Mr. ALLEN. If the gentleman will yield for one further question, I actually agree with that. That if we get through the Shays-Meehan substitute in a timely fashion, the speed with which we deal with these issues may pick up. But the fact remains that there are so many amendments to the Shays-Meehan substitute that it seems to me unless we allocate enough time for that, it will take us several weeks to get through Shays-Meehan. So my concern is there is not enough time allocated next week, and then the question, of course, rises what happens the following week, because this is, after all, the most amendments and the most substitutes we will have to deal with on any bill this entire year.

Mr. SOLOMON. It is. One has to admire Speaker GINGRICH because he lived up to his word to both sides, on both sides of the aisle. It is a very open process. The House is really going to be able to work its will. But as my colleague knows, the majority leader made a commitment that we would wrap up this legislation prior to the August recess. The majority leader is a man of his word. I am sure that he is going to try to expedite this floor action to make sure that happens.

Mr. ALLEN. I thank the gentleman for his comments.

Mr. SOLOMON. We hope you all have a good break.

Mr. BONIOR. I thank the gentleman. I wish him a happy and healthy Fourth. I wish him a good break. We will see him on the 14th of July which I believe is Bastille Day. We wish him a happy Bastille Day.

## CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

Mr. SHAW. Mr. Speaker, I ask unanimous consent (1) that the managers on the part of the House be discharged from further consideration of the bill (H.R. 3130) 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, and (2) to take from the Speaker's table the bill, H.R. 3130, with the amendments of the Senate thereto, and to (A) concur in the amendment of the Senate to the title with an amendment, and (B) concur in the amendment of the Senate to the text with an amendment.

The SPEAKER pro tempore (Mr. PEASE). The Chair will entertain the unanimous consent request since the original papers are at the Speaker's table.

The Clerk read the title of the bill.

The Clerk read the House amendment to the Senate amendment to the text, as follows:

House amendment to Senate amendment to the text:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of the bill, insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Child Support Performance and Incentive Act of 1998''.

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

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 interjurisdictional 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.

## TITLE I—CHILD SUPPORT DATA PROCESSING REQUIREMENTS

**SEC. 101. ALTERNATIVE PENALTY PROCEDURE.**

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

''(4)(A)(i) If—

''(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with a particular subparagraph of section 454(24), and that the State has made and is continuing to make a good faith effort to so comply; and

''(II) the State has submitted to the Secretary a corrective compliance plan that describes how, by when, and at what cost the State will achieve such compliance, which has been approved by the Secretary,

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

''(ii) All failures of a State during a fiscal year to comply with any of the requirements referred to in the same subparagraph of section 454(24) shall be considered a single failure of the State to comply with that subparagraph during the fiscal year for purposes of this paragraph.

''(B) In this paragraph:

''(i) The term 'penalty amount' means, with respect to a failure of a State to comply with a subparagraph of section 454(24)—

''(I) 4 percent of the penalty base, in the case of the 1st fiscal year in which such a failure by the State occurs (regardless of whether a penalty is imposed under this paragraph with respect to the failure);

''(II) 8 percent of the penalty base, in the case of the 2nd such fiscal year;

''(III) 16 percent of the penalty base, in the case of the 3rd such fiscal year;

''(IV) 25 percent of the penalty base, in the case of the 4th such fiscal year; or

''(V) 30 percent of the penalty base, in the case of the 5th or any subsequent such fiscal year.

''(ii) The term 'penalty base' means, with respect to a failure of a State to comply with a subparagraph of section 454(24) during a fiscal year, the amount otherwise payable to the State under paragraph (1)(A) of this subsection for the preceding fiscal year.

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

''(I) on or before August 1, 1998, the State has submitted to the Secretary a request that the Secretary certify the State as having met the requirements of such section;

''(II) the Secretary subsequently provides the certification as a result of a timely review conducted pursuant to the request; and

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

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

''(D) The Secretary may not impose a penalty under this paragraph against a State with respect to a failure to comply with section 454(24)(B) for a fiscal year if the Secretary is required to impose a penalty under this paragraph against the State with respect to a failure to comply with section 454(24)(A) for the fiscal year.''.

(b) INAPPLICABILITY OF PENALTY UNDER TANF PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C. 609(a)(8)(A)(i)(III)) is amended by inserting ''(other than section 454(24))'' before the semicolon.

**SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM REQUIREMENT.**

(a) IN GENERAL.—Section 452(d)(3) of the Social Security Act (42 U.S.C. 652(d)(3)) is amended to read as follows:

''(3) The Secretary may waive any requirement of paragraph (1) or any condition specified under section 454(16), and shall waive the single statewide system requirement under sections 454(16) and 454A, with respect to a State if—

''(A) the State demonstrates to the satisfaction of the Secretary that the State has or can develop an alternative system or systems that enable the State—

''(i) for purposes of section 409(a)(8), to achieve the paternity establishment percentages (as defined in section 452(g)(2)) and

other performance measures that may be established by the Secretary;

''(ii) to submit data under section 454(15)(B) that is complete and reliable;

''(iii) to substantially comply with the requirements of this part; and

''(iv) in the case of a request to waive the single statewide system requirement, to—

''(I) meet all functional requirements of sections 454(16) and 454A;

''(II) ensure that calculation of distributions meets the requirements of section 457 and accounts for distributions to children in different families or in different States or sub-State jurisdictions, and for distributions to other States;

''(III) ensure that there is only 1 point of contact in the State which provides seamless case processing for all interstate case processing and coordinated, automated intrastate case management;

''(IV) ensure that standardized data elements, forms, and definitions are used throughout the State;

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

''(VI) process child support cases as quickly, efficiently, and effectively as such cases would be processed through a single statewide system that meets such requirement;

''(B)(i) the waiver meets the criteria of paragraphs (1), (2), and (3) of section 1115(c); or

''(ii) the State provides assurances to the Secretary that steps will be taken to otherwise improve the State's child support enforcement program; and

''(C) in the case of a request to waive the single statewide system requirement, the State has submitted to the Secretary separate estimates of the total cost of a single statewide system that meets such requirement, and of any such alternative system or systems, which shall include estimates of the cost of developing and completing the system and of operating and maintaining the system for 5 years, and the Secretary has agreed with the estimates.''.

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

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the semicolon at the end of subparagraph (C) and inserting '', and''; and

(3) by inserting after subparagraph (C) the following:

''(D) equal to 66 percent of the sums expended by the State during the quarter for an alternative statewide system for which a waiver has been granted under section 452(d)(3), but only to the extent that the total of the sums so expended by the State on or after the date of the enactment of this subparagraph does not exceed the least total cost estimate submitted by the State pursuant to section 452(d)(3)(C) in the request for the waiver;''.

## TITLE II—CHILD SUPPORT INCENTIVE SYSTEM

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

(a) IN GENERAL.—Part D of title IV of the Social Security Act (42 U.S.C. 651–669) is amended by inserting after section 458 the following:

**''SEC. 458A. INCENTIVE PAYMENTS TO STATES.**

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

''(b) AMOUNT OF INCENTIVE PAYMENT.—

''(1) IN GENERAL.—The incentive payment for a State for a fiscal year is equal to the incentive payment pool for the fiscal year, multiplied by the State incentive payment share for the fiscal year.

''(2) INCENTIVE PAYMENT POOL.—

''(A) IN GENERAL.—In paragraph (1), the term 'incentive payment pool' means—

''(i) $422,000,000 for fiscal year 2000;

''(ii) $429,000,000 for fiscal year 2001;

''(iii) $450,000,000 for fiscal year 2002;

''(iv) $461,000,000 for fiscal year 2003;

''(v) $454,000,000 for fiscal year 2004;

''(vi) $446,000,000 for fiscal year 2005;

''(vii) $458,000,000 for fiscal year 2006;

''(viii) $471,000,000 for fiscal year 2007;

''(ix) $483,000,000 for fiscal year 2008; and

''(x) for any succeeding fiscal year, the amount of the incentive payment pool for the fiscal year that precedes such succeeding fiscal year, multiplied by the percentage (if any) by which the CPI for such preceding fiscal year exceeds the CPI for the 2nd preceding fiscal year.

''(B) CPI.—For purposes of subparagraph (A), the CPI for a fiscal year is the average of the Consumer Price Index for the 12-month period ending on September 30 of the fiscal year. As used in the preceding sentence, the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

''(3) STATE INCENTIVE PAYMENT SHARE.—In paragraph (1), the term 'State incentive payment share' means, with respect to a fiscal year—

''(A) the incentive base amount for the State for the fiscal year; divided by

''(B) the sum of the incentive base amounts for all of the States for the fiscal year.

''(4) INCENTIVE BASE AMOUNT.—In paragraph (3), the term 'incentive base amount' means, with respect to a State and a fiscal year, the sum of the applicable percentages (determined in accordance with paragraph (6)) multiplied by the corresponding maximum incentive base amounts for the State for the fiscal year, with respect to each of the following measures of State performance for the fiscal year:

''(A) The paternity establishment performance level.

''(B) The support order performance level.

''(C) The current payment performance level.

''(D) The arrearage payment performance level.

''(E) The cost-effectiveness performance level.

''(5) MAXIMUM INCENTIVE BASE AMOUNT.—

''(A) IN GENERAL.—For purposes of paragraph (4), the maximum incentive base amount for a State for a fiscal year is—

''(i) with respect to the performance measures described in subparagraphs (A), (B), and (C) of paragraph (4), the State collections base for the fiscal year; and

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

''(B) DATA REQUIRED TO BE COMPLETE AND RELIABLE.—Notwithstanding subparagraph (A), the maximum incentive base amount for a State for a fiscal year with respect to a performance measure described in paragraph (4) is zero, unless the Secretary determines, on the basis of an audit performed under section 452(a)(4)(C)(i), that the data which the State submitted pursuant to section 454(15)(B) for the fiscal year and which is used to determine the performance level involved is complete and reliable.

''(C) STATE COLLECTIONS BASE.—For purposes of subparagraph (A), the State collections base for a fiscal year is equal to the sum of—

''(i) 2 times the sum of—

''(I) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved is required to be assigned to the State pursuant to part A or E of this title or title XIX; and

''(II) the total amount of support collected during the fiscal year under the State plan approved under this part in cases in which the support obligation involved was so assigned but, at the time of collection, is not required to be so assigned; and

''(ii) the total amount of support collected during the fiscal year under the State plan approved under this part in all other cases.

''(6) DETERMINATION OF APPLICABLE PERCENTAGES BASED ON PERFORMANCE LEVELS.—

''(A) PATERNITY ESTABLISHMENT.—

''(i) DETERMINATION OF PATERNITY ESTABLISHMENT PERFORMANCE LEVEL.—The paternity establishment performance level for a State for a fiscal year is, at the option of the State, the IV–D paternity establishment percentage determined under section 452(g)(2)(A) or the statewide paternity establishment percentage determined under section 452(g)(2)(B).

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's paternity establishment performance level is as follows:

| ''If the paternity establishment 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 |
| 0% | 50% | 0. |

Notwithstanding the preceding sentence, if the paternity establishment performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's paternity establishment performance level is 50 percent.

''(B) ESTABLISHMENT OF CHILD SUPPORT ORDERS.—

''(i) DETERMINATION OF SUPPORT ORDER PERFORMANCE LEVEL.—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's support order performance level is as follows:

| ''If the support order 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 |
| 0% | 50% | 0. |

Notwithstanding the preceding sentence, if the support order performance level of a State for a fiscal year is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's support order performance level is 50 percent.

