ALLOCATION OF LIMITATION AMONG
2 STATES.—The total amount payable to a State
3 under section 455(a)(3) of such Act for fiscal
4 years 1996, 1997, 1998, 1999, and 2000 shall
5 not exceed the limitation determined for the
6 State by the Secretary of Health and Human
7 Services in regulations.

8 (C) ALLOCATION FORMULA.—The regula-
9 tions referred to in subparagraph (B) shall pre-
10 scribe a formula for allocating the amount spec-
11 ified in subparagraph (A) among States with
12 plans approved under part D of title IV of the
13 Social Security Act, which shall take into ac-
14 count—

15 (i) the relative size of State caseloads
16 under such part; and

17 (ii) the level of automation needed to
18 meet the automated data processing re-
19 quirements of such part.

20 (c) CONFORMING AMENDMENT.—Section 123(c) of
21 the Family Support Act of 1988 (102 Stat. 2352; Public
22 Law 100–485) is repealed.

23 **SEC. 746. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
3 ing at the end the following:

4 “(j) Out of any money in the Treasury of the United
5 States not otherwise appropriated, there is hereby appro-
6 priated to the Secretary for each fiscal year an amount
7 equal to 1 percent of the total amount paid to the Federal
8 Government pursuant to section 457(a) during the imme-
9 diately preceding fiscal year (as determined on the basis
10 of the most recent reliable data available to the Secretary
11 as of the end of the 3rd calendar quarter following the
12 end of such preceding fiscal year), to cover costs incurred
13 by the Secretary for—

14 “(1) information dissemination and technical
15 assistance to States, training of State and Federal
16 staff, staffing studies, and related activities needed
17 to improve programs under this part (including tech-
18 nical assistance concerning State automated systems
19 required by this part); and

20 “(2) research, demonstration, and special
21 projects of regional or national significance relating
22 to the operation of State programs under this
23 part.”.

24 (b) OPERATION OF FEDERAL PARENT LOCATOR
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 716(e) of this Act, is amended by adding at the
2 end the following:

3 “(n) Out of any money in the Treasury of the United
4 States not otherwise appropriated, there is hereby appro-
5 priated to the Secretary for each fiscal year an amount
6 equal to 2 percent of the total amount paid to the Federal
7 Government pursuant to section 457(a) during the imme-
8 diately preceding fiscal year (as determined on the basis
9 of the most recent reliable data available to the Secretary
10 as of the end of the 3rd calendar quarter following the
11 end of such preceding fiscal year), to cover costs incurred
12 by the Secretary for operation of the Federal Parent Loca-
13 tor Service under this section, to the extent such costs are
14 not recovered through user fees.”.

15 **SEC. 747. REPORTS AND DATA COLLECTION BY THE SEC-**
16 **RETARY.**

17 (a) ANNUAL REPORT TO CONGRESS.—

18 (1) Section 452(a)(10)(A) (42 U.S.C.
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting
21 “this part, including—”; and

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

23 “(i) the total amount of child support
24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
6 ing “, and the total amount of such obliga-
7 tions”;

8 (C) in clause (iii), by striking “described
9 in” and all that follows and inserting “in which
10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv);

12 (E) by redesignating clause (v) as clause
13 (vii), and inserting after clause (iii) the follow-
14 ing:

15 “(iv) the total amount of support col-
16 lected during such fiscal year and distrib-
17 uted as current support;

18 “(v) the total amount of support col-
19 lected during such fiscal year and distrib-
20 uted as arrearages;

21 “(vi) the total amount of support due
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
24 652(a)(10)(G)) is amended by striking “on the use
25 of Federal courts and”.

1 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))
2 is amended by striking all that follows subparagraph
3 (I).

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall be effective with respect to fiscal year
6 1996 and succeeding fiscal years.

7 **Subtitle F—Establishment and**
8 **Modification of Support Orders**

9 **SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
10 **MENT OF CHILD SUPPORT ORDERS.**

11 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-
12 ed to read as follows:

13 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
14 ORDERS.—Procedures under which the State shall
15 review and adjust each support order being enforced
16 under this part. Such procedures shall provide the
17 following:

18 “(A) The State shall review and, as appro-
19 priate, adjust the support order every 3 years,
20 taking into account the best interests of the
21 child involved.

22 “(B)(i) The State may elect to review and,
23 if appropriate, adjust an order pursuant to sub-
24 paragraph (A) by—

1 “(I) reviewing and, if appropriate, ad-
2 justing the order in accordance with the
3 guidelines established pursuant to section
4 467(a) if the amount of the child support
5 award under the order differs from the
6 amount that would be awarded in accord-
7 ance with the guidelines; or

8 “(II) applying a cost-of-living adjust-
9 ment to the order in accordance with a for-
10 mula developed by the State and permit ei-
11 ther party to contest the adjustment, with-
12 in 30 days after the date of the notice of
13 the adjustment, by making a request for
14 review and, if appropriate, adjustment of
15 the order in accordance with the child sup-
16 port guidelines established pursuant to sec-
17 tion 467(a).

