

106TH CONGRESS  
1ST SESSION

# H. R. 3073

To amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 14, 1999

Mrs. JOHNSON of Connecticut (for herself, Mr. CARDIN, Mr. ENGLISH, Mr. LEWIS of Kentucky, Mr. MATSUI, Mr. FOLEY, Mr. MCCRERY, Mr. STARK, Mr. CAMP, Mr. JEFFERSON, Mr. COYNE, and Mr. THOMAS) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend part A of title IV of the Social Security Act to provide for grants for projects designed to promote responsible fatherhood, and for other purposes.

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

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

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “Fathers Count Act of 1999”.

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

Sec. 1. Short title; table of contents.

**TITLE I—FATHERHOOD GRANT PROGRAM**

Sec. 101. Fatherhood grants.

**TITLE II—FATHERHOOD PROJECTS OF NATIONAL SIGNIFICANCE**

Sec. 201. Fatherhood projects of national significance.

**TITLE III—WELFARE-TO-WORK PROGRAM ELIGIBILITY**

Sec. 301. Flexibility in eligibility for participation in welfare-to-work program.

Sec. 302. Limited vocational educational training included as allowable activity.

Sec. 303. Certain grantees authorized to provide employment services directly.

Sec. 304. Simplification and coordination of reporting requirements.

**TITLE IV—ALTERNATIVE PENALTY PROCEDURE RELATING TO  
STATE DISBURSEMENT UNITS**

Sec. 401. Alternative penalty procedure relating to State disbursement units.

**TITLE V—FINANCING PROVISIONS**

Sec. 501. Use of new hire information to assist in collection of defaulted student loans and grants.

Sec. 502. Elimination of set-aside of portion of welfare-to-work funds for successful performance bonus.

**TITLE VI—MISCELLANEOUS**

Sec. 601. Change dates for evaluation.

Sec. 602. Report on undistributed child support payments.

Sec. 603. Sense of the Congress.

6 **TITLE I—FATHERHOOD GRANT**  
7 **PROGRAM**

8 **SEC. 101. FATHERHOOD GRANTS.**

9 (a) **IN GENERAL.**—Part A of title IV of the Social  
10 Security Act (42 U.S.C. 601–679b) is amended by insert-  
11 ing after section 403 the following:

1 **“SEC. 403A. FATHERHOOD PROGRAMS.**

2 “(a) PURPOSE.—The purpose of this section is to  
3 make grants available to public and private entities for  
4 projects designed to—

5 “(1) promote marriage through counseling,  
6 mentoring, disseminating information about the ad-  
7 vantages of marriage, enhancing relationship skills,  
8 teaching how to control aggressive behavior, and  
9 other methods;

10 “(2) promote successful parenting through  
11 counseling, mentoring, disseminating information  
12 about good parenting practices including family  
13 planning, training parents in money management,  
14 encouraging child support payments, encouraging  
15 regular visitation between fathers and their children,  
16 and other methods; and

17 “(3) help fathers and their families avoid or  
18 leave cash welfare provided by the program under  
19 part A and improve their economic status by pro-  
20 viding work first services, job search, job training,  
21 subsidized employment, career-advancing education,  
22 job retention, job enhancement, and other methods.

23 “(b) FATHERHOOD GRANTS.—

24 “(1) APPLICATIONS.—An entity desiring a  
25 grant to carry out a project described in subsection

1 (a) may submit to the Secretary an application that  
2 contains the following:

3 “(A) A description of the project and how  
4 the project will be carried out.

5 “(B) A description of how the project will  
6 address all 3 of the purposes of this section.

7 “(C) A written commitment by the entity  
8 that the project will allow an individual to par-  
9 ticipate in the project only if the individual is—

10 “(i) a father of a child who is, or  
11 within the past 24 months has been, a re-  
12 cipient of assistance or services under a  
13 State program funded under this part; or

14 “(ii) a father, including an expectant  
15 or married father, whose income (net of  
16 court-ordered child support) is less than  
17 150 percent of the poverty line (as defined  
18 in section 673(2) of the Omnibus Budget  
19 Reconciliation Act of 1981, including any  
20 revision required by such section, applica-  
21 ble to a family of the size involved).

22 “(D) A written commitment by the entity  
23 that the entity will provide for the project, from  
24 funds obtained from non-Federal sources (other  
25 than funds which are counted as qualified State

1 expenditures for purposes of section 409(a)(7),  
2 amounts (including in-kind contributions) equal  
3 in value to—

4 “(i) 20 percent of the amount of any  
5 grant made to the entity under this sub-  
6 section; or

7 “(ii) such lesser percentage as the  
8 Secretary deems appropriate (which shall  
9 be not less than 10 percent) of such  
10 amount, if the application demonstrates  
11 that there are circumstances that limit the  
12 ability of the entity to raise funds or ob-  
13 tain resources.

14 “(2) CONSIDERATION OF APPLICATIONS BY  
15 INTERAGENCY PANELS.—

16 “(A) FIRST PANEL.—

17 “(i) ESTABLISHMENT.—There is es-  
18 tablished a panel to be known as the ‘Fa-  
19 therhood Grants Recommendations Panel’  
20 (in this subparagraph referred to as the  
21 ‘Panel’).

22 “(ii) MEMBERSHIP.—

23 “(I) IN GENERAL.—The Panel  
24 shall be composed of 10 members, as  
25 follows:

1           “(aa) 2 members of the  
2 Panel shall be appointed by the  
3 Secretary.

4           “(bb) 2 members of the  
5 Panel shall be appointed by the  
6 Secretary of Labor.

7           “(cc) 2 members of the  
8 Panel shall be appointed by the  
9 Chairman of the Committee on  
10 Ways and Means of the House of  
11 Representatives.

12           “(dd) 1 member of the  
13 Panel shall be appointed by the  
14 ranking minority member of the  
15 Committee on Ways and Means  
16 of the House of Representatives.

17           “(ee) 2 members of the  
18 Panel shall be appointed by the  
19 Chairman of the Committee on  
20 Finance of the Senate.

21           “(ff) 1 member of the Panel  
22 shall be appointed by the ranking  
23 minority member of the Com-  
24 mittee on Finance of the Senate.

1                   “(II) CONFLICTS OF INTER-  
2 EST.—An individual shall not be eligi-  
3 ble to serve on the Panel if such serv-  
4 ice would pose a conflict of interest  
5 for the individual.

6                   “(III) TIMING OF APPOINT-  
7 MENTS.—The appointment of mem-  
8 bers to the Panel shall be completed  
9 not later than March 1, 2000.

10                   “(iii) DUTIES.—

11                   “(I) REVIEW AND MAKE REC-  
12 OMMENDATIONS ON PROJECT APPLI-  
13 CATIONS.—The Panel shall review all  
14 applications submitted pursuant to  
15 paragraph (1), and make rec-  
16 ommendations to the Secretary re-  
17 garding which applicants should be  
18 awarded grants under this subsection,  
19 with due regard for the provisions of  
20 paragraph (3), but shall not rec-  
21 ommend that a project be awarded  
22 such a grant if the application de-  
23 scribing the project does not attempt  
24 to meet the requirement of paragraph  
25 (1)(B).