''(C) COLLECTIONS ON CURRENT CHILD SUPPORT DUE.—

''(i) DETERMINATION OF CURRENT PAYMENT PERFORMANCE LEVEL.—The current payment performance level for a State for a fiscal year is equal to the total amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's current payment 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. |

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's current payment performance level is 50 percent.

''(D) COLLECTIONS ON CHILD SUPPORT ARREARAGES.—

''(i) DETERMINATION OF ARREARAGE PAYMENT PERFORMANCE LEVEL.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's arrearage payment 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 |
| 0% | 40% | 0. |

Notwithstanding the preceding sentence, if the arrearage payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arrearage payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State's arrearage payment performance level is 50 percent.

''(E) COST-EFFECTIVENESS.—

''(i) DETERMINATION OF COST-EFFECTIVENESS PERFORMANCE LEVEL.—The cost-effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

''(ii) DETERMINATION OF APPLICABLE PERCENTAGE.—The applicable percentage with respect to a State's cost-effectiveness performance level is as follows:

| ''If the cost-effectiveness performance level is: | | The applicable 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. |

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

''(d) ADMINISTRATIVE PROVISIONS.—The amounts of the incentive payments to be made to the States under this section for a fiscal year shall be estimated by the Secretary at or before the beginning of the fiscal year on the basis of the best information available. The Secretary shall make the payments for the fiscal year, on a quarterly basis (with each quarterly payment being made no later than the beginning of the quarter involved), in the amounts so estimated, reduced or increased to the extent of any overpayments or underpayments which the Secretary determines were made under this section to the States involved for prior periods and with respect to which adjustment has not already been made under this subsection. Upon the making of any estimate by the Secretary under the preceding sentence, any appropriations available for payments under this section are deemed obligated.

''(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary governing the calculation of incentive payments under this section, including directions for excluding from the calculations certain closed cases and cases over which the States do not have jurisdiction.

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

''(1) to carry out the State plan approved under this part; or

''(2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for the activity are eligible for reimbursement under this part, which may contribute to improving the effectiveness or efficiency of the State program operated under this part.''.

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

(1) for fiscal year 2000, the Secretary shall reduce by ⅓ the amount otherwise payable

to a State under section 458 of the Social Security Act, and shall reduce by ⅔ the amount otherwise payable to a State under section 458A of such Act; and

(2) for fiscal year 2001, the Secretary shall reduce by ⅔ the amount otherwise payable to a State under section 458 of the Social Security Act, and shall reduce by ⅓ the amount otherwise payable to a State under section 458A of such Act.

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

(d) STUDIES.—

(1) GENERAL REVIEW OF NEW INCENTIVE PAYMENT SYSTEM.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study of the implementation of the incentive payment system established by section 458A of the Social Security Act, in order to identify the problems and successes of the system.

(B) REPORTS TO THE CONGRESS.—

(i) REPORT ON VARIATIONS IN STATE PERFORMANCE ATTRIBUTABLE TO DEMOGRAPHIC VARIABLES.—Not later than October 1, 2000, the Secretary shall submit to the Congress a report that identifies any demographic or economic variables that account for differences in the performance levels achieved by the States with respect to the performance measures used in the system, and contains the recommendations of the Secretary for such adjustments to the system as may be necessary to ensure that the relative performance of States is measured from a baseline that takes account of any such variables.

(ii) INTERIM REPORT.—Not later than March 1, 2001, the Secretary shall submit to the Congress an interim report that contains the findings of the study required by subparagraph (A).

(iii) FINAL REPORT.—Not later than October 1, 2003, the Secretary shall submit to the Congress a final report that contains the final findings of the study required by subparagraph (A). The report shall include any recommendations for changes in the system that the Secretary determines would improve the operation of the child support enforcement program.

(2) DEVELOPMENT OF MEDICAL SUPPORT INCENTIVE.—

(A) IN GENERAL.—The Secretary of Health and Human Services, in consultation with State directors of programs operated under part D of title IV of the Social Security Act and representatives of children potentially eligible for medical support, shall develop a performance measure based on the effectiveness of States in establishing and enforcing medical support obligations, and shall make recommendations for the incorporation of the measure, in a revenue neutral manner, into the incentive payment system established by section 458A of the Social Security Act.

(B) REPORT.—Not later than October 1, 1999, the Secretary shall submit to the Congress a report that describes the performance measure and contains the recommendations required by subparagraph (A).

(e) TECHNICAL AMENDMENTS.—

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

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

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

(i) by striking paragraph (1) and inserting the following:

''(1) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—The amendments made by subsection (a) of this section shall become effective with respect to a State as of the date the amendments made by section 103(a) (without regard to section 116(a)(2)) first apply to the State.''; and

(ii) in paragraph (2), by striking ''(c)'' and inserting ''(b)''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of section 341 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(f) ELIMINATION OF PREDECESSOR INCENTIVE PAYMENT SYSTEM.—

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

(2) CONFORMING AMENDMENTS.—

(A) Section 458A of the Social Security Act, as added by section 201(a) of this Act, is redesignated as section 458.

(B) Section 455(a)(4)(C)(iii) of such Act (42 U.S.C. 655(a)(4)(C)(iii)), as added by section 101(a) of this Act, is amended—

(i) by striking ''458A(b)(4)'' and inserting ''458(b)(4)'';

(ii) by striking ''458A(b)(6)'' and inserting ''458(b)(6)''; and

(iii) by striking ''458A(b)(5)(B)'' and inserting ''458(b)(5)(B)''.

(C) Subsection (d)(1) of this section is amended by striking ''458A'' and inserting ''458''.

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

(g) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect on October 1, 1999.

## TITLE III—ADOPTION PROVISIONS

### SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE APPLIED FOR FAILING TO PERMIT INTERJURISDICTIONAL ADOPTION.

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

(1) by striking ''and'' at the end of paragraph (21);

(2) by striking the period at the end of paragraph (22) and inserting ''; and''; and

(3) by adding at the end the following:

''(23) provides that the State shall not—

''(A) deny or delay the placement of a child for adoption when an approved family is available outside of the jurisdiction with responsibility for handling the case of the child; or

''(B) fail to grant an opportunity for a fair hearing, as described in paragraph (12), to an individual whose allegation of a violation of subparagraph (A) of this paragraph is denied by the State or not acted upon by the State with reasonable promptness.''.

(b) PENALTY FOR NONCOMPLIANCE.—Section 474(d) of such Act (42 U.S.C. 674(d)) is amended in each of paragraphs (1) and (2) by striking ''section 471(a)(18)'' and inserting ''paragraph (18) or (23) of section 471(a)''.

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

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

## TITLE IV—MISCELLANEOUS

### SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISHMENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT.

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

(1) MEDICAL CHILD SUPPORT WORKING GROUP.—Within 60 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly establish a Medical Child Support Working Group. The purpose of the Working Group shall be to identify the impediments to the effective enforcement of medical support by State agencies administering the programs operated pursuant to part D of title IV of the Social Security Act.

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

(A) the Department of Labor;

(B) the Department of Health and Human Services;

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

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

(E) employers, including owners of small businesses and their trade or industry representatives and certified human resource and payroll professionals;

(F) plan administrators and plan sponsors of group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1167(1));

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

(H) State medical child support programs; and

(I) organizations representing State child support programs.

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

(4) ADMINISTRATIVE SUPPORT.—The Department of Health and Human Services and the Department of Labor shall jointly provide appropriate administrative support to the Working Group, including technical assistance. The Working Group may use the services and facilities of either such Department, with or without reimbursement, as jointly determined by such Departments.

(5) REPORT.—

(A) REPORT BY WORKING GROUP TO THE SECRETARIES.—Not later than 18 months after the date of the enactment of this Act, the Working Group shall submit to the Secretary of Labor and the Secretary of Health and Human Services a report containing recommendations for appropriate measures to address the impediments to the effective enforcement of medical support by State agencies administering the programs operated pursuant to part D of title IV of the Social Security Act identified by the Working Group, including—

(i) recommendations based on assessments of the form and content of the National Medical Support Notice, as issued under interim regulations,

(ii) appropriate measures that establish the priority of withholding of child support obligations, medical support obligations, arrearages in such obligations, and, in the case of a medical support obligation, the employee's portion of any health care coverage premium, by such State agencies in light of the restrictions on garnishment provided under title III of the Consumer Credit Protection Act (15 U.S.C. 1671–1677);

(iii) appropriate procedures for coordinating the provision, enforcement, and transition of health care coverage under the State

programs operated pursuant to part D of title IV of the Social Security Act and titles XIX and XXI of such Act;

(iv) appropriate measures to improve the availability of alternate types of medical support that are aside from health coverage offered through the noncustodial parent's health plan and unrelated to the noncustodial parent's employer, including measures that establish a noncustodial parent's responsibility to share the cost of premiums, copayments, deductibles, or payments for services not covered under a child's existing health coverage;

(v) recommendations on whether reasonable cost should remain a consideration under section 452(f) of the Social Security Act; and

(vi) appropriate measures for eliminating any other impediments to the effective enforcement of medical support orders that the Working Group deems necessary.

(B) REPORT BY SECRETARIES TO THE CONGRESS.—Not later than 2 months after receipt of the report pursuant to subparagraph (A), the Secretaries shall jointly submit a report to each House of the Congress regarding the recommendations contained in the report under subparagraph (A).

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

(b) PROMULGATION OF NATIONAL MEDICAL SUPPORT NOTICE.—

(1) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Labor shall jointly develop and promulgate by regulation a National Medical Support Notice, to be issued by States as a means of enforcing the health care coverage provisions in a child support order.

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

(A) conform with the requirements which apply to medical child support orders under section 609(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(3)) in connection with group health plans (subject to section 609(a)(4) of such Act), irrespective of whether the group health plan is covered under section 4 of such Act,

(B) conform with the requirements of part D of title IV of the Social Security Act, and

(C) include a separate and easily severable employer withholding notice, informing the employer of—

(i) applicable provisions of State law requiring the employer to withhold any employee contributions due under any group health plan in connection with coverage required to be provided under such order,

(ii) the duration of the withholding requirement,

(iii) the applicability of limitations on any such withholding under title III of the Consumer Credit Protection Act,

(iv) the applicability of any prioritization required under State law between amounts to be withheld for purposes of cash support and amounts to be withheld for purposes of medical support, in cases where available funds are insufficient for full withholding for both purposes, and

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

(3) PROCEDURES.—The regulations promulgated pursuant to paragraph (1) shall include appropriate procedures for the transmission of the National Medical Support Notice to employers by State agencies administering the programs operated pursuant to part D of title IV of the Social Security Act.