18 “(ii) Any adjustment under clause (i) shall
19 be made without a requirement for proof or
20 showing of a change in circumstances.

21 “(C) The State may use automated meth-
22 ods (including automated comparisons with
23 wage or State income tax data) to identify or-
24 ders eligible for review, conduct the review,
25 identify orders eligible for adjustment, apply

1 the appropriate adjustment to the orders eligi-
2 ble for adjustment under the threshold estab-
3 lished by the State.

4 “(D) The State shall, at the request of ei-
5 ther parent subject to such an order or of any
6 State child support enforcement agency, review
7 and, if appropriate, adjust the order in accord-
8 ance with the guidelines established pursuant to
9 section 467(a) based upon a substantial change
10 in the circumstances of either parent.

11 “(E) The State shall provide notice to the
12 parents subject to such an order informing
13 them of their right to request the State to re-
14 view and, if appropriate, adjust the order pur-
15 suant to subparagraph (D). The notice may be
16 included in the order.”.

17 **SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN**
18 **PURPOSES RELATING TO CHILD SUPPORT.**

19 Section 604 of the Fair Credit Reporting Act (15
20 U.S.C. 1681b) is amended by adding at the end the follow-
21 ing:

22 “(4) In response to a request by the head of a
23 State or local child support enforcement agency (or
24 a State or local government official authorized by
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agen-
2 cy that—

3 “(A) the consumer report is needed for the
4 purpose of establishing an individual’s capacity
5 to make child support payments or determining
6 the appropriate level of such payments;

7 “(B) the person has provided at least 10
8 days prior notice to the consumer whose report
9 is requested, by certified or registered mail to
10 the last known address of the consumer, that
11 the report will be requested, and

12 “(C) the consumer report will be kept con-
13 fidential, will be used solely for a purpose de-
14 scribed in subparagraph (A), and will not be
15 used in connection with any other civil, admin-
16 istrative, or criminal proceeding, or for any
17 other purpose.

18 “(5) To an agency administering a State plan
19 under section 454 of the Social Security Act (42
20 U.S.C. 654) for use to set an initial or modified
21 child support award.”.

1 **Subtitle G—Enforcement of**
2 **Support Orders**

3 **SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.**

4 (a) CHANGED ORDER OF REFUND DISTRIBUTION
5 UNDER INTERNAL REVENUE CODE.—

6 (1) Subsection (c) of section 6402 of the Inter-
7 nal Revenue Code of 1986 is amended by striking
8 the third sentence and inserting the following new
9 sentences: “A reduction under this subsection shall
10 be after any other reduction allowed by subsection
11 (d) with respect to the Department of Health and
12 Human Services and the Department of Education
13 with respect to a student loan and before any other
14 reduction allowed by law and before such overpay-
15 ment is credited to the future liability for tax of
16 such person pursuant to subsection (b). A reduction
17 under this subsection shall be assigned to the State
18 with respect to past-due support owed to individuals
19 for periods such individuals were receiving assistance
20 under part A or B of title IV of the Social Security
21 Act only after satisfying all other past-due sup-
22 port.”.

23 (2) Paragraph (2) of section 6402(d) of such
24 Code is amended—

1 (A) by striking “Any overpayment” and in-
2 serting “Except in the case of past-due legally
3 enforceable debts owed to the Department of
4 Health and Human Services or to the Depart-
5 ment of Education with respect to a student
6 loan, any overpayment”; and

7 (B) by striking “with respect to past-due
8 support collected pursuant to an assignment
9 under section 402(a)(26) of the Social Security
10 Act”.

11 (b) ELIMINATION OF DISPARITIES IN TREATMENT
12 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

13 (1) Section 464(a) (42 U.S.C. 664(a)) is
14 amended—

15 (A) by striking “(a)” and inserting “(a)
16 OFFSET AUTHORIZED.—”;

17 (B) in paragraph (1)—

18 (i) in the 1st sentence, by striking
19 “which has been assigned to such State
20 pursuant to section 402(a)(26) or section
21 471(a)(17)”; and

22 (ii) in the 2nd sentence, by striking
23 “in accordance with section 457(b)(4) or
24 (d)(3)” and inserting “as provided in para-
25 graph (2)”;

1 (C) by striking paragraph (2) and insert-
2 ing the following:

3 “(2) The State agency shall distribute amounts paid
4 by the Secretary of the Treasury pursuant to paragraph
5 (1)—

6 “(A) in accordance with section 457(a), in the
7 case of past-due support assigned to a State pursu-
8 ant to requirements imposed pursuant to section
9 405(a)(8); and

10 “(B) to or on behalf of the child to whom the
11 support was owed, in the case of past-due support
12 not so assigned.”; and

13 (D) in paragraph (3)—

14 (i) by striking “or (2)” each place
15 such term appears; and

16 (ii) in subparagraph (B), by striking
17 “under paragraph (2)” and inserting “on
18 account of past-due support described in
19 paragraph (2)(B)”.