1                   “(II) TIMING.—The Panel shall  
2                   make such recommendations not later  
3                   than September 1, 2000.

4                   “(iv) TERM OF OFFICE.—Each mem-  
5                   ber appointed to the Panel shall serve for  
6                   the life of the Panel.

7                   “(v) PROHIBITION ON COMPENSA-  
8                   TION.—Members of the Panel may not re-  
9                   ceive pay, allowances, or benefits by reason  
10                  of their service on the Panel.

11                  “(vi) TRAVEL EXPENSES.—Each  
12                  member of the Panel shall receive travel  
13                  expenses, including per diem in lieu of sub-  
14                  sistence, in accordance with sections 5702  
15                  and 5703 of title 5, United States Code.

16                  “(vii) MEETINGS.—The Panel shall  
17                  meet as often as is necessary to complete  
18                  the business of the Panel.

19                  “(viii) CHAIRPERSON.—The Chair-  
20                  person of the Panel shall be designated by  
21                  the Secretary at the time of appointment.

22                  “(ix) STAFF OF FEDERAL AGEN-  
23                  CIES.—The Secretary may detail any per-  
24                  sonnel of the Department of Health and  
25                  Human Services and the Secretary of



1 Labor may detail any personnel of the De-  
2 partment of Labor to the Panel to assist  
3 the Panel in carrying out its duties under  
4 this subparagraph.

5 “(x) OBTAINING OFFICIAL DATA.—

6 The Panel may secure directly from any  
7 department or agency of the United States  
8 information necessary to enable it to carry  
9 out this subparagraph. On request of the  
10 Chairperson of the Panel, the head of the  
11 department or agency shall furnish that in-  
12 formation to the Panel.

13 “(xi) MAILS.—The Panel may use the

14 United States mails in the same manner  
15 and under the same conditions as other de-  
16 partments and agencies of the United  
17 States.

18 “(xii) TERMINATION.—The Panel

19 shall terminate on September 1, 2000.

20 “(B) SECOND PANEL.—

21 “(i) ESTABLISHMENT.—Effective Jan-

22 uary 1, 2001, there is established a panel  
23 to be known as the ‘Fatherhood Grants  
24 Recommendations Panel’ (in this subpara-  
25 graph referred to as the ‘Panel’).

1 “(ii) MEMBERSHIP.—

2 “(I) IN GENERAL.—The Panel  
3 shall be composed of 10 members, as  
4 follows:

5 “(aa) 2 members of the  
6 Panel shall be appointed by the  
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10 Secretary of Labor.

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12 Panel shall be appointed by the  
13 Chairman of the Committee on  
14 Ways and Means of the House of  
15 Representatives.

16 “(dd) 1 member of the  
17 Panel shall be appointed by the  
18 ranking minority member of the  
19 Committee on Ways and Means  
20 of the House of Representatives.

21 “(ee) 2 members of the  
22 Panel shall be appointed by the  
23 Chairman of the Committee on  
24 Finance of the Senate.

1                   “(ff) 1 member of the Panel  
2                   shall be appointed by the ranking  
3                   minority member of the Com-  
4                   mittee on Finance of the Senate.

5                   “(II) CONFLICTS OF INTER-  
6                   EST.—An individual shall not be eligi-  
7                   ble to serve on the Panel if such serv-  
8                   ice would pose a conflict of interest  
9                   for the individual.

10                  “(III) TIMING OF APPOINT-  
11                  MENTS.—The appointment of mem-  
12                  bers to the Panel shall be completed  
13                  not later than March 1, 2001.

14                  “(iii) DUTIES.—

15                  “(I) REVIEW AND MAKE REC-  
16                  COMMENDATIONS ON PROJECT APPLI-  
17                  CATIONS.—The Panel shall review all  
18                  applications submitted pursuant to  
19                  paragraph (1), and make rec-  
20                  ommendations to the Secretary re-  
21                  garding which applicants should be  
22                  awarded grants under this subsection,  
23                  with due regard for the provisions of  
24                  paragraph (3), but shall not rec-  
25                  ommend that a project be awarded

1 such a grant if the application de-  
2 scribing the project does not attempt  
3 to meet the requirement of paragraph  
4 (1)(B).

5 “(II) TIMING.—The Panel shall  
6 make such recommendations not later  
7 than September 1, 2001.

8 “(iv) TERM OF OFFICE.—Each mem-  
9 ber appointed to the Panel shall serve for  
10 the life of the Panel.

11 “(v) PROHIBITION ON COMPENSA-  
12 TION.—Members of the Panel may not re-  
13 ceive pay, allowances, or benefits by reason  
14 of their service on the Panel.

15 “(vi) TRAVEL EXPENSES.—Each  
16 member of the Panel shall receive travel  
17 expenses, including per diem in lieu of sub-  
18 sistence, in accordance with sections 5702  
19 and 5703 of title 5, United States Code.

20 “(vii) MEETINGS.—The Panel shall  
21 meet as often as is necessary to complete  
22 the business of the Panel.

23 “(viii) CHAIRPERSON.—The Chair-  
24 person of the Panel shall be designated by  
25 the Secretary at the time of appointment.

1           “(ix) STAFF OF FEDERAL AGEN-  
2           CIES.—The Secretary may detail any per-  
3           sonnel of the Department of Health and  
4           Human Services and the Secretary of  
5           Labor may detail any personnel of the De-  
6           partment of Labor to the Panel to assist  
7           the Panel in carrying out its duties under  
8           this subparagraph.

9           “(x) OBTAINING OFFICIAL DATA.—  
10          The Panel may secure directly from any  
11          department or agency of the United States  
12          information necessary to enable it to carry  
13          out this subparagraph. On request of the  
14          Chairperson of the Panel, the head of the  
15          department or agency shall furnish that in-  
16          formation to the Panel.

17          “(xi) MAILS.—The Panel may use the  
18          United States mails in the same manner  
19          and under the same conditions as other de-  
20          partments and agencies of the United  
21          States.

22          “(xii) TERMINATION.—The Panel  
23          shall terminate on September 1, 2001.

24          “(3) MATCHING GRANTS.—

25          “(A) GRANT AWARDS.—

1           “(i) IN GENERAL.—The Secretary  
2 shall award matching grants, on a competi-  
3 tive basis, among entities submitting appli-  
4 cations therefor which meet the require-  
5 ments of paragraph (1), in amounts that  
6 take into account the written commitments  
7 referred to in paragraph (1)(D).

8           “(ii) TIMING.—

9           “(I) FIRST ROUND.—On October  
10 1, 2000, the Secretary shall award not  
11 more than \$70,000,000 in matching  
12 grants after considering the rec-  
13 ommendations submitted pursuant to  
14 paragraph (2)(A)(iii)(I).

15           “(II) SECOND ROUND.—On Octo-  
16 ber 1, 2001, the Secretary shall award  
17 not more than \$70,000,000 in match-  
18 ing grants after considering the rec-  
19 ommendations submitted pursuant to  
20 paragraph (2)(B)(iii)(I).

21           “(iii) NONDISCRIMINATION.—The pro-  
22 visions of this section shall be applied and  
23 administered so as to ensure that mothers,  
24 expectant mothers, and married mothers  
25 are eligible for benefits and services under

1 projects awarded grants under this sub-  
2 section on the same basis as fathers, ex-  
3 pectant fathers, and married fathers.