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

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

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

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

''(19) HEALTH CARE COVERAGE.—Procedures under which—

''(A) effective as provided in section 401(c)(3) of the Child Support Performance and Incentive Act of 1998, all child support orders enforced pursuant to this part which include a provision for the health care coverage of the child are enforced, where appropriate, through the use of the National Medical Support Notice promulgated pursuant to section 401(b) of the Child Support Performance and Incentive Act of 1998 (and referred to in section 609(a)(5)(C) of the Employee Retirement Income Security Act of 1974 in connection with group health plans covered under title I of such Act, in section 401(e)(3)(C) of the Child Support Performance and Incentive Act of 1998 in connection with State or local group health plans, and in section 401(f)(5)(C) of such Act in connection with church group health plans);

''(B) unless alternative coverage is allowed for in any order of the court (or other entity issuing the child support order), in any case in which a noncustodial parent is required under the child support order to provide such health care coverage and the employer of such noncustodial parent is known to the State agency—

''(i) the State agency uses the National Medical Support Notice to transfer notice of the provision for the health care coverage of the child to the employer;

''(ii) within 20 business days after the date of the National Medical Support Notice, the employer is required to transfer the Notice, excluding the severable employer withholding notice described in section 401(b)(2)(C) of the Child Support Performance and Incentive Act of 1998, to the appropriate plan providing any such health care coverage for which the child is eligible;

''(iii) in any case in which the noncustodial parent is a newly hired employee entered in the State Directory of New Hires pursuant to section 453A(e), the State agency provides, where appropriate, the National Medical Support Notice, together with an income withholding notice issued pursuant to section 466(b), within 2 days after the date of the entry of such employee in such Directory; and

''(iv) in any case in which the employment of the noncustodial parent with any employer who has received a National Medical Support Notice is terminated, such employer is required to notify the State agency of such termination; and

''(C) any liability of the noncustodial parent to such plan for employee contributions which are required under such plan for enrollment of the child is effectively subject to appropriate enforcement, unless the noncustodial parent contests such enforcement based on a mistake of fact''.''

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

(A) by striking ''petition for the inclusion of'' and inserting ''include''; and

(B) by inserting ''and enforce medical support'' before ''whenever''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective with respect to periods beginning on or after the later of—

(A) October 1, 2001, or

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

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a two-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(d) NATIONAL MEDICAL SUPPORT NOTICE DEEMED UNDER ERISA A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—Section 609(a)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(5)) is amended by adding at the end the following:

''(C) NATIONAL MEDICAL SUPPORT NOTICE DEEMED TO BE A QUALIFIED MEDICAL CHILD SUPPORT ORDER.—

''(i) IN GENERAL.—If the plan administrator of a group health plan which is maintained by the employer of a noncustodial parent of a child or to which such an employer contributes receives an appropriately completed National Medical Support Notice promulgated pursuant to section 401(b) of the Child Support Performance and Incentive Act of 1998 in the case of such child, and the Notice meets the requirements of paragraphs (3) and (4), the Notice shall be deemed to be a qualified medical child support order in the case of such child.

''(ii) ENROLLMENT OF CHILD IN PLAN.—In any case in which an appropriately completed National Medical Support Notice is issued in the case of a child of a participant under a group health plan who is a noncustodial parent of the child, and the Notice is deemed under clause (i) to be a qualified medical child support order, the plan administrator, within 40 business days after the date of the Notice, shall—

''(I) notify the State agency issuing the Notice with respect to such child whether coverage of the child is available under the terms of the plan and, if so, whether such child is covered under the plan and either the effective date of the coverage or, if necessary, any steps to be taken by the custodial parent (or by the official of a State or political subdivision thereof substituted for the name of such child pursuant to paragraph (3)(A)) to effectuate the coverage, and

''(II) provide to the custodial parent (or such substituted official) a description of the coverage available and any forms or documents necessary to effectuate such coverage.

''(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as requiring a group health plan, upon receipt of a National Medical Support Notice, to provide benefits under the plan (or eligibility for such benefits) in addition to benefits (or eligibility for benefits) provided under the terms of the plan as of immediately before receipt of such Notice.''.

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

(1) IN GENERAL.—Each State or local governmental group health plan shall provide benefits in accordance with the applicable requirements of any National Medical Support Notice.

(2) ENROLLMENT OF CHILD IN PLAN.—In any case in which an appropriately completed National Medical Support Notice is issued in the case of a child of a participant under a State or local governmental group health plan who is a noncustodial parent of the child, the plan administrator, within 40 business days after the date of the Notice, shall—

(A) notify the State agency issuing the Notice with respect to such child whether coverage of the child is available under the terms of the plan and, if so, whether such child is covered under the plan and either the effective date of the coverage or any steps necessary to be taken by the custodial parent (or by any official of a State or political subdivision thereof substituted in the Notice for the name of such child in accordance with procedures appliable under subsection (b)(2) of this section) to effectuate the coverage, and

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

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed as requiring a State or local governmental group health plan, upon receipt of a National Medical Support Notice, to provide benefits under the plan (or eligibility for such benefits) in addition to benefits (or eligibility for benefits) provided under the terms of the plan as of immediately before receipt of such Notice.

(4) DEFINITIONS.—For purposes of this subsection—

(A) STATE OR LOCAL GOVERNMENTAL GROUP HEALTH PLAN.—The term ''State or local governmental group health plan'' means a group health plan which is established or maintained for its employees by the government of any State, any political subdivision of a State, or any agency or instrumentality of either of the foregoing.

(B) ALTERNATE RECIPIENT.—The term ''alternate recipient'' means any child of a participant who is recognized under a National Medical Support Notice as having a right to enrollment under a State or local governmental group health plan with respect to such participant.

(C) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning provided in section 607(1) of the Employee Retirement Income Security Act of 1974.

(D) STATE.—The term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(E) OTHER TERMS.—The terms ''participant'' and ''administrator'' shall have the meanings provided such terms, respectively, by paragraphs (7) and (16) of section 3 of the Employee Retirement Income Security Act of 1974.

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

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

(1) IN GENERAL.—Each church group health plan shall provide benefits in accordance with the applicable requirements of any qualified medical child support order. A qualified medical child support order with respect to any participant or beneficiary shall be deemed to apply to each such group health plan which has received such order, from which the participant or beneficiary is eligible to receive benefits, and with respect to which the requirements of paragraph (4) are met.

(2) DEFINITIONS.—For purposes of this subsection—

(A) CHURCH GROUP HEALTH PLAN.—The term ''church group health plan'' means a group health plan which is a church plan.

(B) QUALIFIED MEDICAL CHILD SUPPORT ORDER.—The term ''qualified medical child support order'' means a medical child support order—

(i) which creates or recognizes the existence of an alternate recipient's right to, or assigns to an alternate recipient the right to, receive benefits for which a participant or beneficiary is eligible under a church group health plan, and

(ii) with respect to which the requirements of paragraphs (3) and (4) are met.

(C) MEDICAL CHILD SUPPORT ORDER.—The term ''medical child support order'' means any judgment, decree, or order (including approval of a settlement agreement) which—

(i) provides for child support with respect to a child of a participant under a church group health plan or provides for health benefit coverage to such a child, is made pursuant to a State domestic relations law (including a community property law), and relates to benefits under such plan, or

(ii) is made pursuant to a law relating to medical child support described in section 1908 of the Social Security Act (as added by section 13822 of the Omnibus Budget Reconciliation Act of 1993) with respect to a church group health plan,

if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law. For purposes of this paragraph, an administrative notice which is issued pursuant to an administrative process referred to in subclause (II) of the preceding sentence and which has the effect of an order described in clause (i) or (ii) of the preceding sentence shall be treated as such an order.

(D) ALTERNATE RECIPIENT.—The term ''alternate recipient'' means any child of a participant who is recognized under a medical child support order as having a right to enrollment under a church group health plan with respect to such participant.

(E) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning provided in section 607(1) of the Employee Retirement Income Security Act of 1974.

(F) STATE.—The term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(G) OTHER TERMS.—The terms ''participant'', ''beneficiary'', ''administrator'', and ''church plan'' shall have the meanings provided such terms, respectively, by paragraphs (7), (8), (16), and (33) of section 3 of the Employee Retirement Income Security Act of 1974.

(3) INFORMATION TO BE INCLUDED IN QUALIFIED ORDER.—A medical child support order meets the requirements of this paragraph only if such order clearly specifies—

(A) the name and the last known mailing address (if any) of the participant and the name and mailing address of each alternate recipient covered by the order, except that, to the extent provided in the order, the name and mailing address of an official of a State or a political subdivision thereof may be substituted for the mailing address of any such alternate recipient,

(B) a reasonable description of the type of coverage to be provided to each such alternate recipient, or the manner in which such type of coverage is to be determined, and

(C) the period to which such order applies.

(4) RESTRICTION ON NEW TYPES OR FORMS OF BENEFITS.—A medical child support order meets the requirements of this paragraph only if such order does not require a church group health plan to provide any type or form of benefit, or any option, not otherwise provided under the plan, except to the extent necessary to meet the requirements of a law relating to medical child support described in section 1908 of the Social Security Act (as added by section 13822 of the Omnibus Budget Reconciliation Act of 1993).

(5) PROCEDURAL REQUIREMENTS.—

(A) TIMELY NOTIFICATIONS AND DETERMINATIONS.—In the case of any medical child support order received by a church group health plan—

(i) the plan administrator shall promptly notify the participant and each alternate recipient of the receipt of such order and the plan's procedures for determining whether medical child support orders are qualified medical child support orders, and

(ii) within a reasonable period after receipt of such order, the plan administrator shall determine whether such order is a qualified medical child support order and notify the participant and each alternate recipient of such determination.

(B) ESTABLISHMENT OF PROCEDURES FOR DETERMINING QUALIFIED STATUS OF ORDERS.—Each church group health plan shall establish reasonable procedures to determine whether medical child support orders are qualified medical child support orders and to administer the provision of benefits under such qualified orders. Such procedures—

(i) shall be in writing,

(ii) shall provide for the notification of each person specified in a medical child support order as eligible to receive benefits under the plan (at the address included in the medical child support order) of such procedures promptly upon receipt by the plan of the medical child support order, and

(iii) shall permit an alternate recipient to designate a representative for receipt of copies of notices that are sent to the alternate recipient with respect to a medical child support order.

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

(i) IN GENERAL.—If the plan administrator of any church group health plan which is maintained by the employer of a noncustodial parent of a child or to which such an employer contributes receives an appropriately completed National Medical Support Notice promulgated pursuant to subsection (b) of this section in the case of such child, and the Notice meets the requirements of paragraphs (3) and (4) of this subsection, the Notice shall be deemed to be a qualified medical child support order in the case of such child.

(ii) ENROLLMENT OF CHILD IN PLAN.—In any case in which an appropriately completed National Medical Support Notice is issued in the case of a child of a participant under a church group health plan who is a noncustodial parent of the child, and the Notice is deemed under clause (i) to be a qualified medical child support order, the plan administrator, within 40 business days after the date of the Notice, shall—

(I) notify the State agency issuing the Notice with respect to such child whether coverage of the child is available under the terms of the plan and, if so, whether such child is covered under the plan and either the effective date of the coverage or any steps necessary to be taken by the custodial parent (or by the official of a State or political subdivision thereof substituted for the name of such child pursuant to paragraph (3)(A)) to effectuate the coverage, and

(II) provide to the custodial parent (or such substituted official) a description of the coverage available and any forms or documents necessary to effectuate such coverage.

(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as requiring a church group health plan, upon receipt of a National Medical Support Notice, to provide benefits under the plan (or eligibility for such benefits) in addition to benefits (or eligibility for benefits) provided under the terms of the plan as of immediately before receipt of such Notice.

(6) DIRECT PROVISION OF BENEFITS PROVIDED TO ALTERNATE RECIPIENTS.—Any payment for benefits made by a church group health plan

pursuant to a medical child support order in reimbursement for expenses paid by an alternate recipient or an alternate recipient's custodial parent or legal guardian shall be made to the alternate recipient or the alternate recipient's custodial parent or legal guardian.

(7) PAYMENT TO STATE OFFICIAL TREATED AS SATISFACTION OF PLAN'S OBLIGATION TO MAKE PAYMENT TO ALTERNATE RECIPIENT.—Payment of benefits by a church group health plan to an official of a State or a political subdivision thereof whose name and address have been substituted for the address of an alternate recipient in a medical child support order, pursuant to paragraph (3)(A), shall be treated, for purposes of this subsection and part D of title IV of the Social Security Act, as payment of benefits to the alternate recipient.