20 (2) Section 464(b) (42 U.S.C. 664(b)) is
21 amended—

22 (A) by striking “(b)(1)” and inserting the
23 following:

24 “(b) REGULATIONS.—”; and

25 (B) by striking paragraph (2).

1 (3) Section 464(c) (42 U.S.C. 664(c)) is
2 amended—

3 (A) by striking “(c)(1) Except as provided
4 in paragraph (2), as” and inserting the follow-
5 ing:

6 “(c) DEFINITION.—As”; and

7 (B) by striking paragraphs (2) and (3).

8 **SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FED-**
9 **ERAL EMPLOYEES.**

10 (a) CONSOLIDATION AND STREAMLINING OF AU-
11 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
18 withstanding any other provision of law (including section
19 207 of this Act and section 5301 of title 38, United States
20 Code), effective January 1, 1975, moneys (the entitlement
21 to which is based upon remuneration for employment) due
22 from, or payable by, the United States or the District of
23 Columbia (including any agency, subdivision, or instru-
24 mentality thereof) to any individual, including members
25 of the Armed Forces of the United States, shall be subject,

1 in like manner and to the same extent as if the United
2 States or the District of Columbia were a private person,
3 to withholding in accordance with State law enacted pur-
4 suant to subsections (a)(1) and (b) of section 466 and reg-
5 ulations of the Secretary under such subsections, and to
6 any other legal process brought, by a State agency admin-
7 istering a program under a State plan approved under this
8 part or by an individual obligee, to enforce the legal obliga-
9 tion of the individual to provide child support or alimony.

10 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
11 PRIVATE PERSON.—With respect to notice to withhold in-
12 come pursuant to subsection (a)(1) or (b) of section 466,
13 or any other order or process to enforce support obliga-
14 tions against an individual (if the order or process con-
15 tains or is accompanied by sufficient data to permit
16 prompt identification of the individual and the moneys in-
17 volved), each governmental entity specified in subsection
18 (a) shall be subject to the same requirements as would
19 apply if the entity were a private person, except as other-
20 wise provided in this section.

21 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
22 OR PROCESS—

23 “(1) DESIGNATION OF AGENT.—The head of
24 each agency subject to this section shall—

1 “(A) designate an agent or agents to re-
2 ceive orders and accept service of process in
3 matters relating to child support or alimony;
4 and

5 “(B) annually publish in the Federal Reg-
6 ister the designation of the agent or agents,
7 identified by title or position, mailing address,
8 and telephone number.

9 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
10 agent designated pursuant to paragraph (1) of this
11 subsection receives notice pursuant to State proce-
12 dures in effect pursuant to subsection (a)(1) or (b)
13 of section 466, or is effectively served with any
14 order, process, or interrogatory, with respect to an
15 individual’s child support or alimony payment obli-
16 gations, the agent shall—

17 “(A) as soon as possible (but not later
18 than 15 days) thereafter, send written notice of
19 the notice or service (together with a copy of
20 the notice or service) to the individual at the
21 duty station or last-known home address of the
22 individual;

23 “(B) within 30 days (or such longer period
24 as may be prescribed by applicable State law)
25 after receipt of a notice pursuant to such State

1 procedures, comply with all applicable provi-
2 sions of section 466; and

3 “(C) within 30 days (or such longer period
4 as may be prescribed by applicable State law)
5 after effective service of any other such order,
6 process, or interrogatory, respond to the order,
7 process, or interrogatory.

8 “(d) PRIORITY OF CLAIMS.—If a governmental entity
9 specified in subsection (a) receives notice or is served with
10 process, as provided in this section, concerning amounts
11 owed by an individual to more than 1 person—

12 “(1) support collection under section 466(b)
13 must be given priority over any other process, as
14 provided in section 466(b)(7);

15 “(2) allocation of moneys due or payable to an
16 individual among claimants under section 466(b)
17 shall be governed by section 466(b) and the regula-
18 tions prescribed under such section; and

19 “(3) such moneys as remain after compliance
20 with paragraphs (1) and (2) shall be available to
21 satisfy any other such processes on a first-come,
22 first-served basis, with any such process being satis-
23 fied out of such moneys as remain after the satisfac-
24 tion of all such processes which have been previously
25 served.

1 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
2 governmental entity that is affected by legal process
3 served for the enforcement of an individual’s child support
4 or alimony payment obligations shall not be required to
5 vary its normal pay and disbursement cycle in order to
6 comply with the legal process.

7 “(f) RELIEF FROM LIABILITY.—

8 “(1) Neither the United States, nor the govern-
9 ment of the District of Columbia, nor any disbursing
10 officer shall be liable with respect to any payment
11 made from moneys due or payable from the United
12 States to any individual pursuant to legal process
13 regular on its face, if the payment is made in ac-
14 cordance with this section and the regulations issued
15 to carry out this section.

16 “(2) No Federal employee whose duties include
17 taking actions necessary to comply with the require-
18 ments of subsection (a) with regard to any individ-
19 ual shall be subject under any law to any discipli-
20 nary action or civil or criminal liability or penalty
21 for, or on account of, any disclosure of information
22 made by the employee in connection with the carry-
23 ing out of such actions.

