

105TH CONGRESS
2^D SESSION

H.R. 3130

AMENDMENTS

TO

SENATE AMENDMENTS

In the House of Representatives, U. S.,

June 25, 1998.

Resolved, That the House agree to the amendments of the Senate to the bill (H.R. 3130) entitled “An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, to amend the Immigration and Nationality Act to make certain aliens determined to be delinquent in the payment of child support inadmissible and ineligible for naturalization, and for other purposes”, with the following

AMENDMENTS:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “Child Support Perform-*
3 *ance and Incentive Act of 1998”.*

4 ***SEC. 2. TABLE OF CONTENTS.***

5 *The table of contents of this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

*TITLE I—CHILD SUPPORT DATA PROCESSING REQUIREMENTS**Sec. 101. Alternative penalty procedure.**Sec. 102. Authority to waive single statewide automated data processing and information retrieval system requirement.**TITLE II—CHILD SUPPORT INCENTIVE SYSTEM**Sec. 201. Incentive payments to States.**TITLE III—ADOPTION PROVISIONS**Sec. 301. More flexible penalty procedure to be applied for failing to permit inter-jurisdictional adoption.**TITLE IV—MISCELLANEOUS**Sec. 401. Elimination of barriers to the effective establishment and enforcement of medical child support.**Sec. 402. Safeguard of new employee information.**Sec. 403. Limitations on use of TANF funds for matching under certain Federal transportation program.**Sec. 404. Clarification of meaning of high-volume automated administrative enforcement of child support in interstate cases.**Sec. 405. General Accounting Office reports.**Sec. 406. Data matching by multistate financial institutions.**Sec. 407. Elimination of unnecessary data reporting.**Sec. 408. Clarification of eligibility under welfare-to-work programs.**Sec. 409. Study of feasibility of implementing immigration provisions of H.R. 3130, as passed by the House of Representatives on March 5, 1998.**Sec. 410. Technical corrections.***1 *TITLE I—CHILD SUPPORT DATA***
2 *PROCESSING REQUIREMENTS***3 *SEC. 101. ALTERNATIVE PENALTY PROCEDURE.***

4 *(a) IN GENERAL.—Section 455(a) of the Social Secu-*
5 *rity Act (42 U.S.C. 655(a)) is amended by adding at the*
6 *end the following:*

7 “*(4)(A)(i) If—*

8 “*(I) the Secretary determines that a State plan*
9 *under section 454 would (in the absence of this para-*
10 *graph) be disapproved for the failure of the State to*
11 *comply with a particular subparagraph of section*

1 454(24), and that the State has made and is continu-
2 ing to make a good faith effort to so comply; and

3 “(II) the State has submitted to the Secretary a
4 corrective compliance plan that describes how, by
5 when, and at what cost the State will achieve such
6 compliance, which has been approved by the Sec-
7 retary,

8 then the Secretary shall not disapprove the State plan
9 under section 454, and the Secretary shall reduce the
10 amount otherwise payable to the State under paragraph
11 (1)(A) of this subsection for the fiscal year by the penalty
12 amount.

13 “(ii) All failures of a State during a fiscal year to
14 comply with any of the requirements referred to in the same
15 subparagraph of section 454(24) shall be considered a single
16 failure of the State to comply with that subparagraph dur-
17 ing the fiscal year for purposes of this paragraph.

18 “(B) In this paragraph:

19 “(i) The term ‘penalty amount’ means, with re-
20 spect to a failure of a State to comply with a sub-
21 paragraph of section 454(24)—

22 “(I) 4 percent of the penalty base, in the
23 case of the 1st fiscal year in which such a failure
24 by the State occurs (regardless of whether a pen-

1 *alty is imposed under this paragraph with re-*
2 *spect to the failure);*

3 *“(II) 8 percent of the penalty base, in the*
4 *case of the 2nd such fiscal year;*

5 *“(III) 16 percent of the penalty base, in the*
6 *case of the 3rd such fiscal year;*

7 *“(IV) 25 percent of the penalty base, in the*
8 *case of the 4th such fiscal year; or*

9 *“(V) 30 percent of the penalty base, in the*
10 *case of the 5th or any subsequent such fiscal*
11 *year.*

12 *“(i) The term ‘penalty base’ means, with respect*
13 *to a failure of a State to comply with a subparagraph*
14 *of section 454(24) during a fiscal year, the amount*
15 *otherwise payable to the State under paragraph*
16 *(1)(A) of this subsection for the preceding fiscal year.*

17 *“(C)(i) The Secretary shall waive a penalty under this*
18 *paragraph for any failure of a State to comply with section*
19 *454(24)(A) during fiscal year 1998 if—*

20 *“(I) on or before August 1, 1998, the State has*
21 *submitted to the Secretary a request that the Sec-*
22 *retary certify the State as having met the require-*
23 *ments of such section;*

1 “(II) the Secretary subsequently provides the cer-
2 tification as a result of a timely review conducted
3 pursuant to the request; and

4 “(III) the State has not failed such a review.

5 “(ii) If a State with respect to which a reduction is
6 made under this paragraph for a fiscal year with respect
7 to a failure to comply with a subparagraph of section
8 454(24) achieves compliance with such subparagraph by the
9 beginning of the succeeding fiscal year, the Secretary shall
10 increase the amount otherwise payable to the State under
11 paragraph (1)(A) of this subsection for the succeeding fiscal
12 year by an amount equal to 90 percent of the reduction
13 for the fiscal year.

14 “(D) The Secretary may not impose a penalty under
15 this paragraph against a State with respect to a failure
16 to comply with section 454(24)(B) for a fiscal year if the
17 Secretary is required to impose a penalty under this para-
18 graph against the State with respect to a failure to comply
19 with section 454(24)(A) for the fiscal year.”.

20 (b) *INAPPLICABILITY OF PENALTY UNDER TANF PRO-*
21 *GRAM.*—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C.
22 609(a)(8)(A)(i)(III)) is amended by inserting “(other than
23 section 454(24))” before the semicolon.

1 **SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTO-**
2 **MATED DATA PROCESSING AND INFORMA-**
3 **TION RETRIEVAL SYSTEM REQUIREMENT.**

4 (a) *IN GENERAL.*—Section 452(d)(3) of the Social Se-
5 curity Act (42 U.S.C. 652(d)(3)) is amended to read as fol-
6 lows:

7 “(3) *The Secretary may waive any requirement of*
8 *paragraph (1) or any condition specified under section*
9 *454(16), and shall waive the single statewide system re-*
10 *quirement under sections 454(16) and 454A, with respect*
11 *to a State if—*

12 “(A) *the State demonstrates to the satisfaction of*
13 *the Secretary that the State has or can develop an al-*
14 *ternative system or systems that enable the State—*

15 “(i) *for purposes of section 409(a)(8), to*
16 *achieve the paternity establishment percentages*
17 *(as defined in section 452(g)(2)) and other per-*
18 *formance measures that may be established by*
19 *the Secretary;*

20 “(ii) *to submit data under section*
21 *454(15)(B) that is complete and reliable;*

22 “(iii) *to substantially comply with the re-*
23 *quirements of this part; and*

24 “(iv) *in the case of a request to waive the*
25 *single statewide system requirement, to—*

1 “(I) meet all functional requirements
2 of sections 454(16) and 454A;

3 “(II) ensure that calculation of dis-
4 tributions meets the requirements of section
5 457 and accounts for distributions to chil-
6 dren in different families or in different
7 States or sub-State jurisdictions, and for
8 distributions to other States;

9 “(III) ensure that there is only 1 point
10 of contact in the State which provides seam-
11 less case processing for all interstate case
12 processing and coordinated, automated
13 intrastate case management;

14 “(IV) ensure that standardized data
15 elements, forms, and definitions are used
16 throughout the State;

17 “(V) complete the alternative system in
18 no more time than it would take to complete
19 a single statewide system that meets such
20 requirement; and

21 “(VI) process child support cases as
22 quickly, efficiently, and effectively as such
23 cases would be processed through a single
24 statewide system that meets such require-
25 ment;

1 “(B)(i) the waiver meets the criteria of para-
2 graphs (1), (2), and (3) of section 1115(c); or

3 “(ii) the State provides assurances to the Sec-
4 retary that steps will be taken to otherwise improve
5 the State’s child support enforcement program; and

6 “(C) in the case of a request to waive the single
7 statewide system requirement, the State has submitted
8 to the Secretary separate estimates of the total cost of
9 a single statewide system that meets such require-
10 ment, and of any such alternative system or systems,
11 which shall include estimates of the cost of developing
12 and completing the system and of operating and
13 maintaining the system for 5 years, and the Secretary
14 has agreed with the estimates.”.

15 (b) *PAYMENTS TO STATES*.—Section 455(a)(1) of such
16 *Act* (42 U.S.C. 655(a)(1)) is amended—

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

19 (2) by striking the semicolon at the end of sub-
20 paragraph (C) and inserting “, and”; and

21 (3) by inserting after subparagraph (C) the fol-
22 lowing:

23 “(D) equal to 66 percent of the sums expended
24 by the State during the quarter for an alternative
25 statewide system for which a waiver has been granted

1 *under section 452(d)(3), but only to the extent that*
 2 *the total of the sums so expended by the State on or*
 3 *after the date of the enactment of this subparagraph*
 4 *does not exceed the least total cost estimate submitted*
 5 *by the State pursuant to section 452(d)(3)(C) in the*
 6 *request for the waiver;”.*

7 **TITLE II—CHILD SUPPORT**
 8 **INCENTIVE SYSTEM**

9 **SEC. 201. INCENTIVE PAYMENTS TO STATES.**

10 *(a) IN GENERAL.—Part D of title IV of the Social Se-*
 11 *curity Act (42 U.S.C. 651–669) is amended by inserting*
 12 *after section 458 the following:*

13 **“SEC. 458A. INCENTIVE PAYMENTS TO STATES.**

14 *“(a) IN GENERAL.—In addition to any other payment*
 15 *under this part, the Secretary shall, subject to subsection*
 16 *(f), make an incentive payment to each State for each fiscal*
 17 *year in an amount determined under subsection (b).*

18 **“(b) AMOUNT OF INCENTIVE PAYMENT.—**

19 *“(1) IN GENERAL.—The incentive payment for a*
 20 *State for a fiscal year is equal to the incentive pay-*
 21 *ment pool for the fiscal year, multiplied by the State*
 22 *incentive payment share for the fiscal year.*

23 **“(2) INCENTIVE PAYMENT POOL.—**

24 *“(A) IN GENERAL.—In paragraph (1), the*
 25 *term ‘incentive payment pool’ means—*

1 “(i) \$422,000,000 for fiscal year 2000;

2 “(ii) \$429,000,000 for fiscal year 2001;

3 “(iii) \$450,000,000 for fiscal year

4 2002;

5 “(iv) \$461,000,000 for fiscal year 2003;

6 “(v) \$454,000,000 for fiscal year 2004;

7 “(vi) \$446,000,000 for fiscal year 2005;

8 “(vii) \$458,000,000 for fiscal year

9 2006;

10 “(viii) \$471,000,000 for fiscal year

11 2007;

12 “(ix) \$483,000,000 for fiscal year

13 2008; and

14 “(x) for any succeeding fiscal year, the
15 amount of the incentive payment pool for
16 the fiscal year that precedes such succeeding
17 fiscal year, multiplied by the percentage (if
18 any) by which the CPI for such preceding
19 fiscal year exceeds the CPI for the 2nd pre-
20 ceding fiscal year.