4 “(B) PREFERENCES.—In determining  
5 which entities to which to award grants under  
6 this subsection, the Secretary shall give pref-  
7 erence to an entity—

8 “(i) to the extent that the application  
9 submitted by the entity describes actions  
10 that the entity will take that are designed  
11 to encourage or facilitate the payment of  
12 child support, including but not limited  
13 to—

14 “(I) obtaining agreements with  
15 the State in which the project will be  
16 carried out under which the State will  
17 exercise its authority under the last  
18 sentence of section 457(a)(2)(B)(iv) in  
19 every case in which such authority  
20 may be exercised;

21 “(II) obtaining a written commit-  
22 ment by the agency responsible for  
23 administering the State plan approved  
24 under part D for the State in which  
25 the project is to be carried out that

1 the State will cancel child support ar-  
2 rearages owed to the State in propor-  
3 tion to the length of time that the fa-  
4 ther maintains a regular child support  
5 payment schedule or lives with his  
6 children; and

7 “(III) obtaining a written com-  
8 mitment by the entity that the entity  
9 will help participating fathers who co-  
10 operate with the agency in improving  
11 their credit rating;

12 “(ii) to the extent that the application  
13 includes written agreements of cooperation  
14 with other private and governmental agen-  
15 cies, including the State or local program  
16 funded under this part, the local Work-  
17 force Investment Board, and the State or  
18 local program funded under part D, which  
19 should include a description of the services  
20 each such agency will provide to fathers  
21 participating in the project described in the  
22 application;

23 “(iii) to the extent that the applica-  
24 tion describes a project that will enroll a  
25 high percentage of project participants



1           within 6 months before or after the birth  
2           of the child; and

3                   “(iv) to the extent that the application  
4           sets forth clear and practical methods by  
5           which fathers will be recruited to partici-  
6           pate in the project.

7                   “(C) MINIMUM PERCENTAGE OF GRANTS  
8           FOR NONGOVERNMENTAL (INCLUDING FAITH-  
9           BASED) ORGANIZATIONS.—Not less than 75  
10          percent of the aggregate amounts paid as  
11          grants under this subsection in each fiscal year  
12          (other than amounts paid pursuant to the pref-  
13          erences required by subparagraph (B)) shall be  
14          awarded to nongovernmental (including faith-  
15          based) organizations.

16                   “(D) DIVERSITY OF PROJECTS.—In deter-  
17          mining which entities to which to award grants  
18          under this subsection, the Secretary shall at-  
19          tempt to achieve a balance among entities of  
20          differing sizes, entities in differing geographic  
21          areas, entities in urban versus rural areas, and  
22          entities employing differing methods of achiev-  
23          ing the purposes of this section.

24                   “(E) PAYMENT OF GRANT IN 4 EQUAL AN-  
25          NUAL INSTALLMENTS.—During the fiscal year

1 in which a grant is awarded under this sub-  
2 section and each of the succeeding 3 fiscal  
3 years, the Secretary shall provide to the entity  
4 awarded the grant an amount equal to  $\frac{1}{4}$  of  
5 the amount of the grant.

6 “(4) USE OF FUNDS.—

7 “(A) IN GENERAL.—Each entity to which  
8 a grant is made under this subsection shall use  
9 grant funds provided under this subsection in  
10 accordance with the application requesting the  
11 grant, the requirements of this subsection, and  
12 the regulations prescribed under this sub-  
13 section, and may use the grant funds to support  
14 community-wide initiatives to address the pur-  
15 poses of this section.

16 “(B) NONDISPLACEMENT.—

17 “(i) IN GENERAL.—An adult in a  
18 work activity described in section 407(d)  
19 which is funded, in whole or in part, by  
20 funds provided under this section shall not  
21 be employed or assigned—

22 “(I) when any other individual is  
23 on layoff from the same or any sub-  
24 stantially equivalent job; or

1           “(II) if the employer has termi-  
2 nated the employment of any regular  
3 employee or otherwise caused an in-  
4 voluntary reduction of its workforce in  
5 order to fill the vacancy so created  
6 with such an adult.

7           “(ii) GRIEVANCE PROCEDURE.—

8           “(I) STATE PROCEDURE.—A  
9 State to which a grant is made under  
10 this section shall establish and main-  
11 tain a grievance procedure for resolv-  
12 ing complaints of alleged violations of  
13 clause (i) by State or local govern-  
14 mental entities.

15           “(II) FEDERAL PROCEDURE.—

16 The Secretary shall establish and  
17 maintain a grievance procedure for re-  
18 solving complaints of alleged viola-  
19 tions of clause (i) by private entities.

20           “(iii) NO PREEMPTION.—This sub-  
21 paragraph shall not preempt or supersede  
22 any provision of State or local law that  
23 provides greater protection for employees  
24 from displacement.

1           “(C) RULE OF CONSTRUCTION.—This sec-  
2           tion shall not be construed to require the par-  
3           ticipation of a father in a project funded under  
4           this section to be discontinued by the project on  
5           the basis of changed economic circumstances of  
6           the father.

7           “(D) RULE OF CONSTRUCTION ON MAR-  
8           RIAGE.—This section shall not be construed to  
9           authorize the Secretary to define marriage for  
10          purposes of this section.

11          “(E) PENALTY FOR MISUSE OF GRANT  
12          FUNDS.—If the Secretary determines that an  
13          entity to which a grant is made under this sub-  
14          section has used any amount of the grant in  
15          violation of subparagraph (A), the Secretary  
16          shall require the entity to remit to the Sec-  
17          retary an amount equal to the amount so used,  
18          plus all remaining grant funds, and the entity  
19          shall thereafter be ineligible for any grant  
20          under this subsection.

21          “(F) REMITTANCE OF UNUSED GRANT  
22          FUNDS.—Each entity to which a grant is  
23          awarded under this subsection shall remit to  
24          the Secretary all funds paid under the grant

1           that remain at the end of the 5th fiscal year  
2           ending after the initial grant award.

3           “(5) AUTHORITY OF STATE AGENCIES TO EX-  
4           CHANGE INFORMATION.—Each agency administering  
5           a State program funded under this part or a State  
6           plan approved under part D may share the name ad-  
7           dress, and telephone number of fathers for purposes  
8           of assisting in determining the eligibility of fathers  
9           to participate in projects receiving grants under this  
10          title, and in contacting fathers potentially eligible to  
11          participate in the projects, subject to all applicable  
12          privacy laws.

13          “(6) EVALUATION.—The Secretary, in consulta-  
14          tion with the Secretary of Labor, shall, directly or  
15          by grant, contract, or interagency agreement, con-  
16          duct an evaluation of projects funded under this sec-  
17          tion (other than under subsection (c)(1)). The eval-  
18          uation shall assess, among other outcomes selected  
19          by the Secretary, effects of the projects on marriage,  
20          parenting, employment, earnings, and payment of  
21          child support. In selecting projects for the evalua-  
22          tion, the Secretary should include projects that, in  
23          the Secretary’s judgment, are most likely to impact  
24          the matters described in the purposes of this section.

1 In conducting the evaluation, random assignment  
2 should be used wherever possible.

3 “(7) REGULATIONS.—The Secretary shall pre-  
4 scribe such regulations as may be necessary to carry  
5 out this subsection.