24 “(g) REGULATIONS.—Authority to promulgate regu-
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable
2 by)—

3 “(1) the United States (other than the legisla-
4 tive or judicial branches of the Federal Government)
5 or the government of the District of Columbia, be
6 vested in the President (or the designee of the Presi-
7 dent);

8 “(2) the legislative branch of the Federal Gov-
9 ernment, be vested jointly in the President pro tem-
10 pore of the Senate and the Speaker of the House of
11 Representatives (or their designees), and

12 “(3) the judicial branch of the Federal Govern-
13 ment, be vested in the Chief Justice of the United
14 States (or the designee of the Chief Justice).

15 “(h) MONEYS SUBJECT TO PROCESS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 moneys paid or payable to an individual which are
18 considered to be based upon remuneration for em-
19 ployment, for purposes of this section—

20 “(A) consist of—

21 “(i) compensation paid or payable for
22 personal services of the individual, whether
23 the compensation is denominated as wages,
24 salary, commission, bonus, pay, allowances,

1 or otherwise (including severance pay, sick
2 pay, and incentive pay);

3 “(ii) periodic benefits (including a
4 periodic benefit as defined in section
5 228(h)(3)) or other payments—

6 “(I) under the insurance system
7 established by title II;

8 “(II) under any other system or
9 fund established by the United States
10 which provides for the payment of
11 pensions, retirement or retired pay,
12 annuities, dependents’ or survivors’
13 benefits, or similar amounts payable
14 on account of personal services per-
15 formed by the individual or any other
16 individual;

17 “(III) as compensation for death
18 under any Federal program;

19 “(IV) under any Federal pro-
20 gram established to provide ‘black
21 lung’ benefits; or

22 “(V) by the Secretary of Veter-
23 ans Affairs as pension, or as com-
24 pensation for a service-connected dis-
25 ability or death (except any compensa-

1 tion paid by the Secretary to a mem-
2 ber of the Armed Forces who is in re-
3 ceipt of retired or retainer pay if the
4 member has waived a portion of the
5 retired pay of the member in order to
6 receive the compensation); and

7 “(iii) worker’s compensation benefits
8 paid under Federal or State law but

9 “(B) do not include any payment—

10 “(i) by way of reimbursement or oth-
11 erwise, to defray expenses incurred by the
12 individual in carrying out duties associated
13 with the employment of the individual; or

14 “(ii) as allowances for members of the
15 uniformed services payable pursuant to
16 chapter 7 of title 37, United States Code,
17 as prescribed by the Secretaries concerned
18 (defined by section 101(5) of such title) as
19 necessary for the efficient performance of
20 duty.

21 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
22 mining the amount of any moneys due from, or pay-
23 able by, the United States to any individual, there
24 shall be excluded amounts which—

1 “(A) are owed by the individual to the
2 United States;

3 “(B) are required by law to be, and are,
4 deducted from the remuneration or other pay-
5 ment involved, including Federal employment
6 taxes, and fines and forfeitures ordered by
7 court-martial;

8 “(C) are properly withheld for Federal,
9 State, or local income tax purposes, if the with-
10 holding of the amounts is authorized or re-
11 quired by law and if amounts withheld are not
12 greater than would be the case if the individual
13 claimed all dependents to which he was entitled
14 (the withholding of additional amounts pursu-
15 ant to section 3402(i) of the Internal Revenue
16 Code of 1986 may be permitted only when the
17 individual presents evidence of a tax obligation
18 which supports the additional withholding);

19 “(D) are deducted as health insurance pre-
20 miums;

21 “(E) are deducted as normal retirement
22 contributions (not including amounts deducted
23 for supplementary coverage); or

24 “(F) are deducted as normal life insurance
25 premiums from salary or other remuneration

1 for employment (not including amounts de-
2 ducted for supplementary coverage).

3 “(i) DEFINITIONS.—As used in this section:

4 “(1) UNITED STATES.—The term ‘United
5 States’ includes any department, agency, or instru-
6 mentality of the legislative, judicial, or executive
7 branch of the Federal Government, the United
8 States Postal Service, the Postal Rate Commission,
9 any Federal corporation created by an Act of Con-
10 gress that is wholly owned by the Federal Govern-
11 ment, and the governments of the territories and
12 possessions of the United States.

13 “(2) CHILD SUPPORT.—The term ‘child sup-
14 port’, when used in reference to the legal obligations
15 of an individual to provide such support, means peri-
16 odic payments of funds for the support and mainte-
17 nance of a child or children with respect to which
18 the individual has such an obligation, and (subject
19 to and in accordance with State law) includes pay-
20 ments to provide for health care, education, recre-
21 ation, clothing, or to meet other specific needs of
22 such a child or children, and includes attorney’s
23 fees, interest, and court costs, when and to the ex-
24 tent that the same are expressly made recoverable as
25 such pursuant to a decree, order, or judgment issued

1 in accordance with applicable State law by a court
2 of competent jurisdiction.