21 “(B) CPI.—For purposes of subparagraph
22 (A), the CPI for a fiscal year is the average of
23 the Consumer Price Index for the 12-month pe-
24 riod ending on September 30 of the fiscal year.

25 As used in the preceding sentence, the term ‘Con-

1 *sumer Price Index’ means the last Consumer*
2 *Price Index for all-urban consumers published by*
3 *the Department of Labor.*

4 “(3) *STATE INCENTIVE PAYMENT SHARE.—In*
5 *paragraph (1), the term ‘State incentive payment*
6 *share’ means, with respect to a fiscal year—*

7 “(A) *the incentive base amount for the State*
8 *for the fiscal year; divided by*

9 “(B) *the sum of the incentive base amounts*
10 *for all of the States for the fiscal year.*

11 “(4) *INCENTIVE BASE AMOUNT.—In paragraph*
12 *(3), the term ‘incentive base amount’ means, with re-*
13 *spect to a State and a fiscal year, the sum of the ap-*
14 *plicable percentages (determined in accordance with*
15 *paragraph (6)) multiplied by the corresponding maxi-*
16 *imum incentive base amounts for the State for the fis-*
17 *cal year, with respect to each of the following meas-*
18 *ures of State performance for the fiscal year:*

19 “(A) *The paternity establishment perform-*
20 *ance level.*

21 “(B) *The support order performance level.*

22 “(C) *The current payment performance*
23 *level.*

24 “(D) *The arrearage payment performance*
25 *level.*

1 “(E) *The cost-effectiveness performance*
2 *level.*

3 “(5) *MAXIMUM INCENTIVE BASE AMOUNT.—*

4 “(A) *IN GENERAL.—For purposes of para-*
5 *graph (4), the maximum incentive base amount*
6 *for a State for a fiscal year is—*

7 “(i) *with respect to the performance*
8 *measures described in subparagraphs (A),*
9 *(B), and (C) of paragraph (4), the State*
10 *collections base for the fiscal year; and*

11 “(ii) *with respect to the performance*
12 *measures described in subparagraphs (D)*
13 *and (E) of paragraph (4), 75 percent of the*
14 *State collections base for the fiscal year.*

15 “(B) *DATA REQUIRED TO BE COMPLETE*
16 *AND RELIABLE.—Notwithstanding subparagraph*
17 *(A), the maximum incentive base amount for a*
18 *State for a fiscal year with respect to a perform-*
19 *ance measure described in paragraph (4) is zero,*
20 *unless the Secretary determines, on the basis of*
21 *an audit performed under section*
22 *452(a)(4)(C)(i), that the data which the State*
23 *submitted pursuant to section 454(15)(B) for the*
24 *fiscal year and which is used to determine the*

1 *performance level involved is complete and reli-*
2 *able.*

3 “(C) *STATE COLLECTIONS BASE.—For pur-*
4 *poses of subparagraph (A), the State collections*
5 *base for a fiscal year is equal to the sum of—*

6 “(i) *2 times the sum of—*

7 “(I) *the total amount of support*
8 *collected during the fiscal year under*
9 *the State plan approved under this*
10 *part in cases in which the support ob-*
11 *ligation involved is required to be as-*
12 *signed to the State pursuant to part A*
13 *or E of this title or title XIX; and*

14 “(II) *the total amount of support*
15 *collected during the fiscal year under*
16 *the State plan approved under this*
17 *part in cases in which the support ob-*
18 *ligation involved was so assigned but,*
19 *at the time of collection, is not required*
20 *to be so assigned; and*

21 “(ii) *the total amount of support col-*
22 *lected during the fiscal year under the State*
23 *plan approved under this part in all other*
24 *cases.*

1 “(6) *DETERMINATION OF APPLICABLE PERCENT-*
 2 *AGES BASED ON PERFORMANCE LEVELS.—*

3 “(A) *PATERNITY ESTABLISHMENT.—*

4 “(i) *DETERMINATION OF PATERNITY*
 5 *ESTABLISHMENT PERFORMANCE LEVEL.—*

6 *The paternity establishment performance*
 7 *level for a State for a fiscal year is, at the*
 8 *option of the State, the IV–D paternity es-*
 9 *tablishment percentage determined under*
 10 *section 452(g)(2)(A) or the statewide pater-*
 11 *nity establishment percentage determined*
 12 *under section 452(g)(2)(B).*

13 “(ii) *DETERMINATION OF APPLICABLE*
 14 *PERCENTAGE.—The applicable percentage*
 15 *with respect to a State’s paternity establish-*
 16 *ment performance level is as follows:*

“If the paternity establishment per- formance level is:		The applica- ble percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75

“If the paternity establishment performance level is:		The applicable percentage is:
At least:	But less than:	
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

1 *Notwithstanding the preceding sentence, if*
 2 *the paternity establishment performance*
 3 *level of a State for a fiscal year is less than*
 4 *50 percent but exceeds by at least 10 per-*
 5 *centage points the paternity establishment*
 6 *performance level of the State for the imme-*
 7 *diately preceding fiscal year, then the ap-*
 8 *plicable percentage with respect to the*
 9 *State’s paternity establishment performance*
 10 *level is 50 percent.*

11 *“(B) ESTABLISHMENT OF CHILD SUPPORT*
 12 *ORDERS.—*

13 *“(i) DETERMINATION OF SUPPORT*
 14 *ORDER PERFORMANCE LEVEL.—The support*
 15 *order performance level for a State for a fis-*

1 *cal year is the percentage of the total num-*
 2 *ber of cases under the State plan approved*
 3 *under this part in which there is a support*
 4 *order during the fiscal year.*

5 *“(ii) DETERMINATION OF APPLICABLE*
 6 *PERCENTAGE.—The applicable percentage*
 7 *with respect to a State’s support order per-*
 8 *formance level is as follows:*

“If the support order performance level is:		The applica- ble percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

1 *Notwithstanding the preceding sentence, if*
2 *the support order performance level of a*
3 *State for a fiscal year is less than 50 per-*
4 *cent but exceeds by at least 5 percentage*
5 *points the support order performance level*
6 *of the State for the immediately preceding*
7 *fiscal year, then the applicable percentage*
8 *with respect to the State’s support order*
9 *performance level is 50 percent.*

10 *“(C) COLLECTIONS ON CURRENT CHILD*
11 *SUPPORT DUE.—*

12 *“(i) DETERMINATION OF CURRENT*
13 *PAYMENT PERFORMANCE LEVEL.—The cur-*
14 *rent payment performance level for a State*
15 *for a fiscal year is equal to the total*
16 *amount of current support collected during*
17 *the fiscal year under the State plan ap-*
18 *proved under this part divided by the total*
19 *amount of current support owed during the*
20 *fiscal year in all cases under the State plan,*
21 *expressed as a percentage.*

22 *“(ii) DETERMINATION OF APPLICABLE*
23 *PERCENTAGE.—The applicable percentage*
24 *with respect to a State’s current payment*
25 *performance level is as follows:*

“If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

1 *Notwithstanding the preceding sentence, if*
 2 *the current payment performance level of a*
 3 *State for a fiscal year is less than 40 per-*
 4 *cent but exceeds by at least 5 percentage*

1 *points the current payment performance*
2 *level of the State for the immediately pre-*
3 *ceding fiscal year, then the applicable per-*
4 *centage with respect to the State's current*
5 *payment performance level is 50 percent.*

6 *“(D) COLLECTIONS ON CHILD SUPPORT AR-*
7 *REARAGES.—*

8 *“(i) DETERMINATION OF ARREARAGE*
9 *PAYMENT PERFORMANCE LEVEL.—The ar-*
10 *rearage payment performance level for a*
11 *State for a fiscal year is equal to the total*
12 *number of cases under the State plan ap-*
13 *proved under this part in which payments*
14 *of past-due child support were received dur-*
15 *ing the fiscal year and part or all of the*
16 *payments were distributed to the family to*
17 *whom the past-due child support was owed*
18 *(or, if all past-due child support owed to the*
19 *family was, at the time of receipt, subject to*
20 *an assignment to the State, part or all of*
21 *the payments were retained by the State)*
22 *divided by the total number of cases under*
23 *the State plan in which there is past-due*
24 *child support, expressed as a percentage.*

1 “(i) *DETERMINATION OF APPLICABLE*
 2 *PERCENTAGE.*—*The applicable percentage*
 3 *with respect to a State’s arrearage payment*
 4 *performance level is as follows:*

“If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50

“If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
0%	40%	0.