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

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

(h) TECHNICAL CORRECTIONS.—

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

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

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the enactment of the Act entitled ''An Act to repeal the Medicare and Medicaid Coverage Data Bank'', approved October 2, 1996 (Public Law 104-226; 110 Stat. 3033).

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

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

(ii) Section 514(b)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144(b)(7)) is amended by striking ''enforced by'' and inserting ''they apply to''.

(iii) Section 609(a)(2)(B)(ii) of such Act (29 U.S.C. 1169(a)(2)(B)(ii)) is amended by striking ''enforces'' and inserting ''is made pursuant to''.

(B) CHILD DEFINED.—Section 609(a)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)) is amended by adding at the end the following:

''(D) CHILD.—The term 'child' includes any child adopted by, or placed for adoption with, a participant of a group health plan.''.

(C) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall be effective as if included in the enactment of section 4301(c)(4)(A) of the Omnibus Budget Reconciliation Act of 1993.

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

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

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

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

(a) PENALTY FOR UNAUTHORIZED ACCESS, DISCLOSURE, OR USE OF INFORMATION.—Section 453(l) of the Social Security Act (42 U.S.C. 653(l)) is amended—

(1) by striking ''Information'' and inserting the following:

''(1) IN GENERAL.—Information''; and

(2) by adding at the end the following:

''(2) PENALTY FOR MISUSE OF INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES.—The Secretary shall require the imposition of an administrative penalty (up to and including dismissal from employment), and a fine of $1,000, for each act of unauthorized access to, disclosure of, or use of, information in the National Directory of New Hires established under subsection (i) by any officer or employee of the United States who knowingly and willfully violates this paragraph.''.

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

''(2) DATA ENTRY AND DELETION REQUIREMENTS.—

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

''(B) 12-MONTH LIMIT ON ACCESS TO WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The Secretary shall not have access for child support enforcement purposes to information in the National Directory of New Hires that is provided pursuant to section 453A(g)(2)(B), if 12 months has elapsed since the date the information is so provided and there has not been a match resulting from the use of such information in any information comparison under this subsection.

''(C) RETENTION OF DATA FOR RESEARCH PURPOSES.—Notwithstanding subparagraphs (A) and (B), the Secretary may retain such samples of data entered in the National Directory of New Hires as the Secretary may find necessary to assist in carrying out subsection (j)(5).''.

(c) NOTICE OF PURPOSES FOR WHICH WAGE AND SALARY DATA ARE TO BE USED.—Within 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of the specific purposes for which the new hire and the wage and unemployment compensation information in the National Directory of New Hires is to be used. At least 30 days before such information is to be used for a purpose not specified in the notice provided pursuant to the preceding sentence, the Secretary shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of such purpose.

(d) REPORT BY THE SECRETARY.—Within 3 years after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the accuracy of the data maintained by the National Directory of New Hires pursuant to section 453(i) of the Social Security Act, and the effectiveness of the procedures designed to provide for the security of such data.

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

**SEC. 403. LIMITATIONS ON USE OF TANF FUNDS FOR MATCHING UNDER CERTAIN FEDERAL TRANSPORTATION PROGRAM.**

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

''(k) LIMITATIONS ON USE OF GRANT FOR MATCHING UNDER CERTAIN FEDERAL TRANSPORTATION PROGRAM.—

''(1) USE LIMITATIONS.—A State to which a grant is made under section 403 may not use any part of the grant to match funds made available under section 3037 of the Transportation Equity for the 21st Century Act of 1998, unless—

''(A) the grant is used for new or expanded transportation services (and not for construction) that benefit individuals described in subparagraph (C), and not to subsidize current operating costs;

''(B) the grant is used to supplement and not supplant other State expenditures on transportation;

''(C) the preponderance of the benefits derived from such use of the grant accrues to individuals who are—

''(i) recipients of assistance under the State program funded under this part;

''(ii) former recipients of such assistance;

''(iii) noncustodial parents who are described in item (aa) or (bb) of section 403(a)(5)(C)(ii)(II); and

''(iii) low income individuals who are at risk of qualifying for such assistance; and

''(D) the services provided through such use of the grant promote the ability of such recipients to engage in work activities (as defined in section 407(d)).

''(2) AMOUNT LIMITATION.—From a grant made to a State under section 403(a), the amount that a State uses to match funds described in paragraph (1) of this subsection shall not exceed the amount (if any) by which 30 percent of the total amount of the grant exceeds the amount (if any) of the grant that is used by the State to carry out any State program described in subsection (d)(1) of this section.

''(3) RULE OF INTERPRETATION.—The provision by a State of a transportation benefit under a program conducted under section 3037 of the Transportation Equity for the 21st Century Act of 1998, to an individual who is not otherwise a recipient of assistance under the State program funded under this part, using funds from a grant made under section 403(a) of this Act, shall not be considered to be the provision of assistance to the individual under the State program funded under this part.''.

(b) REPORT TO THE CONGRESS.—Not later than 2 years after the date of the enactment of this Act, the Secretary of Transportation, in consultation with the Secretary of Health and Human Services, shall submit to the Committees on Ways and Means and on Transportation and Infrastructure of the House of Representatives and the Committees on Finance and on Environment and Public Works of the Senate a report that—

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

(2) describes whether such uses of such funds has improved transportation services for low income individuals; and

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

**SEC. 404. CLARIFICATION OF MEANING OF HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT OF CHILD SUPPORT IN INTERSTATE CASES.**

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

''(B) HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT.—In this part, the term

'high-volume automated administrative enforcement', in interstate cases, means, on request of another State, the identification by a State, through automated data matches with financial institutions and other entities where assets may be found, of assets owned by persons who owe child support in other States, and the seizure of such assets by the State, through levy or other appropriate processes.''.

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

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

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

(b) REPORT ON IMPLEMENTATION AND USE OF CHILD SUPPORT DATABASES.—Not later than December 31, 1998, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the implementation of the Federal Parent Locater Service (including the Federal Case Registry of Child Support Orders and the National Directory of New Hires) established under section 453 of the Social Security Act (42 U.S.C. 653) and the State Directory of New Hires established under section 453A of such Act (42 U.S.C. 653a). The report shall include a detailed discussion of the purposes for which, and the manner in which, the information maintained in such databases has been used, and an examination as to whether such databases are subject to adequate safeguards to protect the privacy of the individuals with respect to whom information is reported and maintained.

**SEC. 406. DATA MATCHING BY MULTISTATE FINANCIAL INSTITUTIONS.**

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

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

''(l) The Secretary, through the Federal Parent Locator Service, may aid State agencies providing services under State programs operated pursuant to this part and financial institutions doing business in 2 or more States in reaching agreements regarding the receipt from such institutions, and the transfer to the State agencies, of information that may be provided pursuant to section 466(a)(17)(A)(i), except that any State that, as of the date of the enactment of this subsection, is conducting data matches pursuant to section 466(a)(17)(A)(i) shall have until January 1, 2000, to allow the Secretary to obtain such information from such institutions that are operating in the State. For purposes of section 1113(d) of the Right to Financial Privacy Act of 1978, a disclosure pursuant to this subsection shall be considered a disclosure pursuant to a Federal statute.''.

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

**SEC. 407. ELIMINATION OF UNNECESSARY DATA REPORTING.**

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

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

**''SEC. 469. COLLECTION AND REPORTING OF CHILD SUPPORT ENFORCEMENT DATA.**

''(a) IN GENERAL.—With respect to each type of service described in subsection (b), the Secretary shall collect and maintain up-to-date statistics, by State, and on a fiscal year basis, on—

''(1) the number of cases in the caseload of the State agency administering the plan approved under this part in which the service is needed; and

''(2) the number of such cases in which the service has actually been provided.

''(b) TYPES OF SERVICES.—The statistics required by subsection (a) shall be separately stated with respect to paternity establishment services and child support obligation establishment services.

''(c) TYPES OF SERVICE RECIPIENTS.—The statistics required by subsection (a) shall be separately stated with respect to—

''(1) recipients of assistance under a State program funded under part A or of payments or services under a State plan approved under part E; and

''(2) individuals who are not such recipients.''; and

(2) in subsection (c), by striking ''(c)'' and inserting ''(d) RULE OF INTERPRETATION.—''.

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

(1) by adding ''and'' at the end of subparagraph (H); and

(2) by striking subparagraph (I) and redesignating subparagraph (J) as subparagraph (I).

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

**SEC. 408. CLARIFICATION OF ELIGIBILITY UNDER WELFARE-TO-WORK PROGRAMS.**

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

(1) in the matter preceding subclause (I) by striking ''of minors whose custodial parent is such a recipient'';

(2) in subclause (I), by inserting ''or the noncustodial parent'' after ''recipient''; and

(3) in subclause (II), by striking ''The individual—'' and inserting ''The recipient or the minor children of the noncustodial parent—''.

**SEC. 409. STUDY OF FEASIBILITY OF IMPLEMENTING IMMIGRATION PROVISIONS OF H.R. 3130, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON MARCH 5, 1998.**

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

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

**SEC. 410. TECHNICAL CORRECTIONS.**

(a) Section 413(g)(1) of the Social Security Act (42 U.S.C. 613(g)(1)) is amended by striking ''Economic and Educational Opportunities'' and inserting ''Education and the Workforce''.

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

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

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

(1) by striking ''parentage,'' and inserting ''parentage or'';

(2) by striking ''or making or enforcing child custody or visitation orders,''; and

(3) in subparagraph (A), by decreasing the indentation of clause (iv) by 2 ems.

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

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

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

(1) by striking ''November 30, 1997'' and inserting ''April 30, 1998''; and

(2) by striking ''March 1, 1998'' and inserting ''July 1, 1998''.

(g) Section 474(a) of the Social Security Act (42 U.S.C. 674(a)) is amended by striking ''(subject to the limitations imposed by subsection (b))''.

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

(1) in subsection (b)(3)(D), by striking ''Energy and''; and

(2) in subsection (d)(4), by striking ''(b)(3)(C)'' and inserting ''(b)(3)''.

The Clerk read the House amendment to the Senate amendment to the title, as follows:

House amendment to Senate amendment to the title:

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.''.

Mr. SHAW (during the reading). Mr. Speaker, I ask unanimous consent that the House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Florida?

Mr. LEVIN. Mr. Speaker, I reserve the right to object to the original unanimous consent request, and I yield to the gentleman from Florida for an explanation of the amendment.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Speaker, this amendment is the product of long and difficult negotiations with the Senate on final agreement which brings together two important provisions that will greatly improve the Nation's child support enforcement program.

The first provision reduces the harsh penalties imposed on States whose child support data processing system does not meet the Federal requirements. The reduced penalties, however, will still constitute the largest penalties ever imposed on States for failing to meet Federal requirements in the child support program. This provision is a slightly amended version of the bill which was approved by this House under suspension of the rules this past March. The major change is that the States that implement certified data processing systems later than required by Federal law will receive a more generous penalty reduction in the year their system is certified. To pay for that slight penalty reduction, penalties imposed on States that are 4 or more years late in building certified data systems are actually increased under this legislation.

The second provision completely replaces the outmoded and inefficient incentive system in the child support program. This new system, which was approved by the House under suspension of the rules on March 29, 1997, rewards States for effective and efficient performance in five critical areas of child support enforcement. All sides agree that this new incentive system will boost State performance and thereby help mothers and children.