3 “(3) ALIMONY.—The term ‘alimony’, when used
4 in reference to the legal obligations of an individual
5 to provide the same, means periodic payments of
6 funds for the support and maintenance of the spouse
7 (or former spouse) of the individual, and (subject to
8 and in accordance with State law) includes separate
9 maintenance, alimony pendente lite, maintenance,
10 and spousal support, and includes attorney’s fees,
11 interest, and court costs when and to the extent that
12 the same are expressly made recoverable as such
13 pursuant to a decree, order, or judgment issued in
14 accordance with applicable State law by a court of
15 competent jurisdiction. Such term does not include
16 any payment or transfer of property or its value by
17 an individual to the spouse or a former spouse of the
18 individual in compliance with any community prop-
19 erty settlement, equitable distribution of property, or
20 other division of property between spouses or former
21 spouses.

22 “(4) PRIVATE PERSON.—The term ‘private per-
23 son’ means a person who does not have sovereign or
24 other special immunity or privilege which causes the
25 person not to be subject to legal process.

1 “(5) LEGAL PROCESS.—The term ‘legal proc-
2 ess’ means any writ, order, summons, or other simi-
3 lar process in the nature of garnishment—

4 “(A) which is issued by—

5 “(i) a court of competent jurisdiction
6 in any State, territory, or possession of the
7 United States;

8 “(ii) a court of competent jurisdiction
9 in any foreign country with which the
10 United States has entered into an agree-
11 ment which requires the United States to
12 honor the process; or

13 “(iii) an authorized official pursuant
14 to an order of such a court of competent
15 jurisdiction or pursuant to State or local
16 law; and

17 “(B) which is directed to, and the purpose
18 of which is to compel, a governmental entity
19 which holds moneys which are otherwise pay-
20 able to an individual to make a payment from
21 the moneys to another party in order to satisfy
22 a legal obligation of the individual to provide
23 child support or make alimony payments.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) TO PART D OF TITLE IV.—Sections 461 and
2 462 (42 U.S.C. 661 and 662) are repealed.

3 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
4 tion 5520a of title 5, United States Code, is amend-
5 ed, in subsections (h)(2) and (i), by striking “sec-
6 tions 459, 461, and 462 of the Social Security Act
7 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
8 tion 459 of the Social Security Act (42 U.S.C.
9 659)”.

10 (c) MILITARY RETIRED AND RETAINER PAY.—

11 (1) DEFINITION OF COURT.—Section
12 1408(a)(1) of title 10, United States Code, is
13 amended—

14 (A) by striking “and” at the end of sub-
15 paragraph (B);

16 (B) by striking the period at the end of
17 subparagraph (C) and inserting “; and”; and

18 (C) by adding after subparagraph (C) the
19 following:

20 “(D) any administrative or judicial tribu-
21 nal of a State competent to enter orders for
22 support or maintenance (including a State
23 agency administering a program under a State
24 plan approved under part D of title IV of the
25 Social Security Act), and, for purposes of this

1 subparagraph, the term ‘State’ includes the
2 District of Columbia, the Commonwealth of
3 Puerto Rico, the Virgin Islands, Guam, and
4 American Samoa.”.

5 (2) DEFINITION OF COURT ORDER.—Section
6 1408(a)(2) of such title is amended by inserting “or
7 a court order for the payment of child support not
8 included in or accompanied by such a decree or set-
9 tlement,” before “which—”.

10 (3) PUBLIC PAYEE.—Section 1408(d) of such
11 title is amended—

12 (A) in the heading, by inserting “(OR FOR
13 BENEFIT OF)” before “SPOUSE OR”; and

14 (B) in paragraph (1), in the first sentence,
15 by inserting “(or for the benefit of such spouse
16 or former spouse to a State disbursement unit
17 established pursuant to section 454B of the So-
18 cial Security Act or other public payee des-
19 ignated by a State, in accordance with part D
20 of title IV of the Social Security Act, as di-
21 rected by court order, or as otherwise directed
22 in accordance with such part D)” before “in an
23 amount sufficient”.

1 (4) RELATIONSHIP TO PART D OF TITLE IV.—

2 Section 1408 of such title is amended by adding at
3 the end the following:

4 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
5 involving an order providing for payment of child support
6 (as defined in section 459(i)(2) of the Social Security Act)
7 by a member who has never been married to the other
8 parent of the child, the provisions of this section shall not
9 apply, and the case shall be subject to the provisions of
10 section 459 of such Act.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall become effective 6 months after the date
13 of the enactment of this Act.

14 **SEC. 763. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
15 **TIONS OF MEMBERS OF THE ARMED FORCES.**

16 (a) AVAILABILITY OF LOCATOR INFORMATION.—

17 (1) MAINTENANCE OF ADDRESS INFORMA-
18 TION.—The Secretary of Defense shall establish a
19 centralized personnel locator service that includes
20 the address of each member of the Armed Forces
21 under the jurisdiction of the Secretary. Upon re-
22 quest of the Secretary of Transportation, addresses
23 for members of the Coast Guard shall be included in
24 the centralized personnel locator service.