1 *Notwithstanding the preceding sentence, if*
 2 *the arrearage payment performance level of*
 3 *a State for a fiscal year is less than 40 per-*
 4 *cent but exceeds by at least 5 percentage*
 5 *points the arrearage payment performance*
 6 *level of the State for the immediately pre-*
 7 *ceding fiscal year, then the applicable per-*
 8 *centage with respect to the State’s arrearage*
 9 *payment performance level is 50 percent.*

10 *“(E) COST-EFFECTIVENESS.—*

11 *“(i) DETERMINATION OF COST-EFFEC-*
 12 *TIVENESS PERFORMANCE LEVEL.—The cost-*
 13 *effectiveness performance level for a State*
 14 *for a fiscal year is equal to the total*
 15 *amount collected during the fiscal year*
 16 *under the State plan approved under this*
 17 *part divided by the total amount expended*
 18 *during the fiscal year under the State plan,*
 19 *expressed as a ratio.*

20 *“(ii) DETERMINATION OF APPLICABLE*
 21 *PERCENTAGE.—The applicable percentage*

1 with respect to a State’s cost-effectiveness
 2 performance level is as follows:

“If the cost-effectiveness performance level is:		The applica- ble percentage is:
At least:	But less than:	
5.00 .....	.....	100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40
0.00	2.00	0.

3 “(c) *TREATMENT OF INTERSTATE COLLECTIONS.*—In
 4 computing incentive payments under this section, support
 5 which is collected by a State at the request of another State
 6 shall be treated as having been collected in full by both
 7 States, and any amounts expended by a State in carrying
 8 out a special project assisted under section 455(e) shall be
 9 excluded.

10 “(d) *ADMINISTRATIVE PROVISIONS.*—The amounts of
 11 the incentive payments to be made to the States under this
 12 section for a fiscal year shall be estimated by the Secretary
 13 at or before the beginning of the fiscal year on the basis
 14 of the best information available. The Secretary shall make
 15 the payments for the fiscal year, on a quarterly basis (with
 16 each quarterly payment being made no later than the begin-
 17 ning of the quarter involved), in the amounts so estimated,
 18 reduced or increased to the extent of any overpayments or
 19 underpayments which the Secretary determines were made

1 *under this section to the States involved for prior periods*
2 *and with respect to which adjustment has not already been*
3 *made under this subsection. Upon the making of any esti-*
4 *mate by the Secretary under the preceding sentence, any*
5 *appropriations available for payments under this section*
6 *are deemed obligated.*

7 “(e) *REGULATIONS.*—*The Secretary shall prescribe*
8 *such regulations as may be necessary governing the calcula-*
9 *tion of incentive payments under this section, including di-*
10 *rections for excluding from the calculations certain closed*
11 *cases and cases over which the States do not have jurisdic-*
12 *tion.*

13 “(f) *REINVESTMENT.*—*A State to which a payment is*
14 *made under this section shall expend the full amount of the*
15 *payment to supplement, and not supplant, other funds used*
16 *by the State—*

17 “(1) *to carry out the State plan approved under*
18 *this part; or*

19 “(2) *for any activity (including cost-effective*
20 *contracts with local agencies) approved by the Sec-*
21 *retary, whether or not the expenditures for the activ-*
22 *ity are eligible for reimbursement under this part,*
23 *which may contribute to improving the effectiveness*
24 *or efficiency of the State program operated under this*
25 *part.”.*

1 (b) *TRANSITION RULE.*—Notwithstanding any other
2 *provision of law—*

3 (1) *for fiscal year 2000, the Secretary shall re-*
4 *duce by $\frac{1}{3}$ the amount otherwise payable to a State*
5 *under section 458 of the Social Security Act, and*
6 *shall reduce by $\frac{2}{3}$ the amount otherwise payable to a*
7 *State under section 458A of such Act; and*

8 (2) *for fiscal year 2001, the Secretary shall re-*
9 *duce by $\frac{2}{3}$ the amount otherwise payable to a State*
10 *under section 458 of the Social Security Act, and*
11 *shall reduce by $\frac{1}{3}$ the amount otherwise payable to a*
12 *State under section 458A of such Act.*

13 (c) *REGULATIONS.*—Within 9 months after the date of
14 *the enactment of this section, the Secretary of Health and*
15 *Human Services shall prescribe regulations governing the*
16 *implementation of section 458A of the Social Security Act*
17 *when such section takes effect and the implementation of*
18 *subsection (b) of this section.*

19 (d) *STUDIES.*—

20 (1) *GENERAL REVIEW OF NEW INCENTIVE PAY-*
21 *MENT SYSTEM.*—

22 (A) *IN GENERAL.*—The Secretary of Health
23 *and Human Services shall conduct a study of the*
24 *implementation of the incentive payment system*
25 *established by section 458A of the Social Secu-*

1 *rity Act, in order to identify the problems and*
2 *successes of the system.*

3 *(B) REPORTS TO THE CONGRESS.—*

4 *(i) REPORT ON VARIATIONS IN STATE*
5 *PERFORMANCE ATTRIBUTABLE TO DEMO-*
6 *GRAPHIC VARIABLES.—Not later than Octo-*
7 *ber 1, 2000, the Secretary shall submit to*
8 *the Congress a report that identifies any de-*
9 *mographic or economic variables that ac-*
10 *count for differences in the performance lev-*
11 *els achieved by the States with respect to the*
12 *performance measures used in the system,*
13 *and contains the recommendations of the*
14 *Secretary for such adjustments to the system*
15 *as may be necessary to ensure that the rel-*
16 *ative performance of States is measured*
17 *from a baseline that takes account of any*
18 *such variables.*

19 *(ii) INTERIM REPORT.—Not later than*
20 *March 1, 2001, the Secretary shall submit*
21 *to the Congress an interim report that con-*
22 *tains the findings of the study required by*
23 *subparagraph (A).*

24 *(iii) FINAL REPORT.—Not later than*
25 *October 1, 2003, the Secretary shall submit*

1 to the Congress a final report that contains
2 the final findings of the study required by
3 subparagraph (A). The report shall include
4 any recommendations for changes in the
5 system that the Secretary determines would
6 improve the operation of the child support
7 enforcement program.

8 (2) *DEVELOPMENT OF MEDICAL SUPPORT INCEN-*
9 *TIVE.*—

10 (A) *IN GENERAL.*—The Secretary of Health
11 and Human Services, in consultation with State
12 directors of programs operated under part D of
13 title IV of the Social Security Act and represent-
14 atives of children potentially eligible for medical
15 support, shall develop a performance measure
16 based on the effectiveness of States in establish-
17 ing and enforcing medical support obligations,
18 and shall make recommendations for the incorpo-
19 ration of the measure, in a revenue neutral man-
20 ner, into the incentive payment system estab-
21 lished by section 458A of the Social Security Act.

22 (B) *REPORT.*—Not later than October 1,
23 1999, the Secretary shall submit to the Congress
24 a report that describes the performance measure

1 *and contains the recommendations required by*
2 *subparagraph (A).*

3 *(e) TECHNICAL AMENDMENTS.—*

4 *(1) IN GENERAL.—Section 341 of the Personal*
5 *Responsibility and Work Opportunity Reconciliation*
6 *Act of 1996 (42 U.S.C. 658 note) is amended—*

7 *(A) by striking subsection (a) and redesignating*
8 *subsections (b), (c), and (d) as subsections*
9 *(a), (b), and (c), respectively; and*

10 *(B) in subsection (c) (as so redesignated)—*

11 *(i) by striking paragraph (1) and in-*
12 *serting the following:*

13 *“(1) CONFORMING AMENDMENTS TO PRESENT*
14 *SYSTEM.—The amendments made by subsection (a) of*
15 *this section shall become effective with respect to a*
16 *State as of the date the amendments made by section*
17 *103(a) (without regard to section 116(a)(2)) first*
18 *apply to the State.”; and*

19 *(ii) in paragraph (2), by striking “(c)”*
20 *and inserting “(b)”.*

21 *(2) EFFECTIVE DATE.—The amendments made*
22 *by this subsection shall take effect as if included in*
23 *the enactment of section 341 of the Personal Respon-*
24 *sibility and Work Opportunity Reconciliation Act of*
25 *1996.*

1 (f) *ELIMINATION OF PREDECESSOR INCENTIVE PAY-*
2 *MENT SYSTEM.*—

3 (1) *REPEAL.*—Section 458 of the Social Security
4 *Act (42 U.S.C. 658) is repealed.*

5 (2) *CONFORMING AMENDMENTS.*—

6 (A) Section 458A of the Social Security Act,
7 *as added by section 201(a) of this Act, is redesign-*
8 *ated as section 458.*

9 (B) Section 455(a)(4)(C)(iii) of such Act
10 *(42 U.S.C. 655(a)(4)(C)(iii)), as added by sec-*
11 *tion 101(a) of this Act, is amended—*

12 (i) *by striking “458A(b)(4)” and in-*
13 *serting “458(b)(4)”;*

14 (ii) *by striking “458A(b)(6)” and in-*
15 *serting “458(b)(6)”;* and

16 (iii) *by striking “458A(b)(5)(B)” and*
17 *inserting “458(b)(5)(B)”.*

18 (C) Subsection (d)(1) of this section is
19 *amended by striking “458A” and inserting*
20 *“458”.*

21 (3) *EFFECTIVE DATE.*—The amendments made
22 *by this subsection shall take effect on October 1, 2001.*

23 (g) *GENERAL EFFECTIVE DATE.*—Except as otherwise
24 *provided in this section, the amendments made by this sec-*
25 *tion shall take effect on October 1, 1999.*

1 **TITLE III—ADOPTION**
2 **PROVISIONS**

3 **SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE AP-**
4 **PLIED FOR FAILING TO PERMIT INTERJURIS-**
5 **DICTIONAL ADOPTION.**

6 (a) *CONVERSION OF FUNDING BAN INTO STATE PLAN*
7 *REQUIREMENT.*—Section 471(a) of the Social Security Act
8 (42 U.S.C. 671(a)) is amended—

9 (1) *by striking “and” at the end of paragraph*
10 *(21);*

11 (2) *by striking the period at the end of para-*
12 *graph (22) and inserting “; and”; and*

13 (3) *by adding at the end the following:*

14 “*(23) provides that the State shall not—*

15 “*(A) deny or delay the placement of a child*
16 *for adoption when an approved family is avail-*
17 *able outside of the jurisdiction with responsibil-*
18 *ity for handling the case of the child; or*

19 “*(B) fail to grant an opportunity for a fair*
20 *hearing, as described in paragraph (12), to an*
21 *individual whose allegation of a violation of sub-*
22 *paragraph (A) of this paragraph is denied by the*
23 *State or not acted upon by the State with rea-*
24 *sonable promptness.”.*

1 (b) *PENALTY FOR NONCOMPLIANCE.*—Section 474(d)
 2 of such Act (42 U.S.C. 674(d)) is amended in each of para-
 3 graphs (1) and (2) by striking “section 471(a)(18)” and
 4 inserting “paragraph (18) or (23) of section 471(a)”.