The Congressional Budget Office has determined that the amendment is budget neutral and imposes no unfunded mandates on the States. My great disappointment in this compromise amendment is that we could not convince the Senate to agree to the excellent provision that was authored by the distinguished gentleman from Maryland (Mr. CARDIN). He and his staff have worked tirelessly to create an effective procedure for penalizing aliens who have overdue child support. I want to assure the gentleman from Maryland that we will continue to fight for his superb proposal until it is finally enacted into law.

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Finally, I wish to acknowledge the work of my good friend, the gentleman from Michigan (Mr. LEVIN), and his colleagues on the other side of the aisle. We have worked hand in hand throughout this process. We have also received invaluable assistance from the Department of Health and Human Services. The result of all of this bipartisan cooperation is wonderful legislation that will substantially improve the Nation's child support program.

Mr. Speaker, I ask unanimous consent that the legislative history be put into the RECORD.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Florida?

There was no objection.

The legislative history is as follows:

LEGISLATIVE HISTORY OF SENATE AND HOUSE AMENDMENTS TO THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

TITLE I. CHILD SUPPORT DATA PROCESSING REQUIREMENTS

SEC. 101. ALTERNATIVE PENALTY PROCEDURES

*1. Eligibility for alternative penalty procedure*

*Present law*

No provision. Under current law, if a State failed to implement a statewide automated data processing and information retrieval system by October 1, 1997 (which is a child support enforcement State plan requirement), the Office of Child Support Enforcement is required to ''disapprove'' the State's child support enforcement plan, after an appeals process, and suspend federal funding for the State's child support enforcement program. Moreover, pursuant to title IV–A (Temporary Assistance for Needy Families; TANF), a State that cannot certify that it has an approved Child Support Enforcement plan when it amends its TANF plan (generally every 2 years), is not eligible for TANF block grant funding. Thus, a State that failed to implement a statewide automated data processing and information retrieval system is in eventual jeopardy of losing its TANF block grant allocation along with its federal Chief Support Enforcement funding.

*House bill*

If the Secretary determines that a State is making good faith efforts to comply with the data processing requirements and if the State submits a corrective compliance plan describing how it will comply, by when, and at what cost, the State may avoid the penalty in current law and qualify for the new penalty procedure outlined below.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*2. Penalty amount*

*Present law*

As noted above, the penalty for noncompliance with a Child Support Enforcement State plan requirement is loss of all federal Child Support Enforcement funding and all TANF funding as well.

*House bill*

The percentage penalty is 4 percent, 8 percent, 16 percent, and 20 percent respectively for the first, second, third, and fourth or subsequent years of failing to comply with the data processing requirements. The percentage penalty is applied to the amount payable to the State in the previous year as Federal administrative reimbursement under the child support program.

*Senate amendment*

Same as House bill, except in the fourth or subsequent year, the percentage penalty is 30 percent.

*Agreement*

The agreement follows the House bill and the Senate amendment with the modification that the percentage penalty is 4, 8, 16, 25, and 30 percent in the first through fifth and subsequent years respectively.

*3. Penalty waiver*

*Present law*

No provision.

*House bill*

If by December 31, 1997, a State has submitted to the Secretary a request that the Secretary certify the State as meeting the 1998 data processing requirements and is subsequently certified as a result of a review pursuant to the request, all penalties are waived.

*Senate amendment*

If at any time during year 1998, a State has submitted to the Secretary a request that the Secretary certify the State as having met the 1988 data processing requirement and is subsequently certified as a result of a review pursuant to the request, all penalties are waived.

*Agreement*

The agreement follows the House bill and the Senate amendment except the State request that the Secretary certify the state as meeting the 1988 data processing requirements must be submitted by August 1, 1998.

*4. Partial Penalty Forgiveness*

*Present law*

No provision.

*House bill*

If a State operating under the penalty procedure achieves compliance with the data processing requirements before the first day of the next fiscal year, then the penalty for the current fiscal year is reduced by 75 percent.

*Senate amendment*

Under the Senate amendment, States will not face a penalty in the fiscal year in which they come into compliance. Moreover, if a State comes into compliance within the first two years after penalties have been imposed, then the penalty from the prior fiscal year is reduced by 20 percent.

*Agreement*

The agreement follows the House bill and the Senate amendment with the modifications that there is no retrospective penalty reduction of 20 percent and the penalty reduction in the year of certification is 90 percent. It is expected that the date of certification for a given State will be the date the State informs the Secretary in writing that the State is ready for certification review and the State in fact is certified under that review.

*5. Penalty Reduction for Good Performance*

*Present law*

No provision.

*House bill*

States must comply with all the data processing requirements imposed by the 1996 welfare reform law by October 1, 2000. A State that fails to comply may nonetheless have its annual penalty reduced by 20 percent for each performance measure under the new incentive system (see Title II below) for which it achieves a maximum score. Thus, for example, a State being penalized would have its penalty for a given year reduced by 60 percent if it achieved maximum performance on three of the five performance measures.

*Senate enactment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*6. Penalty procedure applies to requirements of 1988 act and 1996 act*

*Present law*

P.L. 104–193 requires that as part of their State child support enforcement plans all States, by October 1, 2000, have in effect a single statewide automated data processing and information retrieval system that meets

all of the specified requirements, except that the deadline is extended by one day for each day (if any) by which the Secretary fails to meet the deadline for final regulations on the new data processing requirements (i.e., which is not later than August 22, 1998). The disapproval procedures described above also would apply to these new data processing requirements.

*House bill*

With the exception of the FY1998 waiver provision, which applies only to the 1988 requirements, and the penalty reduction provision for good performance, which applies only to the 1996 requirements, the new penalty procedure applies to data processing requirements of both the 1988 Family Support Act and the 1996 welfare reform legislation.

*Senate enactment*

Same as House bill, except the Secretary may only impose a single penalty for any given fiscal year with respect to the establishment or operation of an automated data processing and information retrieval system.

*Agreement*

The agreement follows the House bill and the Senate amendment with a modification which stipulates that a state may not be penalized for violating the automatic data processing and information retrieval system requirements imposed under Public Law 104–193 if the state is being penalized for violating the automatic data processing requirements of the 1988 Family Support Act. In addition, a State is not subject to more than one penalty at a given time under the data processing requirements of either the 1988 Act or the 1996 Act.

*7. Exemption from TANF penalty procedures*

*Present law*

As noted above, States without approved child support enforcement plans are in eventual danger of losing funding for the TANF block grant (which would include supplemental and bonus TANF funding and funding for the Welfare-to-Work program).

The TANF penalty for a State which the Secretary finds has not complied with one or more of the child support enforcement program requirements and has failed to take sufficient corrective action to achieve the appropriate performance level or compliance is subject to a graduated penalty of TANF block grant funds equal to not less than 1% nor more than 2% for the first finding of noncompliance; not less than 2% nor more than 3% for the second consecutive finding of noncompliance; and not less than 3% nor more than 5% for the third or subsequent finding of noncompliance.

*House bill*

No provision.

*Senate amendment*

Because States are subject to the penalty procedure outlined above for violations of the data processing requirement, they are exempt from the TANF penalty procedure for such violations.

*Agreement*

The agreement follows the Senate amendment. In addition the Social Security Act is amended to clarify that TANF money used as matching funds for grants under section 3037 of the Transportation Equity for the 21st Century Act of 1998 can only be spent on the transportation needs of families eligible for TANF benefits and other low-income families. TANF funds used to provide transportation services under section 3037 grants are not considered assistance for purposes of the TANF program.

SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM REQUIREMENT

*8. Expansion of waiver provision*

*Present law*

Current law states that the Secretary of the Department of Health and Human Services may waive any requirement related to the advance planning automated data processing document or the automated data processing and information retrieval system if the State demonstrates to the Secretary's satisfaction that the State has an alternative system or systems that enable the State to be in substantial compliance with other requirements of the child support enforcement program. The waiver must also meet the following conditions: (1) must be designed to improve the financial well-being of children or otherwise improve the operation of the child support enforcement program, (2) may not permit modifications in the child support enforcement program which would have the effect of disadvantaging children in need of support, and (3) must not result in increased cost to the federal government under the TANF program; or the State provides assurances to the Secretary that steps will be taken to otherwise improve the State's child support enforcement program.

*House bill*

The authority of the Secretary to waive certain data processing requirements and to provide Federal funding for a wider range of State data system activities is expanded to include waiving the single statewide system requirement under certain conditions and providing Federal funds to develop and enhance local systems linked to State systems. To qualify, a State must demonstrate that it can develop an alternative system that: Can help the State meet the paternity establishment requirement and other performance measures; can submit required data to HHS that is complete and reliable; substantially complies with all requirements of the child support enforcement program; achieves all the functional capacity for automatic data processing outlined in the statute; meets the requirements for distributing collections to families and governments, including cases in which support is owed to more than one family or more than one government; has one and only one point of contact for interstate case processing and intrastate case management; is based on standardized data elements, forms, and definitions that are used throughout the State; can be operational in no more time than it would take to achieve an operational single statewide system; and can process child support cases as quickly, efficiently, and effectively as would be possible with a single statewide system.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*9. Federal payments under waiver provision*

*Present law*

To be approved for a waiver, a State must demonstrate that the proposed project: (1) is designed to improve the financial well-being of children or otherwise improve the operation of the child support program; (2) does not permit modifications in the child support program that would have the effect of disadvantaging children in need of support; and (3) does not result in increased cost to the Federal government under the TANF program.

*House bill*

In addition to the various waiver requirements described in provision #8 above, and to the requirements in current law, the State must submit to the Secretary separate estimates of the costs to develop and implement both a single statewide system and the alternative system being proposed by the State plus the costs of operating and maintaining these systems for 5 years from the date of implementation. The Secretary must agree with the estimates. If a State elects to operate such an alternative system, the State would be paid the 66 percent federal administrative reimbursement only on expenditures equal to the estimated cost of the single statewide system.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

TITLE II. CHILD SUPPORT INCENTIVE SYSTEM

SEC. 201. INCENTIVE PAYMENTS TO STATES

*1. Amount of incentive payments*

*Present law*

Each State receives an incentive payment equal to at least 6 percent of the State's total amount of child support collected on behalf of TANF families for the year, plus at least 6 percent of the State's total amount of child support collected on behalf of non-TANF families for the year. [Note: P.L. 98–378, the Child Support Enforcement Amendments of 1984, stipulates that political subdivisions of a State that participate in the costs of support enforcement must receive an appropriate share of any incentive payment given to the State. P.L. 98–378 also requires States to develop criteria for passing through incentives to localities, taking into account the efficiency and effectiveness of local programs.]

*House bill*

The incentive payment for a State for a given year is calculated by multiplying the incentive payment pool for the year by the State's incentive payment share for the year.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*2. Incentive payment pool*

*Present law*

No provision.

*House bill*

The incentive payment pool is equal to the CBO estimate of incentive payments for each year under current law. Specifically, the amounts (in millions) for fiscal years 2000 through 2008 respectively are: $442, $429, $450, $461, $454, $446, $458, $471 and $483. Specifying these amounts in the statute assures that the incentive payments will be budget neutral. After 2008, the incentive payment pool increases each year by an amount equal to the rate of inflation.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*3. Calculating incentive payments*

*Present law*

The maximum incentive payment for a State could reach a high of 10 percent of child support collected on behalf of TANF families plus 10 percent of child support collected on behalf of non-TANF families. There

is a limit, however, on the incentive payment for non-TANF child support collections. The incentive payments for such collections may not exceed 115 percent of incentive payments for TANF child support collections.