25 (2) TYPE OF ADDRESS.—

1 (A) RESIDENTIAL ADDRESS.—Except as
2 provided in subparagraph (B), the address for
3 a member of the Armed Forces shown in the lo-
4 cator service shall be the residential address of
5 that member.

6 (B) DUTY ADDRESS.—The address for a
7 member of the Armed Forces shown in the loca-
8 tor service shall be the duty address of that
9 member in the case of a member—

10 (i) who is permanently assigned over-
11 seas, to a vessel, or to a routinely
12 deployable unit; or

13 (ii) with respect to whom the Sec-
14 retary concerned makes a determination
15 that the member's residential address
16 should not be disclosed due to national se-
17 curity or safety concerns.

18 (3) UPDATING OF LOCATOR INFORMATION.—
19 Within 30 days after a member listed in the locator
20 service establishes a new residential address (or a
21 new duty address, in the case of a member covered
22 by paragraph (2)(B)), the Secretary concerned shall
23 update the locator service to indicate the new ad-
24 dress of the member.

1 (4) AVAILABILITY OF INFORMATION.—The Sec-
2 retary of Defense shall make information regarding
3 the address of a member of the Armed Forces listed
4 in the locator service available, on request, to the
5 Federal Parent Locator Service established under
6 section 453 of the Social Security Act.

7 (b) FACILITATING GRANTING OF LEAVE FOR AT-
8 TENDANCE AT HEARINGS.—

9 (1) REGULATIONS.—The Secretary of each
10 military department, and the Secretary of Transpor-
11 tation with respect to the Coast Guard when it is
12 not operating as a service in the Navy, shall pre-
13 scribe regulations to facilitate the granting of leave
14 to a member of the Armed Forces under the juris-
15 diction of that Secretary in a case in which—

16 (A) the leave is needed for the member to
17 attend a hearing described in paragraph (2);

18 (B) the member is not serving in or with
19 a unit deployed in a contingency operation (as
20 defined in section 101 of title 10, United States
21 Code); and

22 (C) the exigencies of military service (as
23 determined by the Secretary concerned) do not
24 otherwise require that such leave not be grant-
25 ed.

1 (2) COVERED HEARINGS.—Paragraph (1) ap-
2 plies to a hearing that is conducted by a court or
3 pursuant to an administrative process established
4 under State law, in connection with a civil action—

5 (A) to determine whether a member of the
6 Armed Forces is a natural parent of a child; or

7 (B) to determine an obligation of a mem-
8 ber of the Armed Forces to provide child sup-
9 port.

10 (3) DEFINITIONS.—For purposes of this sub-
11 section:

12 (A) The term “court” has the meaning
13 given that term in section 1408(a) of title 10,
14 United States Code.

15 (B) The term “child support” has the
16 meaning given such term in section 459(i) of
17 the Social Security Act (42 U.S.C. 659(i)).

18 (C) PAYMENT OF MILITARY RETIRED PAY IN COM-
19 PLIANCE WITH CHILD SUPPORT ORDERS.—

20 (1) DATE OF CERTIFICATION OF COURT
21 ORDER.—Section 1408 of title 10, United States
22 Code, as amended by section 762(c)(4) of this Act,
23 is amended—

24 (A) by redesignating subsections (i) and (j)
25 as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the
2 following:

3 “(i) CERTIFICATION DATE.—It is not necessary that
4 the date of a certification of the authenticity or complete-
5 ness of a copy of a court order for child support received
6 by the Secretary concerned for the purposes of this section
7 be recent in relation to the date of receipt by the Sec-
8 retary.”.

9 (2) PAYMENTS CONSISTENT WITH ASSIGN-
10 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
11 of such title is amended by inserting after the 1st
12 sentence the following: “In the case of a spouse or
13 former spouse who, pursuant to section 405(a)(8) of
14 the Social Security Act (42 U.S.C. 605(a)(8)), as-
15 signs to a State the rights of the spouse or former
16 spouse to receive support, the Secretary concerned
17 may make the child support payments referred to in
18 the preceding sentence to that State in amounts con-
19 sistent with that assignment of rights.”.

20 (3) ARREARAGES OWED BY MEMBERS OF THE
21 UNIFORMED SERVICES.—Section 1408(d) of such
22 title is amended by adding at the end the following:
23 “(6) In the case of a court order for which effective
24 service is made on the Secretary concerned on or after
25 the date of the enactment of this paragraph and which

1 provides for payments from the disposable retired pay of
2 a member to satisfy the amount of child support set forth
3 in the order, the authority provided in paragraph (1) to
4 make payments from the disposable retired pay of a mem-
5 ber to satisfy the amount of child support set forth in a
6 court order shall apply to payment of any amount of child
7 support arrearages set forth in that order as well as to
8 amounts of child support that currently become due.”.

9 (4) PAYROLL DEDUCTIONS.—The Secretary of
10 Defense shall begin payroll deductions within 30
11 days after receiving notice of withholding, or for the
12 first pay period that begins after such 30-day pe-
13 riod.