5 (c) *CONFORMING AMENDMENT.*—Section 474 of such
 6 Act (42 U.S.C. 674) is amended by striking subsection (e).

7 (d) *RETROACTIVITY.*—The amendments made by this
 8 section shall take effect as if included in the enactment of
 9 section 202 of the Adoption and Safe Families Act of 1997
 10 (Public Law 105–89; 111 Stat. 2125).

11 **TITLE IV—MISCELLANEOUS**

12 **SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE** 13 **ESTABLISHMENT AND ENFORCEMENT OF** 14 **MEDICAL CHILD SUPPORT.**

15 (a) *STUDY ON EFFECTIVENESS OF ENFORCEMENT OF*
 16 *MEDICAL SUPPORT BY STATE AGENCIES.*—

17 (1) *MEDICAL CHILD SUPPORT WORKING*
 18 *GROUP.*—Within 60 days after the date of the enact-
 19 *ment of this Act, the Secretary of Health and Human*
 20 *Services and the Secretary of Labor shall jointly es-*
 21 *tablish a Medical Child Support Working Group. The*
 22 *purpose of the Working Group shall be to identify the*
 23 *impediments to the effective enforcement of medical*
 24 *support by State agencies administering the programs*

1 operated pursuant to part D of title IV of the Social
2 Security Act.

3 (2) *MEMBERSHIP.*—*The Working Group shall*
4 *consist of not more than 30 members and shall be*
5 *composed of representatives of—*

6 (A) *the Department of Labor;*

7 (B) *the Department of Health and Human*
8 *Services;*

9 (C) *State directors of programs under part*
10 *D of title IV of the Social Security Act;*

11 (D) *State directors of the medicaid program*
12 *under title XIX of the Social Security Act;*

13 (E) *employers, including owners of small*
14 *businesses and their trade or industry represent-*
15 *atives and certified human resource and payroll*
16 *professionals;*

17 (F) *plan administrators and plan sponsors*
18 *of group health plans (as defined in section*
19 *607(1) of the Employee Retirement Income Secu-*
20 *rity Act of 1974 (29 U.S.C. 1167(1));*

21 (G) *children potentially eligible for medical*
22 *support, such as child advocacy organizations;*

23 (H) *State medical child support programs;*
24 *and*

1 (I) organizations representing State child
2 support programs.

3 (3) COMPENSATION.—The members shall serve
4 without compensation.

5 (4) ADMINISTRATIVE SUPPORT.—The Depart-
6 ment of Health and Human Services and the Depart-
7 ment of Labor shall jointly provide appropriate ad-
8 ministrative support to the Working Group, including
9 technical assistance. The Working Group may use the
10 services and facilities of either such Department, with
11 or without reimbursement, as jointly determined by
12 such Departments.

13 (5) REPORT.—

14 (A) REPORT BY WORKING GROUP TO THE
15 SECRETARIES.—Not later than 18 months after
16 the date of the enactment of this Act, the Work-
17 ing Group shall submit to the Secretary of Labor
18 and the Secretary of Health and Human Serv-
19 ices a report containing recommendations for
20 appropriate measures to address the impedi-
21 ments to the effective enforcement of medical sup-
22 port by State agencies administering the pro-
23 grams operated pursuant to part D of title IV of
24 the Social Security Act identified by the Work-
25 ing Group, including—

1 (i) recommendations based on assess-
2 ments of the form and content of the Na-
3 tional Medical Support Notice, as issued
4 under interim regulations;

5 (ii) appropriate measures that estab-
6 lish the priority of withholding of child sup-
7 port obligations, medical support obliga-
8 tions, arrearages in such obligations, and,
9 in the case of a medical support obligation,
10 the employee's portion of any health care
11 coverage premium, by such State agencies
12 in light of the restrictions on garnishment
13 provided under title III of the Consumer
14 Credit Protection Act (15 U.S.C. 1671–
15 1677);

16 (iii) appropriate procedures for coordi-
17 nating the provision, enforcement, and
18 transition of health care coverage under the
19 State programs operated pursuant to part
20 D of title IV of the Social Security Act and
21 titles XIX and XXI of such Act;

22 (iv) appropriate measures to improve
23 the availability of alternate types of medical
24 support that are aside from health coverage
25 offered through the noncustodial parent's

1 *health plan and unrelated to the noncusto-*
2 *dial parent's employer, including measures*
3 *that establish a noncustodial parent's re-*
4 *sponsibility to share the cost of premiums,*
5 *copayments, deductibles, or payments for*
6 *services not covered under a child's existing*
7 *health coverage;*

8 *(v) recommendations on whether rea-*
9 *sonable cost should remain a consideration*
10 *under section 452(f) of the Social Security*
11 *Act; and*

12 *(vi) appropriate measures for elimi-*
13 *nating any other impediments to the effec-*
14 *tive enforcement of medical support orders*
15 *that the Working Group deems necessary.*

16 *(B) REPORT BY SECRETARIES TO THE CON-*
17 *GRESS.—Not later than 2 months after receipt of*
18 *the report pursuant to subparagraph (A), the*
19 *Secretaries shall jointly submit a report to each*
20 *House of the Congress regarding the rec-*
21 *ommendations contained in the report under*
22 *subparagraph (A).*

23 *(6) TERMINATION.—The Working Group shall*
24 *terminate 30 days after the date of the issuance of its*
25 *report under paragraph (5).*

1 (b) *PROMULGATION OF NATIONAL MEDICAL SUPPORT*

2 *NOTICE.*—

3 (1) *IN GENERAL.*—*The Secretary of Health and*
4 *Human Services and the Secretary of Labor shall*
5 *jointly develop and promulgate by regulation a Na-*
6 *tional Medical Support Notice, to be issued by States*
7 *as a means of enforcing the health care coverage pro-*
8 *visions in a child support order.*

9 (2) *REQUIREMENTS.*—*The National Medical*
10 *Support Notice shall—*

11 (A) *conform with the requirements which*
12 *apply to medical child support orders under sec-*
13 *tion 609(a)(3) of the Employee Retirement In-*
14 *come Security Act of 1974 (29 U.S.C.*
15 *1169(a)(3)) in connection with group health*
16 *plans (subject to section 609(a)(4) of such Act),*
17 *irrespective of whether the group health plan is*
18 *covered under section 4 of such Act;*

19 (B) *conform with the requirements of part*
20 *D of title IV of the Social Security Act; and*

21 (C) *include a separate and easily severable*
22 *employer withholding notice, informing the em-*
23 *ployer of—*

24 (i) *applicable provisions of State law*
25 *requiring the employer to withhold any em-*

1 *ployee contributions due under any group*
2 *health plan in connection with coverage re-*
3 *quired to be provided under such order;*

4 *(ii) the duration of the withholding re-*
5 *quirement;*

6 *(iii) the applicability of limitations on*
7 *any such withholding under title III of the*
8 *Consumer Credit Protection Act;*

9 *(iv) the applicability of any*
10 *prioritization required under State law be-*
11 *tween amounts to be withheld for purposes*
12 *of cash support and amounts to be withheld*
13 *for purposes of medical support, in cases*
14 *where available funds are insufficient for*
15 *full withholding for both purposes; and*

16 *(v) the name and telephone number of*
17 *the appropriate unit or division to contact*
18 *at the State agency regarding the National*
19 *Medical Support Notice.*

20 *(3) PROCEDURES.—The regulations promulgated*
21 *pursuant to paragraph (1) shall include appropriate*
22 *procedures for the transmission of the National Medi-*
23 *cal Support Notice to employers by State agencies ad-*
24 *ministering the programs operated pursuant to part*
25 *D of title IV of the Social Security Act.*

1 (4) *INTERIM REGULATIONS.*—Not later than 10
2 months after the date of the enactment of this Act, the
3 Secretaries shall issue interim regulations providing
4 for the National Medical Support Notice.

5 (5) *FINAL REGULATIONS.*—Not later than 1 year
6 after the issuance of the interim regulations under
7 paragraph (4), the Secretary of Health and Human
8 Services and the Secretary of Labor shall jointly issue
9 final regulations providing for the National Medical
10 Support Notice.

11 (c) *REQUIRED USE BY STATES OF NATIONAL MEDICAL*
12 *SUPPORT NOTICES.*—

13 (1) *STATE PROCEDURES.*—Section 466(a)(19) of
14 the Social Security Act (42 U.S.C. 666(a)(19)) is
15 amended to read as follows:

16 “(19) *HEALTH CARE COVERAGE.*—Procedures
17 under which—

18 “(A) effective as provided in section
19 401(c)(3) of the Child Support Performance and
20 Incentive Act of 1998, all child support orders
21 enforced pursuant to this part which include a
22 provision for the health care coverage of the child
23 are enforced, where appropriate, through the use
24 of the National Medical Support Notice promul-
25 gated pursuant to section 401(b) of the Child

1 *Support Performance and Incentive Act of 1998*
2 *(and referred to in section 609(a)(5)(C) of the*
3 *Employee Retirement Income Security Act of*
4 *1974 in connection with group health plans cov-*
5 *ered under title I of such Act, in section*
6 *401(e)(3)(C) of the Child Support Performance*
7 *and Incentive Act of 1998 in connection with*
8 *State or local group health plans, and in section*
9 *401(f)(5)(C) of such Act in connection with*
10 *church group health plans);*

11 *“(B) unless alternative coverage is allowed*
12 *for in any order of the court (or other entity*
13 *issuing the child support order), in any case in*
14 *which a noncustodial parent is required under*
15 *the child support order to provide such health*
16 *care coverage and the employer of such noncusto-*
17 *dial parent is known to the State agency—*

18 *“(i) the State agency uses the National*
19 *Medical Support Notice to transfer notice of*
20 *the provision for the health care coverage of*
21 *the child to the employer;*

22 *“(ii) within 20 business days after the*
23 *date of the National Medical Support No-*
24 *tice, the employer is required to transfer the*
25 *Notice, excluding the severable employer*

1 *withholding notice described in section*
2 *401(b)(2)(C) of the Child Support Perform-*
3 *ance and Incentive Act of 1998, to the ap-*
4 *propriate plan providing any such health*
5 *care coverage for which the child is eligible;*