6 “(8) LIMITATION ON APPLICABILITY OF OTHER  
7 PROVISIONS OF THIS PART.—Sections 404 through  
8 410 shall not apply to this section or to amounts  
9 paid under this section, and shall not be applied to  
10 an entity solely by reason of receipt of funds pursu-  
11 ant to this section.

12 “(9) FUNDING.—

13 “(A) IN GENERAL.—

14 “(i) INTERAGENCY PANELS.—Of the  
15 amounts made available pursuant to sec-  
16 tion 403(a)(1)(E) for fiscal years 2000  
17 and 2001, a total of \$150,000 shall be  
18 made available for the interagency panels  
19 established by paragraph (2) of this sub-  
20 section.

21 “(ii) GRANTS.—Of the amounts made  
22 available pursuant to section 403(a)(1)(E),  
23 there shall be made available for grants  
24 under this subsection—

1                   “(I) \$17,500,000 for fiscal year  
2                   2001;

3                   “(II) \$35,000,000 for each of fis-  
4                   cal years 2002 through 2004; and

5                   “(III) \$17,500,000 for fiscal year  
6                   2005.

7                   “(iii) EVALUATION.—Of the amounts  
8                   made available pursuant to section  
9                   403(a)(1)(E) for fiscal years 2000 through  
10                  2006, a total of \$6,000,000 shall be made  
11                  available for the evaluation required by  
12                  paragraph (6) of this subsection.

13                  “(B) AVAILABILITY.—

14                  “(i) GRANT FUNDS.—The amounts  
15                  made available pursuant to subparagraph  
16                  (A)(ii) shall remain available until the end  
17                  of fiscal year 2005.

18                  “(ii) EVALUATION FUNDS.—The  
19                  amounts made available pursuant to sub-  
20                  paragraph (A)(iii) shall remain available  
21                  until the end of fiscal year 2006.”.

22                  (b) FUNDING.—Section 403(a)(1)(E) of such Act (42  
23                  U.S.C. 603(a)(1)(E)) is amended by inserting “, and for  
24                  fiscal years 2000 through 2006, such sums as are nec-  
25                  essary to carry out section 403A” before the period.

1 (c) AUTHORITY TO STATES TO PASS THROUGH  
2 CHILD SUPPORT ARREARAGES COLLECTED THROUGH  
3 TAX REFUND INTERCEPT TO FAMILIES WHO HAVE  
4 CEASED TO RECEIVE CASH ASSISTANCE; FEDERAL RE-  
5 IMBURSEMENT OF STATE SHARE OF SUCH PASSED  
6 THROUGH ARREARAGES.—Section 457(a)(2)(B)(iv) of  
7 such Act (42 U.S.C. 657(a)(2)(B)(iv)) is amended—

8 (1) by inserting “(except the last sentence of  
9 this clause)” after “this section”; and

10 (2) by adding at the end the following: “Not-  
11 withstanding the preceding sentences of this clause,  
12 if the amount is collected on behalf of a family that  
13 includes a child of a participant in a project funded  
14 under section 403A and that has ceased to receive  
15 cash payments under a State program funded under  
16 section 403, and the amount so collected exceeds the  
17 amount that would otherwise be required to be paid  
18 to the family for the month in which collected, then  
19 the State may distribute the amount to the family,  
20 and the aggregate of the amounts otherwise required  
21 by this section to be paid by the State to the Fed-  
22 eral Government shall be reduced by an amount  
23 equal to the State share of any amount so distrib-  
24 uted.”.



1 (d) APPLICABILITY OF CHARITABLE CHOICE PROVI-  
2 SIONS OF WELFARE REFORM.—Section 104 of the Per-  
3 sonal Responsibility and Work Opportunity Reconciliation  
4 Act of 1996 (42 U.S.C. 604a) is amended by adding at  
5 the end the following:

6 “(l) Notwithstanding the preceding provisions of this  
7 section, this section shall apply to any entity to which  
8 funds have been provided under section 403A of the Social  
9 Security Act in the same manner in which this section ap-  
10 plies to States, and, for purposes of this section, any  
11 project for which such funds are so provided shall be con-  
12 sidered a program described in subsection (a)(2).”.

13 (e) TANF MAINTENANCE OF EFFORT DETERMINA-  
14 TIONS TO BE MADE WITHOUT REGARD TO EXPENDI-  
15 TURES FOR FATHERHOOD PROGRAMS.—Section  
16 409(a)(7)(B)(i) of such Act (42 U.S.C. 609(a)(7)(B)(i))  
17 is amended by adding at the end the following:

18 “(V) EXCLUSION OF EXPENDI-  
19 TURES FOR FATHERHOOD PRO-  
20 GRAMS.—Such term does not include  
21 expenditures for any project for which  
22 funds are provided under section  
23 403A.”.

1 **TITLE II—FATHERHOOD PRO-**  
2 **JECTS OF NATIONAL SIGNIFI-**  
3 **CANCE**

4 **SEC. 201. FATHERHOOD PROJECTS OF NATIONAL SIGNIFI-**  
5 **CANCE.**

6 Section 403A of the Social Security Act, as added  
7 by title I of this Act, is amended by adding at the end  
8 the following:

9 “(c) FATHERHOOD PROJECTS OF NATIONAL SIG-  
10 NIFICANCE.—

11 “(1) NATIONAL CLEARINGHOUSE.—The Sec-  
12 retary shall award a \$5,000,000 grant to a nation-  
13 ally recognized, nonprofit fatherhood promotion or-  
14 ganization with at least 4 years of experience in de-  
15 signing and disseminating a national public edu-  
16 cation campaign, including the production and suc-  
17 cessful placement of television, radio, and print pub-  
18 lic service announcements which promote the impor-  
19 tance of responsible fatherhood, and with at least 4  
20 years experience providing consultation and training  
21 to community-based organizations interested in im-  
22 plementing fatherhood outreach, support, or skill de-  
23 velopment programs with an emphasis on promoting  
24 married fatherhood as the ideal, to—

1           “(A) develop, promote, and distribute to  
2 interested States, local governments, public  
3 agencies, and private nonprofit organizations,  
4 including charitable and religious organizations,  
5 a media campaign that encourages the appro-  
6 priate involvement of both parents in the life of  
7 any child of the parents, and encourages such  
8 organizations to develop or sponsor programs  
9 that specifically address the issue of responsible  
10 fatherhood and the advantages conferred on  
11 children by marriage;

12           “(B) develop a national clearinghouse to  
13 assist States, communities, and private entities  
14 in efforts to promote and support marriage and  
15 responsible fatherhood by collecting, evaluating,  
16 and making available (through the Internet and  
17 by other means) to all interested parties, infor-  
18 mation regarding media campaigns and father-  
19 hood programs;

20           “(C) develop and distribute materials that  
21 are for use by entities described in subpara-  
22 graph (A) or (B) and that help young adults  
23 manage their money, develop the knowledge and  
24 skills needed to promote successful marriages,

1 plan for future expenditures and investments,  
2 and plan for retirement;

3 “(D) develop and distribute materials that  
4 are for use by entities described in subpara-  
5 graphs (A) and (B) and that list all the sources  
6 of public support for education and training  
7 that are available to young adults, including  
8 government spending programs as well as bene-  
9 fits under Federal and State tax laws.