14 **SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466 (42 U.S.C. 666), as amended by section
16 721 of this Act, is amended by adding at the end the
17 following:

18 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
19 order to satisfy section 454(20)(A), each State must have
20 in effect—

21 “(1)(A) the Uniform Fraudulent Conveyance
22 Act of 1981;

23 “(B) the Uniform Fraudulent Transfer Act
24 of 1984; or

1 “(C) another law, specifying indicia of
2 fraud which create a prima facie case that a
3 debtor transferred income or property to avoid
4 payment to a child support creditor, which the
5 Secretary finds affords comparable rights to
6 child support creditors; and

7 “(2) procedures under which, in any case in
8 which the State knows of a transfer by a child sup-
9 port debtor with respect to which such a prima facie
10 case is established, the State must—

11 “(A) seek to void such transfer; or

12 “(B) obtain a settlement in the best inter-
13 ests of the child support creditor.”.

14 **SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD**
15 **SUSPEND DRIVERS’, BUSINESS, AND OCCUPA-**
16 **TIONAL LICENSES OF PERSONS OWING PAST-**
17 **DUE CHILD SUPPORT.**

18 It is the sense of the Congress that each State should
19 suspend any driver’s license, business license, or occupa-
20 tional license issued to any person who owes past-due child
21 support.

22 **SEC. 766. WORK REQUIREMENT FOR PERSONS OWING**
23 **PAST-DUE CHILD SUPPORT.**

24 Section 466(a) of the Social Security Act (42 U.S.C.
25 666(a)), as amended by sections 701(a), 715, 717(a), and

1 723 of this Act, is amended by adding at the end the
2 following:

3 “(16) PROCEDURES TO ENSURE THAT PERSONS
4 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
5 FOR PAYMENT OF SUCH SUPPORT.—

6 “(A) Procedures requiring the State, in
7 any case in which an individual owes past-due
8 support with respect to a child receiving assist-
9 ance under a State program funded under part
10 A, to seek a court order that requires the indi-
11 vidual to—

12 “(i) pay such support in accordance
13 with a plan approved by the court; or

14 “(ii) if the individual is subject to
15 such a plan and is not incapacitated, par-
16 ticipate in such work activities (as defined
17 in section 404(b)(1)) as the court deems
18 appropriate.

19 “(B) As used in subparagraph (A), the
20 term ‘past-due support’ means the amount of a
21 delinquency, determined under a court order, or
22 an order of an administrative process estab-
23 lished under State law, for support and mainte-
24 nance of a child, or of a child and the parent
25 with whom the child is living.’”.

1 **SEC. 767. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections
3 716 and 746(b) of this Act, is amended by adding at the
4 end the following:

5 “(o) **SUPPORT ORDER DEFINED.**—As used in this
6 part, the term ‘support order’ means an order issued by
7 a court or an administrative process established under
8 State law that requires support and maintenance of a child
9 or of a child and the parent with whom the child is liv-
10 ing.”.

11 **SEC. 768. LIENS.**

12 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
13 to read as follows:

14 “(4) Procedures under which—

15 “(A) liens arise by operation of law against
16 real and personal property for amounts of over-
17 due support owed by an absent parent who re-
18 sides or owns property in the State; and

19 “(B) the State accords full faith and credit
20 to liens described in subparagraph (A) arising
21 in another State, without registration of the un-
22 derlying order.”.

1 **SEC. 769. STATE LAW AUTHORIZING SUSPENSION OF LI-**
2 **CENSES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 715, 717(a), and 723 of this Act, is amended by
5 adding at the end the following:

6 “(15) 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 **Subtitle H—Medical Support**

16 **SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION**
17 **OF MEDICAL CHILD SUPPORT ORDER.**

18 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
19 ployee Retirement Income Security Act of 1974 (29
20 U.S.C. 1169(a)(2)(B)) is amended—

21 (1) by striking “issued by a court of competent
22 jurisdiction”;

23 (2) by striking the period at the end of clause
24 (ii) and inserting a comma; and

25 (3) by adding, after and below clause (ii), the
26 following:

1 “if such judgment, decree, or order (I) is issued
2 by a court of competent jurisdiction or (II) is
3 issued through an administrative process estab-
4 lished under State law and has the force and ef-
5 fect of law under applicable State law.”.

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendments made by
8 this section shall take effect on the date of the en-
9 actment of this Act.

10 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
11 JANUARY 1, 1996.—Any amendment to a plan re-
12 quired to be made by an amendment made by this
13 section shall not be required to be made before the
14 first plan year beginning on or after January 1,
15 1996, if—

16 (A) during the period after the date before
17 the date of the enactment of this Act and be-
18 fore such first plan year, the plan is operated
19 in accordance with the requirements of the
20 amendments made by this section; and

21 (B) such plan amendment applies retro-
22 actively to the period after the date before the
23 date of the enactment of this Act and before
24 such first plan year.

1 A plan shall not be treated as failing to be operated
2 in accordance with the provisions of the plan merely
3 because it operates in accordance with this para-
4 graph.