6 *“(iii) in any case in which the non-*
7 *custodial parent is a newly hired employee*
8 *entered in the State Directory of New Hires*
9 *pursuant to section 453A(e), the State agen-*
10 *cy provides, where appropriate, the Na-*
11 *tional Medical Support Notice, together*
12 *with an income withholding notice issued*
13 *pursuant to section 466(b), within 2 days*
14 *after the date of the entry of such employee*
15 *in such Directory; and*

16 *“(iv) in any case in which the employ-*
17 *ment of the noncustodial parent with any*
18 *employer who has received a National Medi-*
19 *cal Support Notice is terminated, such em-*
20 *ployer is required to notify the State agency*
21 *of such termination; and*

22 *“(C) any liability of the noncustodial par-*
23 *ent to such plan for employee contributions*
24 *which are required under such plan for enroll-*
25 *ment of the child is effectively subject to appro-*

1 *priate enforcement, unless the noncustodial par-*
2 *ent contests such enforcement based on a mistake*
3 *of fact.”.*

4 (2) *CONFORMING AMENDMENTS.—Section 452(f)*
5 *of such Act (42 U.S.C. 652(f)) is amended in the first*
6 *sentence—*

7 (A) *by striking “petition for the inclusion*
8 *of” and inserting “include”; and*

9 (B) *by inserting “and enforce medical sup-*
10 *port” before “whenever”.*

11 (3) *EFFECTIVE DATE.—The amendments made*
12 *by this subsection shall be effective with respect to pe-*
13 *riods beginning on or after the later of—*

14 (A) *October 1, 2001; or*

15 (B) *the effective date of laws enacted by the*
16 *legislature of such State implementing such*
17 *amendments,*

18 *but in no event later than the first day of the first*
19 *calendar quarter beginning after the close of the first*
20 *regular session of the State legislature that begins*
21 *after the date of the enactment of this Act. For pur-*
22 *poses of the preceding sentence, in the case of a State*
23 *that has a two-year legislative session, each year of*
24 *such session shall be deemed to be a separate regular*
25 *session of the State legislature.*

1 (d) *NATIONAL MEDICAL SUPPORT NOTICE DEEMED*
2 *UNDER ERISA A QUALIFIED MEDICAL CHILD SUPPORT*
3 *ORDER.*—*Section 609(a)(5) of the Employee Retirement In-*
4 *come Security Act of 1974 (29 U.S.C. 1169(a)(5)) is amend-*
5 *ed by adding at the end the following:*

6 “(C) *NATIONAL MEDICAL SUPPORT NOTICE*
7 *DEEMED TO BE A QUALIFIED MEDICAL CHILD*
8 *SUPPORT ORDER.*—

9 “(i) *IN GENERAL.*—*If the plan admin-*
10 *istrator of a group health plan which is*
11 *maintained by the employer of a noncusto-*
12 *dial parent of a child or to which such an*
13 *employer contributes receives an appro-*
14 *priately completed National Medical Sup-*
15 *port Notice promulgated pursuant to section*
16 *401(b) of the Child Support Performance*
17 *and Incentive Act of 1998 in the case of*
18 *such child, and the Notice meets the require-*
19 *ments of paragraphs (3) and (4), the Notice*
20 *shall be deemed to be a qualified medical*
21 *child support order in the case of such child.*

22 “(ii) *ENROLLMENT OF CHILD IN*
23 *PLAN.*—*In any case in which an appro-*
24 *priately completed National Medical Sup-*
25 *port Notice is issued in the case of a child*

1 of a participant under a group health plan
2 who is a noncustodial parent of the child,
3 and the Notice is deemed under clause (i) to
4 be a qualified medical child support order,
5 the plan administrator, within 40 business
6 days after the date of the Notice, shall—

7 “(I) notify the State agency
8 issuing the Notice with respect to such
9 child whether coverage of the child is
10 available under the terms of the plan
11 and, if so, whether such child is cov-
12 ered under the plan and either the ef-
13 fective date of the coverage or, if nec-
14 essary, any steps to be taken by the
15 custodial parent (or by the official of a
16 State or political subdivision thereof
17 substituted for the name of such child
18 pursuant to paragraph (3)(A)) to effec-
19 tuate the coverage; and

20 “(II) provide to the custodial par-
21 ent (or such substituted official) a de-
22 scription of the coverage available and
23 any forms or documents necessary to
24 effectuate such coverage.

1 “(iii) *RULE OF CONSTRUCTION.*—*Nothing*
2 *in this subparagraph shall be construed*
3 *as requiring a group health plan, upon re-*
4 *ceipt of a National Medical Support Notice,*
5 *to provide benefits under the plan (or eligi-*
6 *bility for such benefits) in addition to bene-*
7 *fits (or eligibility for benefits) provided*
8 *under the terms of the plan as of imme-*
9 *diately before receipt of such Notice.”.*

10 (e) *NATIONAL MEDICAL SUPPORT NOTICES FOR STATE*
11 *OR LOCAL GOVERNMENTAL GROUP HEALTH PLANS.*—

12 (1) *IN GENERAL.*—*Each State or local govern-*
13 *mental group health plan shall provide benefits in ac-*
14 *cordance with the applicable requirements of any Na-*
15 *tional Medical Support Notice.*

16 (2) *ENROLLMENT OF CHILD IN PLAN.*—*In any*
17 *case in which an appropriately completed National*
18 *Medical Support Notice is issued in the case of a*
19 *child of a participant under a State or local govern-*
20 *mental group health plan who is a noncustodial par-*
21 *ent of the child, the plan administrator, within 40*
22 *business days after the date of the Notice, shall—*

23 (A) *notify the State agency issuing the No-*
24 *tice with respect to such child whether coverage*
25 *of the child is available under the terms of the*

1 *plan and, if so, whether such child is covered*
2 *under the plan and either the effective date of the*
3 *coverage or any steps necessary to be taken by*
4 *the custodial parent (or by any official of a*
5 *State or political subdivision thereof substituted*
6 *in the Notice for the name of such child in ac-*
7 *cordance with procedures applicable under sub-*
8 *section (b)(2) of this section) to effectuate the*
9 *coverage; and*

10 *(B) provide to the custodial parent (or such*
11 *substituted official) a description of the coverage*
12 *available and any forms or documents necessary*
13 *to effectuate such coverage.*

14 *(3) RULE OF CONSTRUCTION.—Nothing in this*
15 *subsection shall be construed as requiring a State or*
16 *local governmental group health plan, upon receipt of*
17 *a National Medical Support Notice, to provide bene-*
18 *fits under the plan (or eligibility for such benefits) in*
19 *addition to benefits (or eligibility for benefits) pro-*
20 *vided under the terms of the plan as of immediately*
21 *before receipt of such Notice.*

22 *(4) DEFINITIONS.—For purposes of this sub-*
23 *section—*

24 *(A) STATE OR LOCAL GOVERNMENTAL*
25 *GROUP HEALTH PLAN.—The term “State or local*

1 *governmental group health plan*” means a group
2 *health plan which is established or maintained*
3 *for its employees by the government of any State,*
4 *any political subdivision of a State, or any*
5 *agency or instrumentality of either of the fore-*
6 *going.*

7 (B) *ALTERNATE RECIPIENT.*—The term “*al-*
8 *ternate recipient*” means any child of a partici-
9 *part who is recognized under a National Medi-*
10 *cal Support Notice as having a right to enroll-*
11 *ment under a State or local governmental group*
12 *health plan with respect to such participant.*

13 (C) *GROUP HEALTH PLAN.*—The term
14 “*group health plan*” has the meaning provided
15 *in section 607(1) of the Employee Retirement In-*
16 *come Security Act of 1974.*

17 (D) *STATE.*—The term “*State*” includes the
18 *District of Columbia, the Commonwealth of*
19 *Puerto Rico, the Virgin Islands, Guam, and*
20 *American Samoa.*

21 (E) *OTHER TERMS.*—The terms “*partici-*
22 *part*” and “*administrator*” shall have the mean-
23 *ings provided such terms, respectively, by para-*
24 *graphs (7) and (16) of section 3 of the Employee*
25 *Retirement Income Security Act of 1974.*

1 (5) *EFFECTIVE DATE.*—*The provisions of this*
2 *subsection shall take effect on the date of the issuance*
3 *of interim regulations pursuant to subsection (b)(4) of*
4 *this section.*

5 (f) *QUALIFIED MEDICAL CHILD SUPPORT ORDERS*
6 *AND NATIONAL MEDICAL SUPPORT NOTICES FOR CHURCH*
7 *PLANS.*—

8 (1) *IN GENERAL.*—*Each church group health*
9 *plan shall provide benefits in accordance with the ap-*
10 *licable requirements of any qualified medical child*
11 *support order. A qualified medical child support*
12 *order with respect to any participant or beneficiary*
13 *shall be deemed to apply to each such group health*
14 *plan which has received such order, from which the*
15 *participant or beneficiary is eligible to receive bene-*
16 *fits, and with respect to which the requirements of*
17 *paragraph (4) are met.*

18 (2) *DEFINITIONS.*—*For purposes of this sub-*
19 *section—*

20 (A) *CHURCH GROUP HEALTH PLAN.*—*The*
21 *term “church group health plan” means a group*
22 *health plan which is a church plan.*

23 (B) *QUALIFIED MEDICAL CHILD SUPPORT*
24 *ORDER.*—*The term “qualified medical child sup-*

1 *port order” means a medical child support*
2 *order—*

3 *(i) which creates or recognizes the ex-*
4 *istence of an alternate recipient’s right to,*
5 *or assigns to an alternate recipient the right*
6 *to, receive benefits for which a participant*
7 *or beneficiary is eligible under a church*
8 *group health plan; and*

9 *(ii) with respect to which the require-*
10 *ments of paragraphs (3) and (4) are met.*

11 *(C) MEDICAL CHILD SUPPORT ORDER.—The*
12 *term “medical child support order” means any*
13 *judgment, decree, or order (including approval of*
14 *a settlement agreement) which—*

15 *(i) provides for child support with re-*
16 *spect to a child of a participant under a*
17 *church group health plan or provides for*
18 *health benefit coverage to such a child, is*
19 *made pursuant to a State domestic rela-*
20 *tions law (including a community property*
21 *law), and relates to benefits under such*
22 *plan; or*