10 “(2) MULTICITY FATHERHOOD PROJECTS.—

11 “(A) IN GENERAL.—The Secretary shall  
12 award a \$5,000,000 grant to each of 2 nation-  
13 ally recognized nonprofit fatherhood promotion  
14 organizations which meet the requirements of  
15 subparagraph (B), at least 1 of which organiza-  
16 tions meets the requirement of subparagraph  
17 (C).

18 “(B) REQUIREMENTS.—The requirements  
19 of this subparagraph are the following:

20 “(i) The organization must have sev-  
21 eral years of experience in designing and  
22 conducting programs that meet the pur-  
23 poses described in paragraph (1).

24 “(ii) The organization must have ex-  
25 perience in simultaneously conducting such

1 programs in more than 1 major metropoli-  
2 tan area and in coordinating such pro-  
3 grams with local government agencies and  
4 private, nonprofit agencies, including State  
5 or local agencies responsible for conducting  
6 the program under part D and Workforce  
7 Investment Boards.

8 “(iii) The organization must submit to  
9 the Secretary an application that meets all  
10 the conditions applicable to the organiza-  
11 tion under this section and that provides  
12 for projects to be conducted in 3 major  
13 metropolitan areas.

14 “(C) USE OF MARRIED COUPLES TO DE-  
15 LIVER SERVICES IN THE INNER CITY.—The re-  
16 quirement of this subparagraph is that the or-  
17 ganization has extensive experience in using  
18 married couples to deliver program services in  
19 the inner city.

20 “(3) PAYMENT OF GRANTS IN 4 EQUAL ANNUAL  
21 INSTALLMENTS.—During each of fiscal years 2002  
22 through 2005, the Secretary shall provide to each  
23 entity awarded a grant under this subsection an  
24 amount equal to  $\frac{1}{4}$  of the amount of the grant.

25 “(4) FUNDING.—

1           “(A) IN GENERAL.—Of the amounts made  
2 available pursuant to section 403(a)(1)(E),  
3 \$3,750,000 shall be made available for grants  
4 under this subsection for each of fiscal years  
5 2002 through 2005.

6           “(B) AVAILABILITY.—The amounts made  
7 available pursuant to subparagraph (A) shall  
8 remain available until the end of fiscal year  
9 2005.”.

10           **TITLE III—WELFARE-TO-WORK**  
11           **PROGRAM ELIGIBILITY**

12           **SEC. 301. FLEXIBILITY IN ELIGIBILITY FOR PARTICIPATION**  
13           **IN WELFARE-TO-WORK PROGRAM.**

14           (a) HARD-TO-EMPLOY LONG-TERM RECIPIENTS.—  
15 Section 403(a)(5)(C)(ii) of the Social Security Act (42  
16 U.S.C. 603(a)(5)(C)(ii)) is amended—

17           (1) by striking “REQUIRED BENEFICIARIES.—”  
18 and inserting “HARD-TO-EMPLOY RECIPIENTS.—”;

19           (2) in the matter preceding subclause (I)—  
20           (A) by striking “shall expend at least 70  
21 percent of all” and inserting “may expend”;  
22 and

23           (B) by striking “, or for the benefit of non-  
24 custodial parents,”;

1           (3) in the matter preceding item (aa) of sub-  
2 clause (I)—

3           (A) by striking “At least 2” and inserting  
4 “Any”;

5           (B) by striking “apply” and inserting “ap-  
6 plies”; and

7           (C) by striking “or the noncustodial par-  
8 ent”;

9           (4) in item (aa) of subclause (I), by striking “,  
10 and has low skills in reading or mathematics”;

11          (5) by adding at the end of subclause (I) the  
12 following:

13                           “(dd) The individual has  
14 English reading, writing, or com-  
15 puting skills at or below the 8th  
16 grade level.

17                           “(ee) The individual is  
18 homeless.

19                           “(ff) The individual has a  
20 disability.

21                           “(gg) The individual has  
22 been a victim of domestic vio-  
23 lence.”; and

1           (6) in the matter preceding item (aa) of sub-  
2           clause (II), by striking “or the minor children of the  
3           non-custodial parent”.

4           (b) NONCUSTODIAL PARENTS.—

5           (1) IN GENERAL.—Section 403(a)(5)(C) of such  
6           Act (42 U.S.C. 603(a)(5)(C)) is amended—

7           (A) by redesignating clauses (iii) through  
8           (viii) as clauses (iv) through (ix), respectively;  
9           and

10          (B) by inserting after clause (ii) the fol-  
11          lowing:

12                 “(iii) NONCUSTODIAL PARENTS.—An  
13                 entity that operates a project with funds  
14                 provided under this paragraph may use the  
15                 funds to provide services in a form de-  
16                 scribed in clause (i) to noncustodial par-  
17                 ents with respect to whom the require-  
18                 ments of the following subclauses are met:

19                         “(I) The noncustodial parent is  
20                         unemployed, underemployed, or hav-  
21                         ing difficulty in paying child support  
22                         obligations.

23                         “(II) At least 1 of the following  
24                         applies to a minor child of the non-  
25                         custodial parent (with preference in



1 the determination of the noncustodial  
2 parents to be provided services under  
3 this paragraph to be provided by the  
4 entity to those noncustodial parents  
5 with minor children who meet, or who  
6 have custodial parents who meet, the  
7 requirements of item (aa)):

8 “(aa) The minor child or the  
9 custodial parent of the minor  
10 child meets the requirements of  
11 clause (ii)(II).

12 “(bb) The minor child is eli-  
13 gible for, or is receiving, benefits  
14 under the program funded under  
15 this part.

16 “(cc) The minor child re-  
17 ceived benefits under the pro-  
18 gram funded under this part in  
19 the 12-month period preceding  
20 the date of the determination but  
21 no longer receives such benefits.

22 “(dd) The minor child is eli-  
23 gible for, or is receiving, assist-  
24 ance under the Food Stamp Act  
25 of 1977, benefits under the sup-

1            supplemental security income pro-  
2            gram under title XVI of this Act,  
3            medical assistance under title  
4            XIX of this Act, or child health  
5            assistance under title XXI of this  
6            Act.

7            “(III) In the case of a noncusto-  
8            dial parent who becomes enrolled in  
9            the project on or after the date of the  
10           enactment of this clause, the non-  
11           custodial parent is in compliance with  
12           the terms of an oral or written per-  
13           sonal responsibility contract entered  
14           into among the noncustodial parent,  
15           the entity, and (unless the entity dem-  
16           onstrates to the Secretary that the en-  
17           tity is not capable of coordinating  
18           with such agency) the agency respon-  
19           sible for administering the State plan  
20           under part D, which was developed  
21           taking into account the employment  
22           and child support status of the non-  
23           custodial parent, which was entered  
24           into not later than 30 (or, at the op-  
25           tion of the entity, not later than 90)

1 days after the noncustodial parent  
2 was enrolled in the project, and which,  
3 at a minimum, includes the following:

4 “(aa) A commitment by the  
5 noncustodial parent to cooperate,  
6 at the earliest opportunity, in the  
7 establishment of the paternity of  
8 the minor child, through vol-  
9 untary acknowledgement or other  
10 procedures, and in the establish-  
11 ment of a child support order.