*House bill*

In addition to the incentive payment pool, incentive calculations are based on the five factors defined below. The general approach is to pay to each State its share of the incentive payment pool based on the quality of its performance on the five incentive performance measures. The five computational factors are:

(1) State collections base is used to ensure that incentive payments are proportional to the amount of child support collected by the State; collections for welfare cases are given double the weight of collections for nonwelfare cases in the calculations;

(2) Maximum incentive base amount is simply a device to give extra weight to three of the five incentive performance measures because these measures are thought to be more important to State performance. Specifically, paternity establishment, establishment of support orders, and collections on current support receive full weight in the calculations, while collections on past-due support and the cost-effectiveness performance level receive a weight of only 75 percent of the other three measures;

(3) Applicable percentage is the actual measure of performance effectiveness and is determined by looking up the raw performance level in a table; there is a different table for each of the five performance measures (see below);

(4) Incentive base amount is the total of the applicable percentages for each of the five performance measures multiplied by their respective maximum incentive base amounts (either 1.00 or 0.75);

(5) State incentive payment share is a percentage calculated by using the four factors defined above. This measure specifies the percentage share of the annual payment pool that each State receives. The State incentive payment share takes into account the State's performance on all five incentive performance measures, the weighting of the five incentive performance measures, its collections in the TANF and non-TANF caseloads, and its performance relative to other States.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*4. Data used to calculate ratios required to be complete and reliable*

*Present law*

No provision.

*House bill*

The payment on each of the five performance measures is zero unless the Secretary determines that the data submitted by the State for each measure is complete and reliable.

*Senate amendment*

Same

*Agreement*

The agreement follows the House bill and the Senate amendment.

*5. State collections base*

*Present law*

Although the collections base terminology is not used, the incentive payment is based on total child support collected on behalf of TANF families (i.e., TANF collections) plus total child support collected on behalf of non-TANF families (i.e., non-TANF collections).

*House bill*

The collections base for a fiscal year is the sum of two categories of child support collections by the State. The first category is collections on cases in the State child support welfare caseload. This category includes families that are currently or were formerly receiving benefits from TANF (or its predecessor program Aid to Families with Dependent Children), from Medicaid under Title XIX, or from foster care under Title IV–E. Total collections from this category are doubled in the State collections base calculation. The second category is collections from all other families receiving services from the State child support enforcement program.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*6. Determination of applicable percentages for paternity establishment performance level*

*Present law*

No provision.

*House bill*

The paternity establishment performance level for a State for a fiscal year is, at the option of the State, either the paternity establishment percentage of cases in the child support program or the paternity establishment percentage of all births in the State. In both cases, the paternity establishment percentage is obtained by dividing the cases in which paternity is established by the total number of nonmarital births. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(A) of the Social Security Act (see Table 1 below).

*Special rule for computing the applicable percentage for paternity establishment:* If the paternity establishment performance level of a State is less than 50 percent but exceeds by at least 10 percentage points the paternity establishment performance level of the State for the immediately preceding fiscal year, then the applicable percentage for the State paternity establishment performance level is 50 percent.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*7. Determination of applicable percentages for child support order performance level*

*Present law*

No provision.

*House bill*

The support order performance level for a State for a fiscal year is the percentage of cases in the child support program for which there is a support order. The applicable percentage is then determined in accord with the table of new section 458A(b)(6)(B) of the Social Security Act (see Table 2 below)

Special rule for computing the applicable percentage for child support orders: If the support order performance level of a State is less than 50 percent but exceeds by at least 5 percentage points the support order performance level of the State for the immediately preceding fiscal year, then the applicable percentage for the State's support order performance level is 50 percent.

*Senate amendment*

Same

*Agreement*

the agreement follows the House bill and the Senate amendment.

*8. Determination of applicable percentages for collections on current child support due performance level*

*Present law*

No provisions.

*House bill*

The current support payment performance level for a State for a fiscal year is the total amount of current support collected during the fiscal year from all cases in the child support program (both welfare and non-welfare cases) divided by the total amount owed on support which is not overdue. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(C) of the Social Security Act (see Table 3 below).

Special rule for computing the applicable percentage for current payments: If the current payment performance level is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage for the State's current payment performance level is 50 percent.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*9. Determination of applicable percentages for collections on child support arrearages performance level*

*Present law*

No provision.

*House bill*

The arrearages payment performance level for a State for a fiscal year is the total number of cases in the State child support program that received payments on past-due child support divided by the total number of cases in the State child support program in which a payment of child support is past-due. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(D) of the Social Security Act (see Table 4 below).

Special rule for computing the applicable percentage for arrears: If the arrearages payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the arreages payment performance level for the immediately preceding fiscal year, then the applicable percentage for the State's arrearages performance level is 50 percent.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*10. Determination of applicable percentages for cost-effectiveness performance level*

*Present law*

Incentive payments are made according to the collection-to-cost ratios (ratio of TANF collections to total child support enforcement administrative costs and ratio of non-TANF collections to total child support enforcement administrative costs) shown below.

| *Collection-to-cost ratio:* | *Incentive payment received (percent)* |
|---|---|
| Less than 1.4 to 1 | 6.0 |
| At least 1.4 to 1 | 6.5 |
| At least 1.6 to 1 | 7.0 |
| At least 1.8 to 1 | 7.5 |
| At least 2.0 to 1 | 8.0 |
| At least 2.2 to 1 | 8.5 |
| At least 2.4 to 1 | 9.0 |
| At least 2.6 to 1 | 9.5 |
| At least 2.8 to 1 | 10.0 |

For purposes of calculating these ratios, interstate collections are credited to both the initiating and responding States. In addition, at State option, laboratory costs (for blood testing, etc.) to establish paternity may be excluded from the State's administrative costs in calculating the State's collection-to-cost ratios for purposes of determining the incentive payment.

*House bill*

The cost-effectiveness performance level for a State for a fiscal year is the total amount collected during the fiscal year from all cases in the State child support program divided by the total amount expended during the fiscal year on the State child support program. The applicable percentage is then determined in accord with the table in new section 458A(b)(6)(E) of the Social Security Act (see Table 5 below).

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*11. Treatment of interstate collections.*

*Present law*

As noted above, in computing incentive payments, child support collected by one State at the request of another State (i.e., interstate collections) are credited to both the initiating State and the responding State. State expenditures on special interstate projects carried out under section 455(e) of the Social Security Act must be excluded from the incentive payment calculation.

*House bill*

In computing incentive payments, support collected by a State at the request of another State is treated as having been collected by both States. State expenditures on a special interstate project carried out under section 455(e) are excluded from incentive payment calculations.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*12. Administrative provisions*

*Present law*

The Secretary's incentive payments to States for any fiscal year are estimated at or before the beginning of such year based on the best information available. The Secretary makes such payments on a quarterly basis. Each quarterly payment must be reduced or increased to the extent of overpayments or underpayments for prior periods.

*House bill*

The Secretary's incentive payments to States are based on estimates computed from previous performance by the States. Each year, the Secretary must make quarterly payments based on these estimates. Each quarterly payment must be reduced or increased to the extent of overpayments or underpayments for prior periods.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*13. Regulations*

*Present law*

Not applicable.

*House bill*

The Secretary of Health and Human Services must prescribe regulations necessary to implement the incentive payment program within 9 months of the date of enactment. These regulations may include directions for excluding certain closed cases and cases over which the State has no jurisdiction.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*14. Reinvestment*

*Present law*

No provision.

*House bill*

States must spend their child support incentive payments to carry out their child support enforcement program or to conduct activities approved by the Secretary which may contribute to improving the effectiveness or efficiency of the State child support enforcement program.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*15. Transition rule*

*Present law*

Not applicable.

*House bill*

The new incentive system is phased in over 2 years beginning in fiscal year 2000. In fiscal year 2000, 1/3rd of each State's incentive payment is based on the new incentive system and 2/3rds on the old system. In fiscal year 2001, 2/3rds of each State's incentive payment is based on the new incentive system and 1/3rd on the old system. The new system is fully operational in fiscal year 2002.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*16. Review*

*Present law*

No provision.

*House bill*

The Secretary of Health and Human Services must conduct a study of the implementation of the incentive payment program in order to identify problems and successes of the program. An interim report must be presented to Congress not later than March 1, 2001. By October 1, 2003, the Secretary must submit a final report. Recommendations for changes that the Secretary determines would improve program operation should be included in the final report.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*17. Study*

*Present law*

No provision.

*House bill*

The Secretary, in consultation with State IV–D directors and representatives of children potentially eligible for medical support, must develop a new medical support incentive measure based on effective performance. A report on this new incentive measure must be submitted to Congress not later than October 1, 1999.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*18. Technical and conforming amendments*

*Present law*

No provision.

*House bill*

This section contains two technical and conforming amendments.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*19. Elimination of current incentive program*

*Present law*

No provision. (The current incentive payment system is a permanent provision of law.)

*House bill*

The current incentive program under section 458 of the Social Security Act is repealed on October 1, 2001. On that date, section 458A is redesignated as section 458.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

*20. General effective date*

*Present law*

The current incentive payment system took effect on October 1, 1985.

*House bill*

Except for the elimination of the current incentive program (see provision #19 above), the amendments made by this legislation take effect on October 1, 1999.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment.

TITLE III. ADOPTION PROVISIONS

SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE APPLIED FOR FAILING TO PERMIT INTERJURISDICTIONAL ADOPTION

*Present law*

Under section 474(e) of the Social Security Act (as established by P.L. 105–89), a State is not eligible for any foster care or adoption assistance payments under Title IV–E if the Secretary finds that the State has denied or delayed a child's adoptive placement when an approved family is available outside the jurisdiction with responsibility for handling the child's case, or the State has failed to grant an opportunity for a fair hearing to anyone who alleges that a violation of this provision was denied by the State or not acted upon promptly.

*House bill*

The current penalty of losing all Federal Title IV–E funds for violating the jurisdictional provision is dropped and a new penalty is substituted. Under the new penalty, States that violate the adoption provision would receive a penalty equal to 2 percent of the Federal funds for foster care and adoption under Title IV–E of the Social Security Act for the first violation, 3 percent for the second violation, and 5 percent for the third and subsequent violations.

*Senate amendment*

Same.

*Agreement*

The agreement follows the House bill and the Senate amendment. The intent of a

major provision of the Adoption and Safe Families Act of 1997 is to remove interjurisdictional barriers to adoption to ensure that States facilitate timely permanent placements for children. Any State policy or practice that denies a child the opportunity to be adopted across State or county jurisdictions is in clear violation of the Act. The Department of Health and Human Services must develop a comprehensive monitoring strategy to uncover state violations. The new penalties for violating the interjurisdictional provision are aimed at enforcing State plan violations by reducing for a fiscal quarter the amount of money payable to the State by 2 percent for the first violation, 3 percent for the second violation, and 5 percent for the third and subsequent violations. Congress expects the Secretary to carefully monitor changes in State policy on interjurisdictional barriers and to use the new penalties enacted by Congress if necessary.

The Adoption and Safe Families Act of 1997 does not prevent a State from making efforts to preserve or reunify a family in cases of aggravated circumstances, as long as the child's health and safety are the paramount considerations. In addition, the Adoption and Safe Families Act of 1997 establishes a new requirement that States must initiate termination of parental rights proceedings in specific cases that are outlined in the law. However, the law only requires States to initiate such proceedings and does not mandate the outcome. Moreover, the law provides that States are not required to initiate termination of parental rights in certain cases, including when there is a compelling reason to conclude that such proceedings would not be the child's best interest. Thus, the State retains the discretion to make case-by-case determinations regarding whether to seek termination of parental rights.