23 *(ii) is made pursuant to a law relating*
24 *to medical child support described in sec-*
25 *tion 1908 of the Social Security Act (as*

1 *added by section 13822 of the Omnibus*
2 *Budget Reconciliation Act of 1993) with re-*
3 *spect to a church group health plan,*
4 *if such judgment, decree, or order (I) is issued by*
5 *a court of competent jurisdiction or (II) is issued*
6 *through an administrative process established*
7 *under State law and has the force and effect of*
8 *law under applicable State law. For purposes of*
9 *this paragraph, an administrative notice which*
10 *is issued pursuant to an administrative process*
11 *referred to in subclause (II) of the preceding sen-*
12 *tence and which has the effect of an order de-*
13 *scribed in clause (i) or (ii) of the preceding sen-*
14 *tence shall be treated as such an order.*

15 (D) *ALTERNATE RECIPIENT.*—*The term “al-*
16 *ternate recipient” means any child of a partici-*
17 *part who is recognized under a medical child*
18 *support order as having a right to enrollment*
19 *under a church group health plan with respect to*
20 *such participant.*

21 (E) *GROUP HEALTH PLAN.*—*The term*
22 *“group health plan” has the meaning provided*
23 *in section 607(1) of the Employee Retirement In-*
24 *come Security Act of 1974.*

1 (F) *STATE*.—The term “State” includes the
2 *District of Columbia, the Commonwealth of*
3 *Puerto Rico, the Virgin Islands, Guam, and*
4 *American Samoa.*

5 (G) *OTHER TERMS*.—The terms “partici-
6 *pant*”, “*beneficiary*”, “*administrator*”, and
7 “*church plan*” shall have the meanings provided
8 *such terms, respectively, by paragraphs (7), (8),*
9 *(16), and (33) of section 3 of the Employee Re-*
10 *tirement Income Security Act of 1974.*

11 (3) *INFORMATION TO BE INCLUDED IN QUALI-*
12 *FIED ORDER*.—A medical child support order meets
13 *the requirements of this paragraph only if such order*
14 *clearly specifies—*

15 (A) *the name and the last known mailing*
16 *address (if any) of the participant and the name*
17 *and mailing address of each alternate recipient*
18 *covered by the order, except that, to the extent*
19 *provided in the order, the name and mailing ad-*
20 *dress of an official of a State or a political sub-*
21 *division thereof may be substituted for the mail-*
22 *ing address of any such alternate recipient;*

23 (B) *a reasonable description of the type of*
24 *coverage to be provided to each such alternate re-*

1 *recipient, or the manner in which such type of cov-*
2 *erage is to be determined; and*

3 *(C) the period to which such order applies.*

4 (4) *RESTRICTION ON NEW TYPES OR FORMS OF*
5 *BENEFITS.—A medical child support order meets the*
6 *requirements of this paragraph only if such order*
7 *does not require a church group health plan to pro-*
8 *vide any type or form of benefit, or any option, not*
9 *otherwise provided under the plan, except to the ex-*
10 *tent necessary to meet the requirements of a law relat-*
11 *ing to medical child support described in section 1908*
12 *of the Social Security Act (as added by section 13822*
13 *of the Omnibus Budget Reconciliation Act of 1993).*

14 (5) *PROCEDURAL REQUIREMENTS.—*

15 (A) *TIMELY NOTIFICATIONS AND DETER-*
16 *MINATIONS.—In the case of any medical child*
17 *support order received by a church group health*
18 *plan—*

19 (i) *the plan administrator shall*
20 *promptly notify the participant and each*
21 *alternate recipient of the receipt of such*
22 *order and the plan's procedures for deter-*
23 *mining whether medical child support or-*
24 *ders are qualified medical child support or-*
25 *ders; and*

1 (ii) *within a reasonable period after*
2 *receipt of such order, the plan adminis-*
3 *trator shall determine whether such order is*
4 *a qualified medical child support order and*
5 *notify the participant and each alternate*
6 *recipient of such determination.*

7 (B) *ESTABLISHMENT OF PROCEDURES FOR*
8 *DETERMINING QUALIFIED STATUS OF ORDERS.—*

9 *Each church group health plan shall establish*
10 *reasonable procedures to determine whether med-*
11 *ical child support orders are qualified medical*
12 *child support orders and to administer the provi-*
13 *sion of benefits under such qualified orders. Such*
14 *procedures—*

15 (i) *shall be in writing;*

16 (ii) *shall provide for the notification of*
17 *each person specified in a medical child*
18 *support order as eligible to receive benefits*
19 *under the plan (at the address included in*
20 *the medical child support order) of such*
21 *procedures promptly upon receipt by the*
22 *plan of the medical child support order; and*

23 (iii) *shall permit an alternate recipi-*
24 *ent to designate a representative for receipt*
25 *of copies of notices that are sent to the alter-*

1 *nate recipient with respect to a medical*
2 *child support order.*

3 (C) *NATIONAL MEDICAL SUPPORT NOTICE*
4 *DEEMED TO BE A QUALIFIED MEDICAL CHILD*
5 *SUPPORT ORDER.—*

6 (i) *IN GENERAL.—If the plan adminis-*
7 *trator of any church group health plan*
8 *which is maintained by the employer of a*
9 *noncustodial parent of a child or to which*
10 *such an employer contributes receives an*
11 *appropriately completed National Medical*
12 *Support Notice promulgated pursuant to*
13 *subsection (b) of this section in the case of*
14 *such child, and the Notice meets the require-*
15 *ments of paragraphs (3) and (4) of this sub-*
16 *section, the Notice shall be deemed to be a*
17 *qualified medical child support order in the*
18 *case of such child.*

19 (ii) *ENROLLMENT OF CHILD IN*
20 *PLAN.—In any case in which an appro-*
21 *priately completed National Medical Sup-*
22 *port Notice is issued in the case of a child*
23 *of a participant under a church group*
24 *health plan who is a noncustodial parent of*
25 *the child, and the Notice is deemed under*

1 *clause (i) to be a qualified medical child*
2 *support order, the plan administrator,*
3 *within 40 business days after the date of the*
4 *Notice, shall—*

5 *(I) notify the State agency issuing*
6 *the Notice with respect to such child*
7 *whether coverage of the child is avail-*
8 *able under the terms of the plan and,*
9 *if so, whether such child is covered*
10 *under the plan and either the effective*
11 *date of the coverage or any steps nec-*
12 *essary to be taken by the custodial par-*
13 *ent (or by the official of a State or po-*
14 *litical subdivision thereof substituted*
15 *for the name of such child pursuant to*
16 *paragraph (3)(A)) to effectuate the cov-*
17 *erage; and*

18 *(II) provide to the custodial par-*
19 *ent (or such substituted official) a de-*
20 *scription of the coverage available and*
21 *any forms or documents necessary to*
22 *effectuate such coverage.*

23 *(iii) RULE OF CONSTRUCTION.—Noth-*
24 *ing in this subparagraph shall be construed*
25 *as requiring a church group health plan,*

1 upon receipt of a National Medical Support
2 Notice, to provide benefits under the plan
3 (or eligibility for such benefits) in addition
4 to benefits (or eligibility for benefits) pro-
5 vided under the terms of the plan as of im-
6 mediately before receipt of such Notice.

7 (6) *DIRECT PROVISION OF BENEFITS PROVIDED*
8 *TO ALTERNATE RECIPIENTS.*—Any payment for bene-
9 fits made by a church group health plan pursuant to
10 a medical child support order in reimbursement for
11 expenses paid by an alternate recipient or an alter-
12 nate recipient’s custodial parent or legal guardian
13 shall be made to the alternate recipient or the alter-
14 nate recipient’s custodial parent or legal guardian.

15 (7) *PAYMENT TO STATE OFFICIAL TREATED AS*
16 *SATISFACTION OF PLAN’S OBLIGATION TO MAKE PAY-*
17 *MENT TO ALTERNATE RECIPIENT.*—Payment of bene-
18 fits by a church group health plan to an official of
19 a State or a political subdivision thereof whose name
20 and address have been substituted for the address of
21 an alternate recipient in a medical child support
22 order, pursuant to paragraph (3)(A), shall be treated,
23 for purposes of this subsection and part D of title IV
24 of the Social Security Act, as payment of benefits to
25 the alternate recipient.

1 (8) *EFFECTIVE DATE.*—*The provisions of this*
2 *subsection shall take effect on the date of the issuance*
3 *of interim regulations pursuant to subsection (b)(4) of*
4 *this section.*

5 (g) *REPORT AND RECOMMENDATIONS REGARDING THE*
6 *ENFORCEMENT OF QUALIFIED MEDICAL CHILD SUPPORT*
7 *ORDERS.*—*Not later than 8 months after the issuance of*
8 *the report to the Congress pursuant to subsection (a)(5), the*
9 *Secretary of Health and Human Services and the Secretary*
10 *of Labor shall jointly submit to each House of the Congress*
11 *a report containing recommendations for appropriate legis-*
12 *lation to improve the effectiveness of, and enforcement of,*
13 *qualified medical child support orders under the provisions*
14 *of subsection (f) of this section and section 609(a) of the*
15 *Employee Retirement Income Security Act of 1974 (29*
16 *U.S.C. 1169(a)).*

17 (h) *TECHNICAL CORRECTIONS.*—

18 (1) *AMENDMENT RELATING TO PUBLIC LAW 104-*
19 *266.*—

20 (A) *IN GENERAL.*—*Subsection (f) of section*
21 *101 of the Employee Retirement Income Security*
22 *Act of 1974 (29 U.S.C. 1021(f)) is repealed.*

23 (B) *EFFECTIVE DATE.*—*The amendment*
24 *made by subparagraph (A) shall take effect as if*
25 *included in the enactment of the Act entitled “An*

1 *Act to repeal the Medicare and Medicaid Cov-*
2 *erage Data Bank*”, approved October 2, 1996
3 *(Public Law 104-226; 110 Stat. 3033).*

4 (2) *AMENDMENTS RELATING TO PUBLIC LAW 103-*
5 66.—

6 (A) *IN GENERAL.*—(i) *Section 4301(c)(4)(A)*
7 *of the Omnibus Budget Reconciliation Act of*
8 *1993 (Public Law 103-66; 107 Stat. 377) is*
9 *amended by striking “subsection (b)(7)(D)” and*
10 *inserting “subsection (b)(7)”.*