12 “(bb) A commitment by the  
13 noncustodial parent to cooperate  
14 in the payment of child support  
15 for the minor child, which may  
16 include a modification of an ex-  
17 isting support order to take into  
18 account the ability of the non-  
19 custodial parent to pay such sup-  
20 port and the participation of such  
21 parent in the project.

22 “(cc) A commitment by the  
23 noncustodial parent to participate  
24 in employment or related activi-  
25 ties that will enable the noncusto-

1 dial parent to make regular child  
2 support payments, and if the  
3 noncustodial parent has not at-  
4 tained 20 years of age, such re-  
5 lated activities may include com-  
6 pletion of high school, a general  
7 equivalency degree, or other edu-  
8 cation directly related to employ-  
9 ment.

10 “(dd) A description of the  
11 services to be provided under this  
12 paragraph, and a commitment by  
13 the noncustodial parent to par-  
14 ticipate in such services, that are  
15 designed to assist the noncusto-  
16 dial parent obtain and retain em-  
17 ployment, increase earnings, and  
18 enhance the financial and emo-  
19 tional contributions to the well-  
20 being of the minor child.

21 In order to protect custodial parents  
22 and children who may be at risk of  
23 domestic violence, the preceding provi-  
24 sions of this subclause shall not be  
25 construed to affect any other provi-

1                   sion of law requiring a custodial par-  
2                   ent to cooperate in establishing the  
3                   paternity of a child or establishing or  
4                   enforcing a support order with respect  
5                   to a child, or entitling a custodial par-  
6                   ent to refuse, for good cause, to pro-  
7                   vide such cooperation as a condition  
8                   of assistance or benefit under any  
9                   program, shall not be construed to re-  
10                  quire such cooperation by the custo-  
11                  dial parent as a condition of participa-  
12                  tion of either parent in the program  
13                  authorized under this paragraph, and  
14                  shall not be construed to require a  
15                  custodial parent to cooperate with or  
16                  participate in any activity under this  
17                  clause. The entity operating a project  
18                  under this clause with funds provided  
19                  under this paragraph shall consult  
20                  with domestic violence prevention and  
21                  intervention organizations in the de-  
22                  velopment of the project.”.

23                   (2)       CONFORMING        AMENDMENT.—Section  
24                   412(a)(3)(C)(ii)   of   such   Act   (42   U.S.C.

1       612(a)(3)(C)(ii) is amended by striking “(vii)” and  
2       inserting “(viii)”.

3       (c) RECIPIENTS WITH CHARACTERISTICS OF LONG-  
4 TERM DEPENDENCY; CHILDREN AGING OUT OF FOSTER  
5 CARE.—

6           (1) IN GENERAL.—Subclause (II) of section  
7       403(a)(5)(C)(iv) of such Act (42 U.S.C.  
8       603(a)(5)(C)(iv)(II)), as so redesignated by sub-  
9       section (b)(1)(A) of this section, is amended to read  
10      as follows:

11                           “(II) to children—

12                                   “(aa) who have attained 18  
13                                   years of age but not 25 years of  
14                                   age; and

15                                   “(bb) who, before attaining  
16                                   18 years of age, were recipients  
17                                   of foster care maintenance pay-  
18                                   ments (as defined in section  
19                                   475(4)) under part E or were in  
20                                   foster care under the responsi-  
21                                   bility of a State.”.

22           (2) CONFORMING AMENDMENTS.—Section  
23       403(a)(5)(C)(iv) of such Act (42 U.S.C.  
24       603(a)(5)(C)(iv)), as so redesignated by subsection  
25       (b)(1)(A) of this section, is amended—

1 (A) in the heading by inserting “HARD TO  
2 EMPLOY” before “INDIVIDUALS”; and

3 (B) in the last sentence by striking “clause  
4 (ii)” and inserting “clauses (ii) and (iii) and, as  
5 appropriate, clause (v)”.

6 (d) CUSTODIAL PARENTS WITH INCOME BELOW  
7 POVERTY LINE WHO ARE NOT ON WELFARE.—

8 (1) IN GENERAL.—Section 403(a)(5)(C) of such  
9 Act (42 U.S.C. 603(a)(5)(C)), as amended by sec-  
10 tion 301(b)(1) of this Act, is amended—

11 (A) by redesignating clauses (vi) through  
12 (ix) as clauses (vii) through (x), respectively;  
13 and

14 (B) by inserting after clause (v) the fol-  
15 lowing:

16 “(vi) CUSTODIAL PARENTS WITH IN-  
17 COME BELOW POVERTY LINE WHO ARE  
18 NOT ON WELFARE.—An entity that oper-  
19 ates a project with funds provided under  
20 this paragraph may use the funds to pro-  
21 vide assistance in a form described in  
22 clause (i) to custodial parents—

23 “(I) whose income is less than  
24 100 percent of the poverty line (as de-  
25 fined in section 673(2) of the Omni-

1 bus Budget Reconciliation Act of  
2 1981, including any revision required  
3 by such section, applicable to a family  
4 of the size involved); and

5 “(II) who are not otherwise re-  
6 cipients of assistance under a State  
7 program funded under this part.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 403(a)(5)(C)(iv) of such Act  
10 (42 U.S.C. 603(a)(5)(C)(iv)), as so redesign-  
11 nated by subsection (b)(1)(A) of this section,  
12 and as amended by subsection (c)(2) of this  
13 section, is amended in the last sentence by  
14 striking “clause (v)” and inserting “clauses (v)  
15 and (vi)”.

16 (B) Section 412(a)(3)(C)(ii) of such Act  
17 (42 U.S.C. 612(a)(3)(C)(ii)), as amended by  
18 subsection (b)(2) of this section, is amended by  
19 striking “(viii)” and inserting “(ix)”.

20 **SEC. 302. LIMITED VOCATIONAL EDUCATIONAL TRAINING**  
21 **INCLUDED AS ALLOWABLE ACTIVITY.**

22 Section 403(a)(5)(C)(i) of the Social Security Act (42  
23 U.S.C. 603(a)(5)(C)(i)) is amended by inserting after sub-  
24 clause (VI) the following:



1 “(VII) Not more than 6 months  
2 of vocational educational training.”.

3 **SEC. 303. CERTAIN GRANTEES AUTHORIZED TO PROVIDE**  
4 **EMPLOYMENT SERVICES DIRECTLY.**

5 Section 403(a)(5)(C)(i)(IV) of the Social Security  
6 Act (42 U.S.C. 603(a)(5)(C)(i)(IV)) is amended by insert-  
7 ing “, or if the entity is not a private industry council  
8 or workforce investment board, the direct provision of such  
9 services” before the period.

10 **SEC. 304. SIMPLIFICATION AND COORDINATION OF RE-**  
11 **PORTING REQUIREMENTS.**

12 (a) **ELIMINATION OF CURRENT REQUIREMENTS.—**  
13 Section 411(a)(1)(A) of the Social Security Act (42 U.S.C.  
14 611(a)(1)(A)) is amended—

15 (1) in the matter preceding clause (i), by insert-  
16 ing “(except for information relating to activities  
17 carried out under section 403(a)(5))” after “part”;  
18 and

19 (2) by striking clause (xviii).