TITLE IV. TECHNICAL CORRECTIONS

SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISHMENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT

*Present law*

P.L. 104–193 required Employee Retirement Income Security Act (ERISA) plan administrators to honor health insurance orders (i.e. medical support orders) issued by courts or administrative agencies. It appears that many ERISA plan administrators interpreted the statutory language as requiring the actual receipt of a copy of the order itself. Since it is the practice of many CSE agencies to simply notify the ERISA plan administrator that an order has been issued for a case, many plan administrators did not recognize the administrative notice as sufficient to meet the requirements of current law. Currently only 60% of all national child support orders include a medical support component. In its 1996 review of state child support enforcement programs, GAO reported that at least 13 states were not consistently petitioning to include medical support in its general support orders, and 20 states were not enforcing existing medical support orders.

*House bill*

No provision.

*Senate amendment*

The Senate amendment requires the Secretaries of the Departments of Health and Human Services and Labor to design and implement a National Standardized Medical Support Notice. Proposed regulations would be required no later than 180 days after the date of enactment, and final regulations no later than 1 year after the Date of enactment. State child support enforcement agencies would be required to use this standardized form to communicate the issuance of a medical support order, and employers would be required to accept the form as a ''qualified medical support order' under the Employee Retirement Income Security Act (ERISA). The Secretaries would jointly establish a medical support working group, not later than 90 days after the date of enactment, to identify and make recommendations for the removal of other barriers to effective medical support. The working group's report on recommendations for appropriate measures to address the impediments to effective enforcement of medical support is due to the Secretary of Health and Human Services, and the Congress, no later than 18 months after the date of enactment. The Secretary of Labor, in consultation with the Secretary of Health and Human Services, would be required to submit to Congress, not later than one year after the date of enactment of this bill, a report containing recommendations for any additional ERISA changes necessary to improve medical support enforcement.

*Agreement*

Medical child support is an essential part of any general child support order because it enables a child to have access to quality private health care coverage to which she or he would not otherwise be entitled. It also prevents the misuse of Federal programs such as Medicaid and the State Children's Health Insurance Program as a backdoor alternative for parents who shirk their medical child support responsibilities. Although ERISA already requires that employers enforce medical care support orders if those orders meet certain criteria laid out in that statute (which qualifies them as *Qualified Medical Child Support Orders or QMSCOs),* effective enforcement of medical child support is still thwarted by a lack of standardized communication between the state child support enforcement agencies, parents' employers, and the plan administrators of parents' health insurance plans. Streamlining the medical support process for ERISA plans and non-ERISA plans alike is essential to ensure that all children receive the medical support for which they are eligible.

The agreement follows the Senate provision on medical support with changes. The agreement requires that the Medical Child Support Working Group be established within 60 days after the date of enactment. It also adds others to the Working Group (e.g. organizations representing state child support programs and the trade or industry representatives of employers and their certified human resource and payroll professionals). It is expected that representatives of at least the following organizations be invited to participate in the working group—the American Public Welfare Association, the New York State Child Support Division, the Eastern Regional Interstate Child Support Association, the American Payroll Association, the ERISA Industry Committee, the Society for Human Resource Management, the National Coordinating Committee for Multi-employer Plans, the Center for Law and Social Policy, and the Children's Defense Fund. The working group is required to submit its recommendations for appropriate measures to address the impediments to effective enforcement of medical support to the Secretaries of Health and Human Services and Labor no later than 18 months after the date of enactment. The Secretaries are required to submit their joint report to Congress no later than 2 months after they receive the recommendations of the working group.

In general, the agreement would follow the Senate provision with respect to the development and promulgation by regulation of a National Medical Support Notice to be issued by the States as a means of ensuring that the medical support provisions in a child support order are properly carried out. The National Medical Support Notice (1) is to conform to the provisions specified in section 609(a)(3) of ERISA (irrespective of whether the group health plan is covered by reason of section 4 of such Act), and (2) is to include a separate and easily severable employer withholding notice (which can be made severable in any reasonable manner and not limited to perforated paper). Interim regulations for the National Medical Support Notice would be required within 10 months of the date of enactment, and final regulations no later than 1 year after the issuance of the interim regulations.

The agreement requires State Child Support Enforcement agencies to use the National Medical Support Notice to transfer notice of provision of health care coverage for the child to the non-custodial parent's employer (unless alternative coverage is allowed for in any order of the court or other entity issuing the order). The employer is then required, within 20 business days, to send the portion of the national notice excluding the employer withholding notice to the appropriate plan providing health care coverage for which the child is eligible. The employer withholding notice is also to inform the employer of applicable provisions of state law (and related information) requiring the employer to withhold any employee contributions due as may be required to enroll the child under such plan.

The agreement requires ERISA plan and other covered plan administrators who receive an appropriately completed National Medical Support Notice to comply with such notice as a qualified medical child support order. The plan administrator is then to report back to the State within 40 business days after receipt of the Notice whether coverage is available, whether the child is covered and the date of coverage, and if the child is not covered, any steps needed to enroll the child under the plan. Nothing in this provision is to be construed as requiring a covered group health plan to provide benefits (or eligibility for such benefits) which are not otherwise provided under the terms of the plan.

The agreement also applies the requirements of the National Medical Support Notice to certain other plans that are not covered under section 609 of ERISA.

SEC. 401. SAFEGUARD OF NEW EMPLOYEE INFORMATION

*Present law*

No provision.

*House bill*

No provision.

*Senate amendment*

The Senate amendment would impose a fine of $1,000 for each act of unauthorized access to, disclosure of, or use of information in the National Directory of New Hires. It would also require that data entered into the National Directory of New Hires be deleted 24 months after the date of entry for individuals who have a child support order. For an individual who does not have a child support order, the data would be required to be deleted after 12 months.

*Agreement*

The agreement follows the Senate amendment with modifications. The $1,000 fine is retained and the Social Security Administration (SSA), which maintains the New Hires data base under contract with HHS, must delete the New Hire and wage and unemployment compensation data within 24 months after receipt. However, HHS will not have access to the wage and unemployment compensation data after 12 months for individuals who have not been found to have a

child support order. The Secretary may retain data on a sample of cases for research purposes. In addition, the Secretary must inform Congress within 90 days after enactment of the purposes for which the New Hire and wage and unemployment compensation data will be used. The Secretary must also inform Congress at least 30 days before the data is to be used for a purpose not specified in the original report. Within 3 years after enactment, the Secretary must report to Congress on the accuracy of New Hire data and the effectiveness of the procedures designed to safeguard the New Hire information.

SEC. 403. CONFORMING AMENDMENTS REGARDING THE COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR THE PURPOSES OF CHILD SUPPORT ENFORCEMENT

*Present law*

Federal law (section 205(c)(2)(C) allows any State (or subdivision of the State) to use Social Security account numbers in the administration of any tax, public assistance, driver's license, or motor vehicle registration laws within its jurisdiction to identify individuals affected by such laws.

*House bill*

No provision.

*Senate amendment*

The Senate amendment revises the current statute to reflect the social security numbers also must be used by the agencies administering the renewal of professional licenses, driver's licenses, occupational licenses, or recreational licenses to respond to requests for information from Child Support Enforcement agencies; and that all divorce decrees, support orders, paternity determinations and paternity acknowledgments must include the social security number of the applicable individuals for the purpose of responding to requests for information from Child Support Enforcement agencies.

*Agreement*

The agreement follows the House bill; i.e., no provision.

SEC. 404. CLARIFICATION OF DEFINITION REGARDING HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT OF CHILD SUPPORT

*Present law*

Federal law (section 466(a)(14) of the Social Security Act, as amended by section 5550 of P.L. 105–33) requires States to conduct ''high-volume automated administrative enforcement,'' to the same extent as used for intrastate cases, in response to a request made by another state to enforce a child support order and promptly report the results of such enforcement procedures to the requesting state. Federal law also defines ''high-volume automated administrative enforcement.''

*House bill*

No provision.

*Senate amendment*

The Senate amendment eliminates the definition of ''high-volume automated administrative enforcement'' from the statute.

*Agreement*

The agreement replaces the definition of ''high-volume automated administrative enforcement'' in current law with a clearer definition. The new definition requires states, upon request from another state in an interstate case, to use automated data matches with financial institutions and other entities to locate the obligor's assets and, when assets are discovered, to seize these asset through levy or other appropriate process. The agreement also includes a provision allowing the Secretary, through the Federal Parent Locator Service, to help States work with financial institutions doing business in 2 or more states. The Secretary may send identifying information to such financial institutions on all individuals who owe past-due child support in any state. The financial institutions will then transmit back to the Secretary the identifying information on individuals who owe past-due support for whom they have accounts; the Secretary will transmit this information back to the state that submitted the identifying information. The State will take appropriate actions to seize the assets. This provision does not allow the Secretary to have access to any financial information on individuals holding accounts in these financial institutions. Multi-state financial institutions that respond to requests for information from the Secretary are not expected to respond to such requests from any state for which they have accepted information from the Secretary. However, states that now conduct these data matches with financial institutions that do business in 2 or more states may continue such procedures until January 1, 2000. This provision is not intended to prohibit a State from requiring any financial institution doing business in the State to report account information directly to the State for purposes other than child support enforcement. Financial institutions that provide identifying information to the Secretary or seize assets at the request of States are not liable under State or Federal law for such actions.

SEC. 405. GENERAL ACCOUNTING OFFICE REPORTS

*Present law*

No provision.

*House bill*

No provision.

*Senate amendment*

The Senate amendment would require the Comptroller General of the United States (i.e., the General Accounting Office) to report to Congress, no later than December 31, 1998, on the feasibility of implementing an instant check system for employers to use in identifying individuals with child support orders. The report is to include a review of the use of the Federal Parent Locator Service, including the Federal Case Registry of Child Support Orders and the National Directory of New Hires, and the adequacy of the privacy protections.

*Agreement*

The agreement follows the Senate amendment.

SEC. 406. TECHNICAL CORRECTIONS (THIS PROVISION IS SECTION 401 OF THE HOUSE BILL).

*Present law*

Under section 473A of the Social Security Act (as established by P.L. 105–89), States may receive financial incentives for increasing their number of adoptions of foster children, above an annual base level. In determining the base levels for each State, the Secretary will use data from the Adoption and Foster Care Analysis and Reporting System (AFCARS). However, in determining the base levels for fiscal years 1995 through 1997, the Secretary may use alternative data sources, as reported by a State by November 30, 1997, and approved by the Secretary by March 1, 1998.

Under Section 466(a)(13) of the Social Security Act (as established by P.L. 104–193 and amended by P.L. 105–33), states must have procedures requiring that the social security number of an applicant for a professional license, driver's license, occupational license, recreational, or marriage license be recorded on the application. In addition, the social security number of a person subject to a divorce decree, support order, or paternity determination or acknowledgment must be placed in the records relating to the matter. Also social security numbers must be recorded on death certificates. The statute permits the state to use a number other than the social security number in some cases. If a state chooses this option, it must still keep the social security number of the applicant on file.

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 required States to collect social security numbers on applications for State licenses for purposes of checking the identity of immigrants by October 1, 2000.

*House bill*

The current law on alternative data sources to calculate the adoption incentive amount only allowed the use of data reported by States by November 30, 1997 and approved by the Secretary by March 1, 1998. The new provision provides States with an additional 5 months to report data (until April 30, 1998) and the Secretary with an additional 4 months to approve the data (until July 1, 1998).