11 (ii) *Section 514(b)(7) of the Employee Re-*
12 *irement Income Security Act of 1974 (29 U.S.C.*
13 *1144(b)(7)) is amended by striking “enforced by”*
14 *and inserting “they apply to”.*

15 (iii) *Section 609(a)(2)(B)(ii) of such Act*
16 *(29 U.S.C. 1169(a)(2)(B)(ii)) is amended by*
17 *striking “enforces” and inserting “is made pur-*
18 *suant to”.*

19 (B) *CHILD DEFINED.*—*Section 609(a)(2) of*
20 *the Employee Retirement Income Security Act of*
21 *1974 (29 U.S.C. 1169(a)(2)) is amended by add-*
22 *ing at the end the following:*

23 “(D) *CHILD.*—*The term ‘child’ includes any*
24 *child adopted by, or placed for adoption with, a*
25 *participant of a group health plan.”.*

1 (C) *EFFECTIVE DATE.*—*The amendments*
 2 *made by subparagraph (A) shall be effective as*
 3 *if included in the enactment of section*
 4 *4301(c)(4)(A) of the Omnibus Budget Reconcili-*
 5 *ation Act of 1993.*

6 (3) *AMENDMENT RELATED TO PUBLIC LAW 105-*
 7 *33.*—

8 (A) *IN GENERAL.*—*Section 609(a)(9) of the*
 9 *Employee Retirement Income Security Act of*
 10 *1974 (29 U.S.C. 1169(a)(9)) is amended by*
 11 *striking “the name and address” and inserting*
 12 *“the address”.*

13 (B) *EFFECTIVE DATE.*—*The amendment*
 14 *made by subparagraph (A) shall be effective as*
 15 *if included in the enactment of section 5611(b)*
 16 *of the Balanced Budget Act of 1997.*

17 **SEC. 402. SAFEGUARD OF NEW EMPLOYEE INFORMATION.**

18 (a) *PENALTY FOR UNAUTHORIZED ACCESS, DISCLO-*
 19 *SURE, OR USE OF INFORMATION.*—*Section 453(l) of the So-*
 20 *cial Security Act (42 U.S.C. 653(l)) is amended—*

21 (1) *by striking “Information” and inserting the*
 22 *following:*

23 “*(1) IN GENERAL.*—*Information*”; *and*

24 (2) *by adding at the end the following:*

1 “(2) *PENALTY FOR MISUSE OF INFORMATION IN*
2 *THE NATIONAL DIRECTORY OF NEW HIRES.*—*The Sec-*
3 *retary shall require the imposition of an administra-*
4 *tive penalty (up to and including dismissal from em-*
5 *ployment), and a fine of \$1,000, for each act of unau-*
6 *thorized access to, disclosure of, or use of, information*
7 *in the National Directory of New Hires established*
8 *under subsection (i) by any officer or employee of the*
9 *United States who knowingly and willfully violates*
10 *this paragraph.”.*

11 *(b) LIMITS ON RETENTION OF DATA IN THE NATIONAL*
12 *DIRECTORY OF NEW HIRES.*—*Section 453(i)(2) of such Act*
13 *(42 U.S.C. 653(i)(2)) is amended to read as follows:*

14 “(2) *DATA ENTRY AND DELETION REQUIRE-*
15 *MENTS.*—

16 “(A) *IN GENERAL.*—*Information provided*
17 *pursuant to section 453A(g)(2) shall be entered*
18 *into the data base maintained by the National*
19 *Directory of New Hires within 2 business days*
20 *after receipt, and shall be deleted from the data*
21 *base 24 months after the date of entry.*

22 “(B) *12-MONTH LIMIT ON ACCESS TO WAGE*
23 *AND UNEMPLOYMENT COMPENSATION INFORMA-*
24 *TION.*—*The Secretary shall not have access for*
25 *child support enforcement purposes to informa-*

1 *tion in the National Directory of New Hires that*
2 *is provided pursuant to section 453A(g)(2)(B), if*
3 *12 months has elapsed since the date the infor-*
4 *mation is so provided and there has not been a*
5 *match resulting from the use of such information*
6 *in any information comparison under this sub-*
7 *section.*

8 *“(C) RETENTION OF DATA FOR RESEARCH*
9 *PURPOSES.—Notwithstanding subparagraphs (A)*
10 *and (B), the Secretary may retain such samples*
11 *of data entered in the National Directory of New*
12 *Hires as the Secretary may find necessary to as-*
13 *sist in carrying out subsection (j)(5).”.*

14 *(c) NOTICE OF PURPOSES FOR WHICH WAGE AND*
15 *SALARY DATA ARE TO BE USED.—Within 90 days after the*
16 *date of the enactment of this Act, the Secretary of Health*
17 *and Human Services shall notify the Committee on Ways*
18 *and Means of the House of Representatives and the Commit-*
19 *tee on Finance of the Senate of the specific purposes for*
20 *which the new hire and the wage and unemployment com-*
21 *pensation information in the National Directory of New*
22 *Hires is to be used. At least 30 days before such information*
23 *is to be used for a purpose not specified in the notice pro-*
24 *vided pursuant to the preceding sentence, the Secretary*
25 *shall notify the Committee on Ways and Means of the House*

1 of Representatives and the Committee on Finance of the
2 Senate of such purpose.

3 (d) *REPORT BY THE SECRETARY.*—Within 3 years
4 after the date of the enactment of this Act, the Secretary
5 of Health and Human Services shall submit to the Commit-
6 tee on Ways and Means of the House of Representatives and
7 the Committee on Finance of the Senate a report on the
8 accuracy of the data maintained by the National Directory
9 of New Hires pursuant to section 453(i) of the Social Secu-
10 rity Act, and the effectiveness of the procedures designed to
11 provide for the security of such data.

12 (e) *EFFECTIVE DATE.*—The amendments made by this
13 section shall take effect on October 1, 2000.

14 **SEC. 403. LIMITATIONS ON USE OF TANF FUNDS FOR**
15 **MATCHING UNDER CERTAIN FEDERAL TRANS-**
16 **PORTATION PROGRAM.**

17 (a) *IN GENERAL.*—Section 404 of the Social Security
18 Act (42 U.S.C. 604) is amended by adding at the end the
19 following:

20 “(k) *LIMITATIONS ON USE OF GRANT FOR MATCHING*
21 *UNDER CERTAIN FEDERAL TRANSPORTATION PROGRAM.*—

22 “(1) *USE LIMITATIONS.*—A State to which a
23 grant is made under section 403 may not use any
24 part of the grant to match funds made available

1 *under section 3037 of the Transportation Equity for*
2 *the 21st Century Act of 1998, unless—*

3 *“(A) the grant is used for new or expanded*
4 *transportation services (and not for construc-*
5 *tion) that benefit individuals described in sub-*
6 *paragraph (C), and not to subsidize current op-*
7 *erating costs;*

8 *“(B) the grant is used to supplement and*
9 *not supplant other State expenditures on trans-*
10 *portation;*

11 *“(C) the preponderance of the benefits de-*
12 *rived from such use of the grant accrues to indi-*
13 *viduals who are—*

14 *“(i) recipients of assistance under the*
15 *State program funded under this part;*

16 *“(ii) former recipients of such assist-*
17 *ance;*

18 *“(iii) noncustodial parents who are de-*
19 *scribed in item (aa) or (bb) of section*
20 *403(a)(5)(C)(ii)(II); and*

21 *“(iv) low income individuals who are*
22 *at risk of qualifying for such assistance;*
23 *and*

24 *“(D) the services provided through such use*
25 *of the grant promote the ability of such recipi-*

1 ents to engage in work activities (as defined in
2 section 407(d)).

3 “(2) *AMOUNT LIMITATION.*—From a grant made
4 to a State under section 403(a), the amount that a
5 State uses to match funds described in paragraph (1)
6 of this subsection shall not exceed the amount (if any)
7 by which 30 percent of the total amount of the grant
8 exceeds the amount (if any) of the grant that is used
9 by the State to carry out any State program de-
10 scribed in subsection (d)(1) of this section.

11 “(3) *RULE OF INTERPRETATION.*—The provision
12 by a State of a transportation benefit under a pro-
13 gram conducted under section 3037 of the *Transportation Equity for the 21st Century Act of 1998*, to an
14 individual who is not otherwise a recipient of assist-
15 ance under the State program funded under this part,
16 using funds from a grant made under section 403(a)
17 of this Act, shall not be considered to be the provision
18 of assistance to the individual under the State pro-
19 gram funded under this part.”.

21 (b) *REPORT TO THE CONGRESS.*—Not later than 2
22 years after the date of the enactment of this Act, the Sec-
23 retary of Transportation, in consultation with the Sec-
24 retary of Health and Human Services, shall submit to the
25 Committees on Ways and Means and on Transportation

1 *and Infrastructure of the House of Representatives and the*
 2 *Committees on Finance and on Environment and Public*
 3 *Works of the Senate a report that—*

4 (1) *describes the manner in which funds made*
 5 *available under section 3037 of the Transportation*
 6 *Equity for the 21st Century Act of 1998 have been*
 7 *used;*

8 (2) *describes whether such uses of such funds has*
 9 *improved transportation services for low income indi-*
 10 *viduals; and*

11 (3) *contains such other relevant information as*
 12 *may be appropriate.*

13 **SEC. 404. CLARIFICATION OF MEANING OF HIGH-VOLUME**
 14 **AUTOMATED ADMINISTRATIVE ENFORCE-**
 15 **MENT OF CHILD SUPPORT IN INTERSTATE**
 16 **CASES.**

17 (a) *IN GENERAL.*—*Section 466(a)(14)(B) of the Social*
 18 *Security Act (42 U.S.C. 666(a)(14)(B)) is amended to read*
 19 *as follows:*

20 “(B) *HIGH-VOLUME AUTOMATED ADMINIS-*
 21 *TRATIVE ENFORCEMENT.*—*In this part, the term*
 22 *‘high-volume automated administrative enforce-*
 23 *ment’, in interstate cases, means, on request of*
 24 *another State, the identification by a State,*
 25 *through automated data matches with financial*