20 (b) **ESTABLISHMENT OF REPORTING REQUIRE-**  
21 **MENT.—**Section 403(a)(5)(C) of the Social Security Act  
22 (42 U.S.C. 603(a)(5)(C)), as amended by subsections  
23 (b)(1) and (d)(1) of section 301 of this Act, is amended  
24 by adding at the end the following:

1                   “(xi) REPORTING REQUIREMENTS.—  
 2                   The Secretary of Labor, in consultation  
 3                   with the Secretary of Health and Human  
 4                   Services, shall establish requirements for  
 5                   the collection and maintenance of financial  
 6                   and participant information and the re-  
 7                   porting of such information by entities car-  
 8                   rying out activities under this paragraph.”.

9   **TITLE IV—ALTERNATIVE PEN-**  
 10   **ALTY PROCEDURE RELATING**  
 11   **TO STATE DISBURSEMENT**  
 12   **UNITS**

13   **SEC. 401. ALTERNATIVE PENALTY PROCEDURE RELATING**  
 14                   **TO STATE DISBURSEMENT UNITS.**

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

18           “(5)(A)(i) If—

19                   “(I) the Secretary determines that a State plan  
 20                   under section 454 would (in the absence of this  
 21                   paragraph) be disapproved for the failure of the  
 22                   State to comply with subparagraphs (A) and (B)(i)  
 23                   of section 454(27), and that the State has made and  
 24                   is continuing to make a good faith effort to so com-  
 25                   ply; and

1           “(II) the State has submitted to the Secretary,  
2           not later than April 1, 2000, a corrective compliance  
3           plan that describes how, by when, and at what cost  
4           the State will achieve such compliance, which has  
5           been approved by the Secretary,  
6           then the Secretary shall not disapprove the State plan  
7           under section 454, and the Secretary shall reduce the  
8           amount otherwise payable to the State under paragraph  
9           (1)(A) of this subsection for the fiscal year by the penalty  
10          amount.

11          “(ii) All failures of a State during a fiscal year to  
12          comply with any of the requirements of section 454B shall  
13          be considered a single failure of the State to comply with  
14          subparagraphs (A) and (B)(i) of section 454(27) during  
15          the fiscal year for purposes of this paragraph.

16          “(B) In this paragraph:

17                 “(i) The term ‘penalty amount’ means, with re-  
18                 spect to a failure of a State to comply with subpara-  
19                 graphs (A) and (B)(i) of section 454(27)—

20                         “(I) 4 percent of the penalty base, in the  
21                         case of the 1st fiscal year in which such a fail-  
22                         ure by the State occurs (regardless of whether  
23                         a penalty is imposed in that fiscal year under  
24                         this paragraph with respect to the failure), ex-

1           cept as provided in subparagraph (C)(ii) of this  
2           paragraph;

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  
6           the case of the 3rd such fiscal year;

7           “(IV) 25 percent of the penalty base, in  
8           the 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          “(ii) The term ‘penalty base’ means, with re-  
13          spect to a failure of a State to comply with subpara-  
14          graphs (A) and (B)(i) of section 454(27) during a  
15          fiscal year, the amount otherwise payable to the  
16          State under paragraph (1)(A) of this subsection for  
17          the preceding fiscal year.

18          “(C)(i) The Secretary shall waive all penalties im-  
19          posed against a State under this paragraph for any failure  
20          of the State to comply with subparagraphs (A) and (B)(i)  
21          of section 454(27) if the Secretary determines that, before  
22          April 1, 2000, the State has achieved such compliance.

23          “(ii) If a State with respect to which a reduction is  
24          required to be made under this paragraph with respect  
25          to a failure to comply with subparagraphs (A) and (B)(i)

1 of section 454(27) achieves such compliance on or after  
2 April 1, 2000, and on or before September 30, 2000, then  
3 the penalty amount applicable to the State shall be 1 per-  
4 cent of the penalty base with respect to the failure in-  
5 volved.

6 “(D) The Secretary may not impose a penalty under  
7 this paragraph against a State for a fiscal year for which  
8 the amount otherwise payable to the State under para-  
9 graph (1)(A) of this subsection is reduced under para-  
10 graph (4) of this subsection for failure to comply with sec-  
11 tion 454(24)(A).”.

12 (b) INAPPLICABILITY OF PENALTY UNDER TANF  
13 PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42  
14 U.S.C. 609(a)(8)(A)(i)(III)) is amended by striking “sec-  
15 tion 454(24)” and inserting “paragraph (24), or subpara-  
16 graph (A) or (B)(i) of paragraph (27), of section 454”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall take effect on October 1, 1999.

1                   **TITLE V—FINANCING**  
2                   **PROVISIONS**

3   **SEC. 501. USE OF NEW HIRE INFORMATION TO ASSIST IN**  
4                   **COLLECTION OF DEFAULTED STUDENT**  
5                   **LOANS AND GRANTS.**

6           (a) IN GENERAL.—Section 453(j) of the Social Secu-  
7 rity Act (42 U.S.C. 653(j)) is amended by adding at the  
8 end the following:

9                   “(6) INFORMATION COMPARISONS AND DISCLO-  
10                   SURE FOR ENFORCEMENT OF OBLIGATIONS ON  
11                   HIGHER EDUCATION ACT LOANS AND GRANTS.—

12                           “(A) FURNISHING OF INFORMATION BY  
13                           THE SECRETARY OF EDUCATION.—The Sec-  
14                           retary of Education shall furnish to the Sec-  
15                           retary, on a quarterly basis or at such less fre-  
16                           quent intervals as may be determined by the  
17                           Secretary of Education, information in the cus-  
18                           tody of the Secretary of Education for compari-  
19                           son with information in the National Directory  
20                           of New Hires, in order to obtain the informa-  
21                           tion in such directory with respect to individ-  
22                           uals who—

23                                   “(i) are borrowers of loans made  
24                                   under title IV of the Higher Education Act  
25                                   of 1965 that are in default; or

1           “(ii) owe an obligation to refund an  
2           overpayment of a grant awarded under  
3           such title.

4           “(B) REQUIREMENT TO SEEK MINIMUM  
5           INFORMATION NECESSARY.—The Secretary of  
6           Education shall seek information pursuant to  
7           this section only to the extent essential to im-  
8           proving collection of the debt described in sub-  
9           paragraph (A).

10          “(C) DUTIES OF THE SECRETARY.—

11           “(i) INFORMATION COMPARISON; DIS-  
12           CLOSURE TO THE SECRETARY OF EDU-  
13           CATION.—The Secretary, in cooperation  
14           with the Secretary of Education, shall  
15           compare information in the National Di-  
16           rectory of New Hires with information in  
17           the custody of the Secretary of Education,  
18           and disclose information in that Directory  
19           to the Secretary of Education, in accord-  
20           ance with this paragraph, for the purposes  
21           specified in this paragraph.

22           “(ii) CONDITION ON DISCLOSURE.—  
23           The Secretary shall make disclosures in ac-  
24           cordance with clause (i) only to the extent  
25           that the Secretary determines that such

1 disclosures do not interfere with the effective  
2 operation of the program under this  
3 part. Support collection under section  
4 466(b) shall be given priority over collection  
5 of any defaulted student loan or grant  
6 overpayment against the same income.