5 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**
6 **residential Parents**

8 **SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION**
9 **PROGRAMS.**

10 Part D of title IV (42 U.S.C. 651–669) is amended
11 by adding at the end the following:

12 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**
13 **TION PROGRAMS.**

14 **“(a) IN GENERAL.—**The Administration for Children
15 and Families shall make grants under this section to en-
16 able States to establish and administer programs to sup-
17 port and facilitate absent parents’ access to and visitation
18 of their children, by means of activities including medi-
19 ation (both voluntary and mandatory), counseling, edu-
20 cation, development of parenting plans, visitation enforce-
21 ment (including monitoring, supervision and neutral drop-
22 off and pickup), and development of guidelines for visita-
23 tion and alternative custody arrangements.

1 “(b) AMOUNT OF GRANT.—The amount of the grant
2 to be made to a State under this section for a fiscal year
3 shall be an amount equal to the lesser of—

4 “(1) 90 percent of State expenditures during
5 the fiscal year for activities described in subsection
6 (a); or

7 “(2) the allotment of the State under sub-
8 section (c) for the fiscal year.

9 “(c) ALLOTMENTS TO STATES.—

10 “(1) IN GENERAL.—The allotment of a State
11 for a fiscal year is the amount that bears the same
12 ratio to the amount appropriated for grants under
13 this section for the fiscal year as the number of chil-
14 dren in the State living with only 1 biological parent
15 bears to the total number of such children in all
16 States.

17 “(2) MINIMUM ALLOTMENT.—The Administra-
18 tion for Children and Families shall adjust allot-
19 ments to States under paragraph (1) as necessary to
20 ensure that no State is allotted less than—

21 “(A) \$50,000 for fiscal year 1996 or 1997;

22 or

23 “(B) \$100,000 for any succeeding fiscal
24 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 non-prof-
13 it 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 **Subtitle J—Effect of Enactment**

20 **SEC. 791. EFFECTIVE DATES.**

21 (a) IN GENERAL.—Except as otherwise specifically
22 provided (but subject to subsections (b) and (c))—

23 (1) the provisions of this title requiring the en-
24 actment or amendment of State laws under section
25 466 of the Social Security Act, or revision of State

1 plans under section 454 of such Act, shall be effective with respect to periods beginning on and after
2 October 1, 1996; and
3

4 (2) all other provisions of this title shall become effective upon enactment.
5

6 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect
7 to a State on the later of—
8

9 (1) the date specified in this title, or

10 (2) the effective date of laws enacted by the legislature of such State implementing such provisions,
11 but in no event later than the first day of the first calendar quarter beginning after the close of the first regular
12 session of the State legislature that begins after the date
13 of the enactment of this Act. For purposes of the previous
14 sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to
15 be a separate regular session of the State legislature.
16
17
18

19 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State
20 is unable to so comply without amending the State constitution until the earlier of—
21
22
23

24 (1) 1 year after the effective date of the necessary State constitutional amendment; or
25

1 (2) 5 years after the date of the enactment of
2 this title.

3 **TITLE VIII—MISCELLANEOUS**
4 **PROVISIONS**

5 **SEC. 801. SCORING.**

6 Section 251(b)(2) of the Balanced Budget and Emer-
7 gency Deficit Control Act of 1985 is amended by adding
8 at the end the following new subparagraph:

9 “(H) SPECIAL ALLOWANCE FOR WELFARE RE-
10 FORM.—For any fiscal year, the adjustments shall
11 be appropriations for discretionary programs result-
12 ing from the Personal Responsibility Act of 1995 (as
13 described in the joint explanatory statement accom-
14 panying a conference report on that Act) in discre-
15 tionary accounts and the outlays flowing in all years
16 from such appropriations (but not to exceed
17 amounts authorized for those programs by that Act
18 for that fiscal year) minus appropriations for com-
19 parable discretionary programs for fiscal year 1995
20 (as described in the joint explanatory statement ac-
21 companying a conference report on that Act.”.

22 **SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENE-**
23 **FIT TRANSFER SYSTEMS.**

24 Section 904 of the Electronic Fund Transfer Act (15
25 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

1 established by Federal, State, or local gov-
2 ernments.”.

 Passed the House of Representatives March 24,
1995.

Attest:

ROBIN H. CARLE,
Clerk.

HR 4 RFS—2

HR 4 RFS—3

HR 4 RFS—4

HR 4 RFS—5

HR 4 RFS—6

HR 4 RFS—7

HR 4 RFS—8

HR 4 RFS—9

HR 4 RFS—10

HR 4 RFS—11

HR 4 RFS—12

HR 4 RFS—13

HR 4 RFS—14

HR 4 RFS—15

HR 4 RFS—16

HR 4 RFS—17

HR 4 RFS—18

HR 4 RFS—19

HR 4 RFS—20

HR 4 RFS—21

HR 4 RFS—22

HR 4 RFS—23

HR 4 RFS—24

HR 4 RFS—25

HR 4 RFS—26

HR 4 RFS—27

HR 4 RFS—28