1 *institutions and other entities where assets may*
2 *be found, of assets owned by persons who owe*
3 *child support in other States, and the seizure of*
4 *such assets by the State, through levy or other*
5 *appropriate processes.”.*

6 **(b) RETROACTIVITY.**—*The amendment made by sub-*
7 *section (a) shall take effect as if included in the enactment*
8 *of section 5550 of the Balanced Budget Act of 1997 (Public*
9 *Law 105–33; 111 Stat. 633).*

10 **SEC. 405. GENERAL ACCOUNTING OFFICE REPORTS.**

11 **(a) REPORT ON FEASIBILITY OF INSTANT CHECK SYS-**
12 **TEM.**—*Not later than December 31, 1998, the Comptroller*
13 *General of the United States shall report to the Committee*
14 *on Finance of the Senate and the Committee on Ways and*
15 *Means of the House of Representatives on the feasibility and*
16 *cost of creating and maintaining a nationwide instant*
17 *child support order check system under which an employer*
18 *would be able to determine whether a newly hired employee*
19 *is required to provide support under a child support order.*

20 **(b) REPORT ON IMPLEMENTATION AND USE OF CHILD**
21 **SUPPORT DATABASES.**—*Not later than December 31, 1998,*
22 *the Comptroller General of the United States shall report*
23 *to the Committee on Finance of the Senate and the Commit-*
24 *tee on Ways and Means of the House of Representatives on*
25 *the implementation of the Federal Parent Locator Service*

1 *(including the Federal Case Registry of Child Support Or-*
2 *ders and the National Directory of New Hires) established*
3 *under section 453 of the Social Security Act (42 U.S.C.*
4 *653) and the State Directory of New Hires established*
5 *under section 453A of such Act (42 U.S.C. 653a). The report*
6 *shall include a detailed discussion of the purposes for which,*
7 *and the manner in which, the information maintained in*
8 *such databases has been used, and an examination as to*
9 *whether such databases are subject to adequate safeguards*
10 *to protect the privacy of the individuals with respect to*
11 *whom information is reported and maintained.*

12 **SEC. 406. DATA MATCHING BY MULTISTATE FINANCIAL IN-**
13 **STITUTIONS.**

14 *(a) USE OF FEDERAL PARENT LOCATOR SERVICE.—*
15 *Section 466(a)(17)(A)(i) of the Social Security Act (42*
16 *U.S.C. 666(a)(17)(A)(i)) is amended by inserting “and the*
17 *Federal Parent Locator Service in the case of financial in-*
18 *stitutions doing business in 2 or more States,” before “a*
19 *data match system”.*

20 *(b) FACILITATION OF AGREEMENTS.—Section 452 of*
21 *such Act (42 U.S.C. 652) is amended by adding at the end*
22 *the following:*

23 *“(l) The Secretary, through the Federal Parent Locator*
24 *Service, may aid State agencies providing services under*
25 *State programs operated pursuant to this part and finan-*

1 *cial institutions doing business in 2 or more States in*
2 *reaching agreements regarding the receipt from such insti-*
3 *tutions, and the transfer to the State agencies, of informa-*
4 *tion that may be provided pursuant to section*
5 *466(a)(17)(A)(i), except that any State that, as of the date*
6 *of the enactment of this subsection, is conducting data*
7 *matches pursuant to section 466(a)(17)(A)(i) shall have*
8 *until January 1, 2000, to allow the Secretary to obtain such*
9 *information from such institutions that are operating in*
10 *the State. For purposes of section 1113(d) of the Right to*
11 *Financial Privacy Act of 1978, a disclosure pursuant to*
12 *this subsection shall be considered a disclosure pursuant to*
13 *a Federal statute.”.*

14 *(c) PROTECTION AGAINST LIABILITY.—Section*
15 *469A(a) of such Act (42 U.S.C. 669a(a)) is amended by*
16 *inserting “, or for disclosing any such record to the Federal*
17 *Parent Locator Service pursuant to section 466(a)(17)(A)”*
18 *before the period.*

19 **SEC. 407. ELIMINATION OF UNNECESSARY DATA REPORT-**
20 **ING.**

21 *(a) IN GENERAL.—Section 469 of the Social Security*
22 *Act (42 U.S.C. 669) is amended—*

23 *(1) by striking all that precedes subsection (c)*
24 *and inserting the following:*

1 **“SEC. 469. COLLECTION AND REPORTING OF CHILD SUP-**
2 **PORT ENFORCEMENT DATA.**

3 *“(a) IN GENERAL.—With respect to each type of serv-*
4 *ice described in subsection (b), the Secretary shall collect*
5 *and maintain up-to-date statistics, by State, and on a fis-*
6 *cal year basis, on—*

7 *“(1) the number of cases in the caseload of the*
8 *State agency administering the plan approved under*
9 *this part in which the service is needed; and*

10 *“(2) the number of such cases in which the serv-*
11 *ice has actually been provided.*

12 *“(b) TYPES OF SERVICES.—The statistics required by*
13 *subsection (a) shall be separately stated with respect to pa-*
14 *ternity establishment services and child support obligation*
15 *establishment services.*

16 *“(c) TYPES OF SERVICE RECIPIENTS.—The statistics*
17 *required by subsection (a) shall be separately stated with*
18 *respect to—*

19 *“(1) recipients of assistance under a State pro-*
20 *gram funded under part A or of payments or services*
21 *under a State plan approved under part E; and*

22 *“(2) individuals who are not such recipients.”;*
23 *and*

24 *(2) in subsection (c), by striking “(c)” and in-*
25 *serting “(d) RULE OF INTERPRETATION.—”.*

1 (b) *CONFORMING AMENDMENT.*—Section 452(a)(10) of
2 such Act (42 U.S.C. 652(a)(10)) is amended—

3 (1) by adding “and” at the end of subparagraph
4 (H); and

5 (2) by striking subparagraph (I) and redesignat-
6 ing subparagraph (J) as subparagraph (I).

7 (c) *EFFECTIVE DATE.*—The amendments made by this
8 section shall apply to information maintained with respect
9 to fiscal year 1995 or any succeeding fiscal year.

10 **SEC. 408. CLARIFICATION OF ELIGIBILITY UNDER WEL-**
11 **FARE-TO-WORK PROGRAMS.**

12 Section 403(a)(5)(C)(ii) of the Social Security Act (42
13 U.S.C. 603(a)(5)(C)(ii)) is amended—

14 (1) in the matter preceding subclause (I) by
15 striking “of minors whose custodial parent is such a
16 recipient”;

17 (2) in subclause (I), by inserting “or the non-
18 custodial parent” after “recipient”; and

19 (3) in subclause (II), by striking “The individ-
20 ual—” and inserting “The recipient or the minor
21 children of the noncustodial parent—”.

1 **SEC. 409. STUDY OF FEASIBILITY OF IMPLEMENTING IMMI-**
2 **GRATION PROVISIONS OF H.R. 3130, AS**
3 **PASSED BY THE HOUSE OF REPRESENTA-**
4 **TIVES ON MARCH 5, 1998.**

5 (a) *STUDY.*—*The Secretary of Health and Human*
6 *Services, in consultation with the Immigration and Natu-*
7 *ralization Service, shall conduct a study to determine the*
8 *feasibility of the provisions of title V of H.R. 3130, as*
9 *passed by the House of Representatives on March 5, 1998,*
10 *were such provisions to become law, especially whether it*
11 *would be feasible for the Immigration and Naturalization*
12 *Service to implement effectively the requirements of such*
13 *provisions.*

14 (b) *REPORT TO THE CONGRESS.*—*Within 6 months*
15 *after the date of the enactment of this Act, the Secretary*
16 *of health and Human Services shall submit to the Commit-*
17 *tees on Ways and Means and on the Judiciary of the House*
18 *of Representatives and the Committees on Finance and on*
19 *the Judiciary of the Senate a report on the results of the*
20 *study required by subsection (a).*

21 **SEC. 410. TECHNICAL CORRECTIONS.**

22 (a) *Section 413(g)(1) of the Social Security Act (42*
23 *U.S.C. 613(g)(1)) is amended by striking “Economic and*
24 *Educational Opportunities” and inserting “Education and*
25 *the Workforce”.*

1 (b) Section 422(b)(2) of the Social Security Act (42
2 U.S.C. 622(b)(2)) is amended by striking “under under”
3 and inserting “under”.

4 (c) Section 432(a)(8) of the Social Security Act (42
5 U.S.C. 632(a)(8)) is amended by adding “; and” at the end.

6 (d) Section 453(a)(2) of the Social Security Act (42
7 U.S.C. 653(a)(2)) is amended—

8 (1) by striking “parentage,” and inserting “par-
9 entage or”;

10 (2) by striking “or making or enforcing child
11 custody or visitation orders,”; and

12 (3) in subparagraph (A), by decreasing the in-
13 dentation of clause (iv) by 2 ems.

14 (e)(1) Section 5557(b) of the Balanced Budget Act of
15 1997 (42 U.S.C. 608 note) is amended by adding at the
16 end the following: “The amendment made by section
17 5536(1)(A) shall not take effect with respect to a State until
18 October 1, 2000, or such earlier date as the State may se-
19 lect.”.

20 (2) The amendment made by paragraph (1) shall take
21 effect as if included in the enactment of section 5557 of the
22 Balanced Budget Act of 1997 (Public Law 105–33; 111
23 Stat. 637).

24 (f) Section 473A(c)(2)(B) of the Social Security Act
25 (42 U.S.C. 673b(c)(2)(B)) is amended—

1 (1) by striking “November 30, 1997” and insert-
2 ing “April 30, 1998”; and

3 (2) by striking “March 1, 1998” and inserting
4 “July 1, 1998”.

5 (g) Section 474(a) of the Social Security Act (42
6 U.S.C. 674(a)) is amended by striking “(subject to the limi-
7 tations imposed by subsection (b))”.

8 (h) Section 232 of the Social Security Act Amendments
9 of 1994 (42 U.S.C. 1314a) is amended—

10 (1) in subsection (b)(3)(D), by striking “Energy
11 and”; and

12 (2) in subsection (d)(4), by striking “(b)(3)(C)”
13 and inserting “(b)(3)”.

In lieu of the matter proposed to be inserted by the Senate amendment to the title of the bill, insert the following: “An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, and for other purposes.”.

Attest:

Clerk.