7 “(D) USE OF INFORMATION BY THE SECRETARY  
8 OF EDUCATION.—The Secretary of  
9 Education may use information resulting from  
10 a data match pursuant to this paragraph  
11 only—

12 “(i) for the purpose of collection of  
13 the debt described in subparagraph (A)  
14 owed by an individual whose annualized  
15 wage level (determined by taking into consideration  
16 information from the National  
17 Directory of New Hires) exceeds \$16,000;  
18 and

19 “(ii) after removal of personal identifiers,  
20 to conduct analyses of student loan  
21 defaults.

22 “(E) DISCLOSURE OF INFORMATION BY  
23 THE SECRETARY OF EDUCATION.—

24 “(i) DISCLOSURES PERMITTED.—The  
25 Secretary of Education may disclose infor-



1 mation resulting from a data match pursu-  
2 ant to this paragraph only to—

3 “(I) a guaranty agency holding a  
4 loan made under part B of title IV of  
5 the Higher Education Act of 1965 on  
6 which the individual is obligated;

7 “(II) a contractor or agent of the  
8 guaranty agency described in sub-  
9 clause (I);

10 “(III) a contractor or agent of  
11 the Secretary; and

12 “(IV) the Attorney General.

13 “(ii) PURPOSE OF DISCLOSURE.—The  
14 Secretary of Education may make a disclo-  
15 sure under clause (i) only for the purpose  
16 of collection of the debts owed on defaulted  
17 student loans, or overpayments of grants,  
18 made under title IV of the Higher Edu-  
19 cation Act of 1965.

20 “(iii) RESTRICTION ON REDISCLO-  
21 SURE.—An entity to which information is  
22 disclosed under clause (i) may use or dis-  
23 close such information only as needed for  
24 the purpose of collecting on defaulted stu-  
25 dent loans, or overpayments of grants,

1           made under title IV of the Higher Edu-  
2           cation Act of 1965.

3           “(F) REIMBURSEMENT OF HHS COSTS.—

4           The Secretary of Education shall reimburse the  
5           Secretary, in accordance with subsection (k)(3),  
6           for the additional costs incurred by the Sec-  
7           retary in furnishing the information requested  
8           under this subparagraph.”.

9           (b) PENALTIES FOR MISUSE OF INFORMATION.—

10          Section 402(a) of the Child Support Performance and In-  
11          centive Act of 1998 (112 Stat. 669) is amended in the  
12          matter added by paragraph (2) by inserting “or any other  
13          person” after “officer or employee of the United States”.

14          (c) EFFECTIVE DATE.—The amendments made by  
15          this section shall become effective October 1, 1999.

16          **SEC. 502. ELIMINATION OF SET-ASIDE OF PORTION OF WEL-**  
17                                 **FARE-TO-WORK FUNDS FOR SUCCESSFUL**  
18                                 **PERFORMANCE BONUS.**

19          (a) IN GENERAL.—Section 403(a)(5) of the Social  
20          Security Act (42 U.S.C. 603(a)(5)) is amended by striking  
21          subparagraph (E) and redesignating subparagraphs (F)  
22          through (J) as subparagraphs (E) through (I), respec-  
23          tively.

24          (b) CONFORMING AMENDMENTS.—

1           (1) Section 403(a)(5)(A)(i) of such Act (42  
2 U.S.C. 603(a)(5)(A)(i)) is amended by striking  
3 “subparagraph (I)” and inserting “subparagraph  
4 (H)”.

5           (2) Subclause (I) of each of subparagraphs  
6 (A)(iv) and (B)(v) of section 403(a)(5) of such Act  
7 (42 U.S.C. 603(a)(5)(A)(iv)(I) and (B)(v)(I)) is  
8 amended—

9           (A) in item (aa)—

10                   (i) by striking “(I)” and inserting  
11                   “(H)”;

12                   (ii) by striking “(G), and (H)” and  
13                   inserting “and (G)”;

14           (B) in item (bb), by striking “(F)” and in-  
15           serting “(E)”.

16           (3) Section 403(a)(5)(B)(v) of such Act (42  
17 U.S.C. 603(a)(5)(B)) is amended in the matter pre-  
18           ceding subclause (I) by striking “(I)” and inserting  
19           “(H)”.

20           (4) Subparagraphs (F) and (G) of section  
21           403(a)(5) of such Act (42 U.S.C. 603(a)(5)(F) and  
22           (G)) are each amended by striking “(I)” and insert-  
23           ing “(H)”.

1           (5) Section 412(a)(3)(A) of such Act (42  
2           U.S.C. 612(a)(3)(A)) is amended by striking  
3           “403(a)(5)(I)” and inserting “403(a)(5)(H)”.

4           (c) FUNDING AMENDMENT.—Section 403(a)(5)(H)  
5 of such Act (42 U.S.C. 603(a)(5)(H)), as so redesignated  
6 by subsection (a) of this section, is amended by striking  
7 “\$1,500,000,000” and all that follows and inserting “for  
8 grants under this paragraph—

9   “(I) \$1,500,000,000 for fiscal  
10   year 1998; and

11   “(II) \$1,400,000,000 for fiscal  
12   year 1999.”.

## 13           **TITLE VI—MISCELLANEOUS**

### 14           **SEC. 601. CHANGE DATES FOR EVALUATION.**

15           (a) IN GENERAL.—Section 403(a)(5)(H)(iii) of the  
16 Social Security Act (42 U.S.C. 603(a)(5)(H)(iii)), as so  
17 redesignated by section 502(a) of this Act, is amended by  
18 striking “2001” and inserting “2005”.

19           (b) INTERIM REPORT REQUIRED.—Section  
20 403(a)(5)(H) of such Act (42 U.S.C. 603(a)(5)(H)), as  
21 so redesignated, is amended by adding at the end the fol-  
22 lowing:

23   “(iv) INTERIM REPORT.—Not later  
24   than January 1, 2002, the Secretary shall

1 submit to the Congress a interim report on  
2 the evaluations referred to in clause (i).”.

3 **SEC. 602. REPORT ON UNDISTRIBUTED CHILD SUPPORT**  
4 **PAYMENTS.**

5 Not later than 6 months after the date of the enact-  
6 ment of this Act, the Secretary of Health and Human  
7 Services shall submit to the Committee on Ways and  
8 Means of the House of Representatives and the Committee  
9 on Finance of the Senate a report on the procedures that  
10 the States use generally to locate custodial parents for  
11 whom child support has been collected but not yet distrib-  
12 uted due to a change in address. The report shall include  
13 an estimate of the total amount of such undistributed  
14 child support and the average length of time it takes for  
15 such child support to be distributed. The Secretary shall  
16 include in the report recommendations as to whether addi-  
17 tional procedures should be established at the State or  
18 Federal level to expedite the payment of undistributed  
19 child support.

20 **SEC. 603. SENSE OF THE CONGRESS.**

21 It is the sense of the Congress that the States may  
22 use funds provided under the program of block grants for  
23 temporary assistance for needy families under part A of  
24 title IV of the Social Security Act to promote fatherhood

1 activities of the type described in section 403A of such  
2 Act, as added by this Act.

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