The House bill changes the January 1, 1998 date in the 1996 welfare reform law pertaining to State licenses to October 1, 2000, or such earlier date as the State selects.

*Senate amendment*

Same.

*Agreement*

The Agreement follows the House bill and the Senate amendment with some additional technical amendments. The State data reporting on child support enforcement required under section 469 of the Social Security Act is simplified. The provision on eligibility for services in the Welfare-to-Work program authorized by section 403(a)(5) of the Social Security Act is clarified by allowing states to provide services to noncustodial parents of children who meet the qualifications for benefits under the program. Two sections of the Child Support Enforcement statute at Title IV–D of the Social Security Act regarding the use of the Federal Parent Locator Service (FPLS) are clarified. Language on use of the FPLS for making or enforcing child custody or visitation orders is removed from section 453 where it had been placed inadvertently by legislation enacted in 1997. The language on use of the FPLS in cases of parental kidnaping, child custody, or parental visitation is located in section 463. This statute requires States to receive and transmit to the Secretary requests from authorized persons (State agents, attorneys, or courts). The provisions of section 463, which carefully balance the rights of children, custodial parents, and noncustodial parents, are intended to ensure that the FPLS is used in an even-handed fashion to assist both parents in achieving access to their children under appropriate circumstances. States must honor the requests of noncustodial parents to have access, through local courts, to information in the FPLS if the procedures of section 463 are followed.

TITLE V. IMMIGRATION PROVISIONS

SEC. 501. ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION FOR NONPAYMENT OF CHILD SUPPORT

*Present law*

No comparable provision. The Immigration and Nationality Act (INA) enumerates a number of reasons why an alien may be ineligible to receive visas and excluded from admission, including the likelihood of becoming a public charge, but failure to pay child support is not among them.

*House bill*

Amends the INA to makes inadmissible any alien legally obligated to pay child support whose failure to pay has resulted in an

arrearage exceeding $5,000, until child support payments are made or the alien is in compliance with an approved payment agreement. Extends applicability to aliens previously admitted for permanent residence (i.e., as immigrants) who are seeking readmission. Authorizes the Attorney General to waive inadmissibility in a given case if he or she: (1) has received a waiver request from the court of administrative agency with jurisdiction over the child support case; and (2) determines that granting the waiver would substantially increase the likelihood that past and future child support payments would be made.

*Senate amendment*

No provision.

*Agreement*

The agreement follows the Senate amendment except that the Secretary of HHS is required to write a report, after consulting with the Immigration and Naturalization Service (INS), on the feasibility of enacting the provision on child support enforcement against aliens in the House bill. The report, which must be delivered to Congress within 6 months of enactment, must include an assessment of whether the INS can effectively implement the requirements of the House provision.

SEC. 502. EFFECT OF NONPAYMENT OF CHILD SUPPORT ON ESTABLISHMENT OF GOOD MORAL CHARACTER

*Present law*

No comparable provision in the reasons given in the INA for a determination that an alien is not a person of good moral character; such a determination is necessary for an immigrant to naturalize.

*House bill*

Amends the INA to preclude a finding of good moral character, and thus naturalization, if a person obligated to pay child support has failed to do so, with the opportunity to overcome this either by meeting the child support obligation or complying with an approved payment agreement.

*Senate amendment*

No provision.

*Agreement*

The agreement follows the Senate amendment; i.e., no provision

SEC. 503. AUTHORIZATION TO SERVE LEGAL PROCESS IN CHILD SUPPORT CASES ON CERTAIN ARRIVING ALIENS

*Present law*

No comparable provision among the functions Immigration and Naturalization Service (INS) officers are authorized by the INA to perform during the inspections process.

*House bill*

Amends the INA to authorize INS officers, to the extent consistent with state law, to serve an applicant for admission with a writ, order, or summons in a child support case.

*Senate amendment*

No provision.

*Agreement*

The agreement follows the Senate Amendment; i.e., no provision.

SEC. 504. AUTHORIZATION TO OBTAIN INFORMATION ON CHILD SUPPORT PAYMENTS BY ALIENS

*Present law*

No comparable provision.

*House bill*

Amends the Social Security Act to authorize the Secretary of HHS to respond to requests by the Attorney General or the Secretary of State with information which, in the opinion of the HHS Secretary, may aid them in determining whether an alien owes child support.

*Senate amendment*

No provision.

*Agreement*

The agreement follows the Senate amendment; i.e., no provision.

TABLE 1

| If the paternity establishment performance level is— | | The applicable percentage is |
|---|---|---|
| At least (percent) | But less than (percent) | |
| 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 |

TABLE 2

| If the support order establishment performance level is— | | The applicable percentage is |
|---|---|---|
| At least (percent) | But less than (percent) | |
| 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 |

TABLE 3

| If the current payment performance level is— | | The applicable percentage is |
|---|---|---|
| At least (percent) | But less than (percent) | |
| 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 |

TABLE 3—Continued

| If the current payment performance level is— | | The applicable percentage is |
|---|---|---|
| At least (percent) | But less than (percent) | |
| 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 |

TABLE 4

| If the arrearage payment performance level is— | | The applicable percentage is |
|---|---|---|
| At least (percent) | But less than (percent) | |
| 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 |

TABLE 5

| If the cost effectiveness performance level is— | | The applicable 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 |

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on the House amendment to the Senate amendment to H.R. 3130.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LEVIN. Mr. Speaker, further reserving the right to object, I rise in strong support today for H.R. 3130 which will reward States that administer effective child support enforcement systems. The bill is a result of the cooperation and hard work of both parties and both Chambers of Congress, and it is very similar to legislation the House passed earlier this year by a vote of 414 to 1, and I would like to congratulate the chairman of the subcommittee, the gentleman from Florida (Mr. SHAW), to his staff, and to our staff, and to the administration for all of its work.

This bill is tough because it is realistic. No more postponements. States will have to modernize their systems to collect moneys ordered by courts for noncustodial parents needed by their children or face certain penalties.

H.R. 3130, as the gentleman from Florida (Mr. SHAW) has explained has two basic goals. First, the legislation would establish a new set of penalties for States that have failed to modernize their child support systems. Unlike the current penalties, these new requirements can be realistically enforced and therefore represent a meaningful incentive for States to computerize and centralize their child support files. These steps are necessary for reliable and timely payments to children and families.

Second, the bill would revamp the current Federal system for rewarding performance among State child support enforcement systems. By establishing specific performance criteria, H.R. 3130 would make these incentive payments more closely track State efforts to enforce child support orders.

Let me say the concerns from the other body unfortunately prevented us from including in this bill, as the gentleman from Florida (Mr. SHAW) has stated, a provision championed by the gentleman from Maryland (Mr. CARDIN) to deny noncitizens entrance into our country if they refuse to pay past due child support to an American citizen. The provision would serve a clear and useful purpose and certainly deserves our continued support.

Mr. Speaker, we all talk about parental responsibility. In today's legislation that the gentleman from Florida (Mr. SHAW) and I have sponsored and that has had, as said, the hard work on both sides of the aisle, on both sides of the Rotunda and with the administration, is indeed a real step towards requiring all parents to meet their obligations to their children.

Mr. FAWELL. Mr. Speaker, I want to rise in support of H.R. 3130, The Child Support Performance and Incentive Act. This bill will go a long way in helping children and families who depend on the performance of child support agreements.

In particular, I want to note the improved child medical support order provisions worked out in the bill. I am pleased that we have broad bipartisan support for these important provisions. They will help ensure that children who are entitled to medical support through a child support order actually get enrolled in the health plans of their non-custodial parents. Equally important, the agreement worked out in conference should greatly expedite this process, and give both State child support enforcement agencies and the health plans who must administer these children's enrollments greater assurance that the process will work efficiently.

Mr. Speaker, there are few things that are as important as one's health. Children in particular with their whole lives ahead of them, must have access to ongoing care. Similarly, there are few things that are as frightening for a family as having a child face illness without the protection of insurance. This legislation addresses these fundamental concerns: it will help ensure that more kids get the care they've been promised and need, and give more families the financial security and peace of mind to which they are entitled.

Mr. Speaker, I urge all my colleagues to support this agreement.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Florida?

There was no objection.

A motion to reconsider was laid on the table.

## HONORING THE BERLIN AIRLIFT

Mr. HEFLEY. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from the further consideration of the concurrent resolution (H. Con. Res. 230) honoring the Berlin airlift, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. BALLENGER. Reserving the right to object, Mr. Speaker, I do not intend to object, but I would like to do so for the gentleman from Colorado (Mr. HEFLEY) to offer an explanation of his request.

Mr. HEFLEY. Mr. Speaker, will the gentleman yield?

Mr. BALLENGER. I yield to the gentleman from Colorado.

Mr. HEFLEY. Mr. Speaker, this is a sense of Congress resolution regarding the celebration of the Berlin airlift that should include a presentation of a suitable gift of representational art from the citizens of the United States of America to the citizens of the Federal Republic of Germany commemorating the fall of the Berlin Wall and the reunification of this great city. And this, as my colleagues know, was one of the great moments in history when the United States stepped in and saved a city that, if there was ever intention it was going to be choked to death, there were about 2 million people that were assisted by this airlift, and I think this is a very important and appropriate thing for the Congress of the United States to recognize. And, with that, I would hope the gentleman would remove his right to object.

Mr. BALLENGER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 230

Whereas the date, 26 June 1998, marks the 50th anniversary of the commencement of the Allied effort to supply the people of Berlin, Germany, with food, fuel, and supplies in the face of the illegal Soviet blockade that divided the city;

Whereas this 15 month Allied effort became known throughout the free world as the ''Berlin Airlift'' and ultimately cost the lives of 78 Allied airmen, of whom 31 were United States fliers;

Whereas this heroic humanitarian undertaking was universally regarded as an unambiguous statement of Western resolve to thwart further Soviet expansion;

Whereas the Berlin Airlift was an unqualified success, both as an instrument of diplomacy and as a life saving rescue of the 1,000,000 inhabitants of West Berlin, with 2,326,205 tons of supplies delivered by 277,728 flights over a 462-day period;

Whereas historians and citizens the world over view the success of this courageous action as pivotal to the ultimate defeat of international tyranny, symbolized today by the fall of the Berlin Wall; and

Whereas this inspiring act of resolve must be preserved in the memory of future generations in a positive and dramatic manner: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring),* That it is the sense of the Congress that the 50th anniversary of the Berlin Airlift should include the presentation of a suitable gift of representational art from the citizens of the United States of America to the citizens of the Federal Republic of Germany, commemorating the fall of the ''Berlin Wall'' and the reunification of this great city and, to this end, civic and corporate leaders across the Nation are entrusted to fulfill this intent using private subscription and volunteer effort with the encouragement and support of the United States Congress.

The concurrent resolution was agreed to.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. HEFLEY

Mr. HEFLEY. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. HEFLEY:

In the preamble amend the first clause to read as follows:

Whereas the Allied effort to supply the people of Berlin, Germany, with food, fuel, and supplies in the face of the illegal Soviet blockade that divided the city was one of the greatest military and humanitarian efforts in the history of the world;

In the 4th clause of the preamble, strike ''1,000,000'' and insert ''2,000,000''.

In the text after the resolving clause strike ''50th anniversary'' and insert ''celebration''.

Mr. HEFLEY. Mr. Speaker, these are technical amendments to make the resolution come into compliance with our House rules, and I would move the amendment.

The SPEAKER pro tempore. The question is on the amendment to the